Akamai Technologies Inc - Climate Change 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Akamai secures and delivers digital experiences for the world's largest companies. Akamai's intelligent edge platform surrounds everything, from the enterprise to the cloud, so customers and their businesses can be fast, smart, and secure. Top brands globally rely on Akamai to help them realize competitive advantage through agile solutions that extend the power of their multi-cloud architectures. Akamai keeps decisions, apps, and experiences closer to users than anyone - and attacks and threats far away. Akamai's portfolio of edge security, web and mobile performance, enterprise access, and video delivery solutions is supported by unmatched customer service, analytics, and 24/7/365 monitoring. To learn why the world's top brands trust Akamai, visit www.akamai.com, blogs.akamai.com, or @Akamai on Twitter.

At Akamai, we believe the Internet represents boundless opportunity; it can bring the world closer together and facilitate greater understanding among people across the globe. We are proud to be a part of the essential fabric of the Internet, creating a better future for all. We also believe that operating our business with integrity, a small environmental footprint, and respect for human rights is fundamental to unlocking the potential of the Internet and an essential value for our customers and the communities in which we operate. Our environmental sustainability initiative is focused on addressing material environmental impacts of our energy consumption, greenhouse gas (GHG) emissions, and electronic waste generation. Environmental stewardship is of growing importance to our customers as well, and our success helps them achieve their supply chain sustainability goals. Looking through the lens of sustainability provides a fresh perspective that stimulates new ways of thinking about our operations, markets, and supply chain, and inspires innovation.

Akamai is trusted by:
- 19 of the Top 20 U.S. eCommerce Retailers
- All of the Top 25 U.S. Banks
- 10 of the Top 10 European Banks
- 10 of the Top 10 U.S. Asset Managers
- 8 of the Top 10 European Asset Managers
- 13 of the Top 14 U.S. OTT Providers
- 23 of the Top 24 Global Videogame Companies

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2020	December 31 2020	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.
Afghanistan
Albania
Algeria
Angola
Antarctica
Antigua and Barbuda
Argentina
Armenia
Aruba
Australia
Austria
Azerbaijan
Bahamas
Bahrain
Bangladesh
Barbados
Belarus
Belgium
Belize
Bermuda
Bhutan
Bolivia (Plurinational State of)
Bosnia & Herzegovina

Botswana
Brazil
British Virgin Islands
Brunei Darussalam
Bulgaria
Burundi
Cambodia
Cameroon
Canada
Central African Republic
Chad
Chile
China
China, Hong Kong Special Administrative Region
China, Macao Special Administrative Region
Christmas Island
Colombia
Congo
Costa Rica
Côte d'Ivoire
Croatia
Curaçao
Cyprus
Czechia
Democratic People's Republic of Korea
Denmark
Djibouti
Dominican Republic
Ecuador
Egypt
El Salvador
Equatorial Guinea
Eritrea
Estonia
Ethiopia
Falkland Islands (Malvinas)
Faroe Islands
Fiji
Finland
France
French Guiana
Gabon
Gambia
Georgia
Germany
Ghana
Gibraltar
Greece
Grenada
Guadeloupe
Guam
Guatemala
Guernsey
Guinea
Guyana
Haiti
Honduras
Hungary
Iceland
India
Indonesia
Iran (Islamic Republic of)
Iraq
Ireland
Isle of Man
Israel
Italy
Jamaica
Japan
Jersey
Jordan
Kazakhstan
Kenya
Kuwait
Kyrgyzstan
Lao People's Democratic Republic
Latvia
Lebanon
Liberia
Libya
Liechtenstein

Lithuania
Luxembourg
Madagascar
Malawi
Malaysia
Maldives
Malta
Marshall Islands
Martinique
Mauritius
Mexico
Monaco
Mongolia
Montenegro
Montserrat
Morocco
Mozambique
Namibia
Nepal
Netherlands
New Caledonia
New Zealand
Nicaragua
Niger
Nigeria
North Macedonia
Norway
Oman
Pakistan
Panama
Papua New Guinea
Paraguay
Peru
Philippines
Poland
Portugal
Puerto Rico
Qatar
Republic of Moldova
Réunion
Romania
Russian Federation
Rwanda
Saint Lucia
Saint Martin (French part)
Saudi Arabia
Senegal
Serbia
Seychelles
Sierra Leone
Singapore
Sint Maarten (Dutch part)
Slovakia
Slovenia
Solomon Islands
Somalia
South Africa
South Georgia and the South Sandwich Islands
Spain
Sri Lanka
Sudan
Sweden
Switzerland
Syrian Arab Republic
Taiwan, Greater China
Tajikistan
Thailand
Togo
Trinidad and Tobago
Tunisia
Turkey
Turks and Caicos Islands
Uganda
Ukraine
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
United States Virgin Islands
Uruguay
Uzbekistan

Venezuela (Bolivarian Republic of)
Viet Nam
Yemen
Zambia
Zimbabwe

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.
USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.
Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?
Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	The ESG Committee is responsible for, among other things, identifying individuals qualified to become members of the Board; recommending to the full Board the persons to be nominated for election as directors and to each of its committees; overseeing self evaluation of the Board, including the performance of individual directors; and reviewing and making recommendations to the Board with respect to corporate governance practices. The ESG Committee also reviews management's initiatives with respect to environmental, social and governance matters (including charitable activities of the Akamai Foundation). The ESG Committee held seven meetings in 2020.
Chief Executive Officer (CEO)	The board members of the ESG Committee hold the CEO accountable for overall risk management in regards to environmental social governance (ESG) matters. The CEO must ensure that the company upholds good corporate governance and adheres to ethical behavior. The committee has a defined charter and will look to the CEO to adhere to and maintain relevant ESG standards and high ethical standards to act in the best interest of Akamai's stakeholders.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding business plans Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	Akamai has Board-level oversight through the ESG Committee for integrated environmental risk identification, assessment, and mitigation. The main risks considered in the ESG Committee are physical, reputational, and regulatory risks. When risks and mitigation strategies are identified by the ESG Committee, the risks are brought to the full Board's attention for discussion and broader action. 2020 was focused on developing new environmental goals for 2030, as Akamai's 2020 goals were successfully met. The Board actively participated in and approved our 2030 goals with a key driver of these goals being impactful change and future planning that more deeply mitigates our larger environmental impact. Our 2030 goals include: sourcing renewable energy to power 100% of our global operations, make our network 50% more efficient to therefore decrease our emissions by 100% year over year from 2015. We are tracking to net-zero emissions by 2030. We will also continue to recycle 100% of our e-waste and engage our suppliers in sustainable action. In 2020, not only did we exceed our original goals of 50% renewable energy, build a 30% more efficient platform, maintain our emissions from 2015 levels (despite exponential platform growth) and recycle 100% of our e-waste, we also set ambitious goals toward a net-zero emissions platform by 2030.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable>	Assessing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other C-Suite Officer, please specify (Executive Vice President of Platform)	<Not Applicable>	Assessing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Other C-Suite Officer, please specify (Senior Vice President of Networks)	<Not Applicable>	Assessing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Other C-Suite Officer, please specify (Chief Human Resources Officer)	<Not Applicable>	Assessing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Other C-Suite Officer, please specify (Chief Marketing Officer)	<Not Applicable>	Other, please specify (Assessing climate related risks and brand reputation)	<Not Applicable>	Quarterly
Other C-Suite Officer, please specify (Chief Legal Counsel)	<Not Applicable>	Other, please specify (Assessing climate related risks, brand reputation, and stakeholder priorities)	<Not Applicable>	More frequently than quarterly
Other C-Suite Officer, please specify (Chief Technology Officer and Fellow)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Environment/ Sustainability manager	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Sustainability committee	<Not Applicable>	Other, please specify (Focused on all corporate social responsibility initiatives)	<Not Applicable>	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Climate change strategy and risk management are well integrated into Akamai's corporate structure, starting all the way at the top with the Board. Environmental sustainability is top of mind for our CEO, who is accountable for overall risk management in regards to environmental social governance (ESG) matters. The CEO is informed by members of the operating committee (OC), who attends ESG-focused meetings called Sustainability Interlock meetings held quarterly. It consists of the following roles; Chief ESG Officer, Executive VP of Platform, Senior Vice President of Networks, Chief Human Resources Officer, Chief Marketing Officer, Chief Legal Counsel, and the Chief Technology Officer/ Akamai Fellow. Topics in the Sustainability Interlock Meeting include a revision of the company's risks and opportunities as it relates to environmental social governance (ESG) matters. It is the responsibility of this group to inform the other members of the OC and the CEO on a quarterly basis or more frequently if issues arise. The Sustainability Interlock Meeting is run by the Global Director of Corporate Sustainability, who reports into the Chief Technology Officer and Akamai Fellow, with plans to report into the Chief ESG Officer in 2021 and beyond. It is the responsibility of the Global Director of Corporate Sustainability to measure and manage Akamai's environmental impact, as well as engage the key stakeholders (Sustainability Committee or other) on Akamai's environmental goals and strategies. This responsibility includes monitoring climate-related issues such as increased costs due to regulatory changes, risks to infrastructure due to increased floods and storms, risks to our supply chain where disruption to our operations could occur, and expectations of our customers and investors around environmental action.

In the past year, Akamai announced the development of a new ESG office, led by the Chief ESG officer and housed in the legal department. This ESG office consists of three groups; (1) Environmental Sustainability led by the Global Director of sustainability, (2) the Akamai foundation, our philanthropic arm, led by the Executive Director of the Akamai Foundation and finally (3) our Diversity, Equity and Inclusion group led by the Vice President of Inclusion, Diversity and Engagement. These roles also attend the Sustainability Interlock Meeting on a quarterly basis.

If/when a risk is identified, the Global Director of Corporate Sustainability brings it to the attention of the attendees of the Sustainability Interlock meeting who then reviews and assesses the risk with the enterprise risk management team if required. If a risk is identified as urgent, either action is taken or the Director of Corporate Sustainability brings the issue to the CEO and board's ESG Committee to then bring to the full board.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Yes, Akamai provides incentives for the successful management of ESG related issues. Akamai seeks to align executive compensation with performance across a variety of areas which includes ESG matters by utilizing performance-based vesting restricted stock units, or PRSUs, that require the achievement of rigorous financial targets in order to vest and granting restricted stock units that require us to meet relative total shareholder return, or TSR, targets in order to vest.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Executive officer	Monetary reward	Efficiency project	The executive responsible for Akamai's global network platform has a management by objective (MBO) to reduce cost of goods sold per unit of traffic for network operations that includes energy efficiency as one of the targets. Financial compensation is tied to achieving MBO's. Akamai seeks to align executive compensation with performance across a variety of areas which includes ESG matters by utilizing performance-based vesting restricted stock units, or PRSUs, that require the achievement of rigorous financial targets in order to vest and granting restricted stock units that require us to meet relative total shareholder return, or TSR, targets in order to vest.
Business unit manager	Monetary reward	Efficiency project	The business unit manager responsible for Akamai's office operations has a management by objective (MBO) to reduce operational costs, including our energy costs. Financial compensation is tied to achieving MBO's. Akamai seeks to align compensation with performance across a variety of areas which includes ESG matters by utilizing performance-based vesting restricted stock units, or PRSUs, that require the achievement of rigorous financial targets in order to vest and granting restricted stock units that require us to meet relative total shareholder return, or TSR, targets in order to vest.
Other, please specify (Director of Corporate Sustainability)	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target	The Global Director of Sustainability has a management by objective (MBO) to achieve a renewable energy target to cover 100% of global network operations using renewable energy, build a 50% more energy-efficient Akamai platform, and mitigate 100% of our platform emissions to usher in a carbon-free edge by 2030. Financial compensation is tied to making progress towards and achieving MBO's.
All employees	Non-monetary reward	Emissions reduction project Efficiency project Supply chain engagement Other (please specify) (Any topic (sustainability or other) that employees feel could be improved upon)	Employees that are SVP level and below are encouraged to participate in a program called Akamai Wizards. It's an annual program where employees are welcomed to submit ideas on how to better improve Akamai; our products, customer experience, and even how the company is run. In this program, there is an option to submit ideas around sustainability improvements, with winners of the competition, which is decided by a select group of internal judges, being recognized at a company-wide All Hands. Depending on the idea, a monetary reward could be included in the recognition Additionally, we have a tool called Akalades, where employees can recognize others for hard work and dedication to certain projects. We offer a sustainability/platform efficiency category option, to recognize employees who have gone above and beyond in moving our sustainability program forward.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?
Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	1	3	This time horizon is aligned with other business practice time horizons. It reflects the time horizon for quickly changing factors, those that have a higher likelihood of changing, and that present climate-change risks/opportunities (regulatory, customer/investor expectations). It is within the range of our operational contract terms for network and office operations, which are both fully outsourced. It is also within the range of our product development and innovation planning cycles.
Medium-term	3	8	This time horizon is aligned with other business practice time horizons. It reflects the time horizon for factors that present climate-change risks and opportunities that are evolving slower, or if the evolution is less certain, like risks to infrastructure. Our definition of medium term also includes the time it may take to develop and implement response/innovation strategies. This time horizon is within the range of our operational contract terms for network and office operations, which are both fully outsourced. It is also within the range of our long-term strategy development and planning cycles for infrastructure and product innovation.
Long-term	8	15	This time horizon is aligned with other business practice time horizons. The time horizon reflects the time horizon for factors that present climate-change risks and opportunities that are evolving slowly, or in instances where the evolution is uncertain. These should be monitored for a need to develop a response or innovation strategy.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Akamai defines substantive financial impact as greater than 5% of a business unit's annual operating budget or forecasted fiscal year revenues. In addition to monitoring the impact at a BU/product level, the Board and its committees monitor risk through both formal and informal mechanisms. They review business, regulatory, operational, ESG, cyber security and other risks that are incorporated in operating and strategic presentations that members of management and our advisors make to the Board. In addition, the Board regularly reviews information regarding our liquidity and operations, as well as the risks associated with each. Get more info from our proxy statement that can be found here: https://www.ir.akamai.com/static-files/aea755dd-0430-41db-9c29-e6e2f44661f0

Financial reporting risks are typically addressed by the Audit Committee through internal audits, committee agenda items, ethics and whistleblower updates and other discussions. As an example, the Audit Committee has overseen and reviewed analyses prepared by our internal audit function designed to assess the likelihood that enumerated risks would occur, the harm such risks would create if they occurred and current sufficiency of controls to address such risks. These risk analyses are also inclusive of Environmental Social Governance (ESG) topics as well, as ESG issues also can have a financial risk.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
At Akamai, the environmental sustainability team brings deputies from engineering, finance, legal, and marketing to identify which short-, medium- and long-term climate risks and opportunities could have substantive financial or strategic impact on the organization. We have identified three main areas of risk/opportunity: operational, supply chain, and brand/reputational risk. RISK: We have identified potential climate-related risks to the performance of the Akamai Edge network as a result of climate disasters impacting the power supply to the many locations we exist in. Akamai has network operations (read: servers) across the globe, including in climate disaster-prone areas, in order to keep our global platform up and running. Because of the distributed nature of our operations, we are more prone to being impacted by climate disasters than most organizations, so we consider climate risk as a key factor when addressing corporate risk. The Director of Corporate Sustainability is responsible for helping business units identify and monitor climate related risks to Akamai's global operations. IDENTIFICATION: The sustainability team, led by the Global Director of Sustainability, consults subject matter experts from across the company (including our network architects, data center partners, and hardware and software engineering teams) to periodically review our global network footprint in order to better understand the implications that acute climate impacts (i.e. superstorm, flooding, or other catastrophic events) and chronic climate impacts (i.e. rising temperatures and sea level) would have on our operations and to prepare for them. ASSESSMENT: The sustainability team evaluates various geographies, target capacity values, and the possible effect of simultaneous events using a network impact (NI) model. The NI model uses geographical data (ex:

the 100 year floodplain), network data, and other inputs to show potential capacity loss, deficits, and the customer and company impact if a major climate-related event were to happen, or even occur simultaneously. For example, if a superflood hit Virginia, the model would show potential impacts to capacity, the costs we would incur, and how fast it would take to regain lost operations. RESPONSE: Informed by the NI model, we rely on the agile and self-healing nature of our network. We deploy the Akamai Edge to be considerate of climate related risks, and because of the way our network is deployed, our geographical locations are, in fact, a risk management strategy in and of itself. We develop the Edge to maintain certain levels of slack (excess capacity) in the instance that a data center goes down. This means we can afford to lose power to individual server locations due to a climate disaster. Only if there were large, simultaneous events impacting the power supply to our data centers, would there be a long-term or deep effect on our operations globally.

Value chain stage(s) covered
Direct operations
Upstream

Risk management process
A specific climate-related risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
Our deployed network, while extremely beneficial for resilience in the face of climate-related disasters, is also nearly impossible to deploy and manage ourselves. Akamai relies on our data center partners to host and maintain over 50% of our distributed network globally. In this way, we have identified our supply chain as an area that could be impacted by climate-related risks. RISK/OPPORTUNITY IDENTIFICATION: Power supply to keep data centers operational is only a part of the consideration when looking at the climate-related risks and opportunities in the supply chain. We also rely on precious metals/minerals manufacturers, chip manufacturers, e-waste management and others to keep our network up and running. For example, Akamai was impacted by a Texas chip manufacturing power outage in 2020, causing a risk to our supply chain and ultimately our network. We rely on the details of our service contracts with each supplier to identify climate-related risks. We treat these risks as an opportunity to build more resilient and efficient data centers in the future by building streamlined servers, running them hotter, and cooling them with outside air). ASSESSMENT: In our service contracts with suppliers, we outline our expectations for the development, management and recycling of hardware/e-waste to be in accordance with Akamai's set climate-change related risks identification and mitigation strategies. These contracts are considered at an asset level; T equipment in colocation data center facilities, IT and data center infrastructure in Akamai owned and operated facilities, and office facilities, are monitored for potential changes in: 1. Flood and storm frequency and intensity 2. Regulatory changes, e.g., carbon tax, electronic waste management requirements 3. Availability of water and water quality used for data center operations, when available RESPONSE: We always have second tier supplies on hand in the case of regular suppliers being impacted by a climate event. Furthermore we get a fuller picture of our climate-change related risks through a materiality assessment. This allows us to define, evaluate, and prioritize our response to these risks and identify opportunities for improvement. Akamai quantifies the materiality of climate-change related risks by measuring and monitoring our yearly energy consumption and scope 1,2,3 emissions as it relates to our network operations. These risk items are then evaluated and prioritized based on: 1. Size and scope of impact 2. Our ability to address 3. Requirements from outside stakeholders 4. A cost/benefit analysis

Value chain stage(s) covered
Direct operations
Upstream

Risk management process
A specific climate-related risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
We have identified potential climate-related risks to Akamai's brand perception related to the efficiency of our network and environmental impacts of our operations. This perception is built by customers, media relations, analysts, and employees. However, given the strengths of our program, this is also an opportunity for us to become one of the greenest CDN and cloud security companies out there. RISK & IDENTIFICATION: Akamai's services are a part of a larger ecosystem of the internet (we see about a third of the internet's traffic everyday). The B2B nature of our offering means that we are a key supplier to the world's largest banks, retailers, streaming companies, and governments who rely on us to be always on and secure, so their customers, citizens, and users are not only safe, but have a superior digital experience. Our massive scale makes this challenging, as we require hefty amounts of energy to power our operations. Unmitigated emissions (and relative environmental impact) related to this energy use is misaligned with recent consumer, investor, analyst, and talent acquisition/retention trends, where green is the best option. Akamai identifies this as a potential risk to our brand/reputation in the short, medium, and long term. ASSESSMENT: We know climate management is important to Akamai's reputation because we've seen sustainability become a critical component in request for proposal (RFPs) from customers, with environmental sustainability being mentioned 30% more since 2019 according to our data. Additionally, it's become a tablestake conversation with customers, all the way up to the executive level. In fact, in 2020, our environmental sustainability program has helped close millions of dollars in business -- even in scenarios where competitors are price-aggressive. RESPONSE: To respond to these trends, we are open about our program, its strengths and weaknesses and have plans for its continuous improvement. To make good on these plans, we hold meetings with subject matter experts in engineering and engineering leadership to ensure that our program is well aligned with those who make engineering decisions. Additionally, we hold an annual competition called Wizards in which we encourage employees to submit ideas on how to make our network more efficient. Our commitment to transparent progress is unwavering, and this allows us to garner respect among our customers and in the industry. We report to industry bodies like this (CDP), CSA, and EcoVadis, and also write annual public reports that describe our goals and our progress in meeting them. We also are committed to data insights and offer customers customized emissions reports that show the resulting emissions from their usage of the Akamai platform.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current regulations are incorporated into business unit decision making and analyses. In addition to two examples of climate-related regulation Akamai considered in our 2019 CDP response (the UK carbon tax and Singapore Recycling laws), we are also aware of the business effects that the United States reentering the Paris Climate Agreement has on our current structure. Akamai is well suited to meet the goals of the Paris agreement by being on track to mitigate 100% of platform emissions by sourcing 100% renewably-sourced energy to achieve carbon neutrality by 2030. To ensure that Akamai is always in compliance with regional and country-wide laws, we continuously monitor current regulations to ensure we are not only in compliance but are reporting as transparently as possible to course-correct when needed. This means that we are in continuous communication with our dedicated global Public Affairs and legal compliance teams. By way of example, to meet the requirements of the Resource Sustainability Bill in Singapore, Akamai took a heavily researched approach. We engaged internal and external counsel to understand our total impact in those areas. Although Akamai already recycles 100% of our e-waste through e-stewards partners, we took steps to further ensure our compliance with these new regulations. Akamai took a similar approach in the UK.
Emerging regulation	Relevant, always included	It is possible that future climate change-related regulatory or legislative initiatives, for example, a carbon or fuel tax, could affect the costs of operating our network of servers and our other business operations. Such costs could make us less profitable in future periods, so we take care to consider emerging regulation in our planning and risk management process. We are keeping close tabs on the G7 global summit and COP26, in which the TCFD framework is being proposed as a formal requirement in quarterly and annual financial reporting. We understand the need to report our environmental, social, and governance (ESG) impacts and the impact this will have on our annual reporting structure.
Technology	Relevant, always included	Technology risks that Akamai considers are mostly supply chain risks as it relates to hardware development and software maturity. Since Akamai isn't as large as other cloud providers in our industry, our relative emissions are smaller, but we still prioritize emission mitigation in our technology. In the development of our hardware, there are minimal risks when transitioning to lower-carbon and more energy-efficient servers. In fact, we are always looking to lessen the environmental impacts of our hardware, as they are more efficient -- the better they perform, the less they cost to power and cool. Where our reliance on energy-efficient hardware gets risky is in the availability of the component pieces of hardware. In 2020, supply chain limitations (like the computer chip shortage as a result of extreme weather in Texas) made it difficult to acquire the necessary precious metals and component parts for our hardware. In addition to building hardware and software that uses energy more efficiently, we heavily rely on our data center partners. Because we lease the vast majority of our server rack space from them, Akamai does not have operational control over those power sources, leaving us with a negligible amount of scope 1 emissions. Since Akamai is responsible for the emissions from data center operations, we work closely with our data center partners to solve environmental impact mitigation strategies. This technology risk is actually seen as an opportunity for improvement. When implementing new servers or technology, we prioritize hardware that is energy efficient and better suited to meet our customer's needs. We evaluate our technology to reduce our GHG impact on behalf of our platform operations, which also helps to alleviate technical debt.
Legal	Relevant, always included	Akamai continuously evaluates the legal risk of climate change, with plans to address any issues from having a material impact on our bottom line. We take our responsibility to protect our stakeholders and the environment seriously. In 2020, the plan to create an official environmental, social, and governance ESG group at Akamai was finalized for creation in Q1 of 2021 (which came to fruition this year). The plan detailed that the Global Director of Sustainability would officially report to the Chief ESG officer, now sitting in legal, to closely assess and address changes in regulations and other emerging legal risks as it relates to environmental sustainability. The ultimate goal is to ensure the protection of Akamai, its employees, and shareholders against emerging legal risks related to ESG. Although considered very low risk, areas we include in our risk assessment process are the legal implications of our environmental initiatives, the potential of carbon taxes, global recycling laws (and maintaining compliance of them) and exposure to litigation or lawsuits related to our climate-related performance and/or disclosure. In our annual report, we ensure we are as transparent as possible so we've increased the amount of environmental information disclosed in our Annual Report and conduct a yearly audit of our emissions reporting efforts. We review all climate-related legal matters with our EVP of legal and general council.
Market	Relevant, sometimes included	Akamai believes that market shifts in supply and demand for products and services related to climate change is a material risk. Our globally distributed edge network is made of servers. And like all servers, they are made with precious and rare earth materials which could be under risk due to climate-change-related supply chain shortcomings (and, at times, are against consumer trends), as detailed in the technology risk section above. We work with recycling partners to ensure that precious metals and materials are recycled and reused. Furthermore, given the commoditization of the content delivery network (CDN) paired with an emerging awareness of the negative impacts of modern internet usage and the reliance it has on CDNs, the demand for our products and services could be diminished due to climate change related disasters affecting our customers.
Reputation	Relevant, always included	Akamai has dedicated groups throughout the organization that monitor changes in market trends, requirements and/or attitudes of our customers and investors relating to climate change. We use these determinants to assess reputational risk. Akamai is aware of the growing trend of customer's requiring suppliers to have climate-change management strategies in place, with goals and a demonstration of progress towards those goals. This is also true of Akamai's investors and talent pool. For example, a significant portion (about 35%) of prospects and customers are including supplier renewable energy goals and/or energy efficiency goals in supplier assessments as part of the procurement process. Being able to understand and satisfy/exceed those expectations will help Akamai provide competitive differentiation and preserve/grow market share.
Acute physical	Relevant, always included	Akamai believes that there is potential physical risk to our data centers due to increased flooding and extreme storms. This happened in 2020 in Texas, where extreme weather affected power supply to data center operations, impacting our ability to serve traffic. The sustainability team evaluates various geographies, target capacity values, and the possible effect of simultaneous events using a network impact (NI) model. The NI model uses geographical data, weather patterns, network data, and other inputs to show potential capacity loss, deficits, and the customer and company impact if a major climate-related event were to happen, or even occur simultaneously. For example, if a superflood hit Virginia, the model would show potential impacts to capacity, the costs we would incur, and how fast it would take to regain lost operations.
Chronic physical	Relevant, sometimes included	Akamai believes that climate related impacts such as sea-level rise and more persistent heat waves could increase the cost of our network operations. We envision chronic physical risks affecting our strategy in siting data centers and have increased operational cost implications. With the use of our network impact (NI) model, we identify areas that are at risk due to longer-term shifts in climate patterns. We use geographical data (ex: the 100 year floodplain), network data, and other inputs to show potential capacity loss, deficits, and the customer and company impact. By way of example, we understand that warming temperatures make our cooling needs -- and related energy usage -- much greater.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Risk 1

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Akamai believes that there is potential physical risk to our network operations (seperate from supply chain, outlined in risk 2) due to climate-related increases in flooding and extreme storms globally. Since Akamai has network operations (read: servers) across the globe, including in climate disaster-prone areas, we must consider the risks

that extreme weather poses to our operations. We prioritize the mitigation of physical risks that jeopardize the business continuity of our network operations based on potential impacts. We take multiple areas into consideration when reviewing the potential effect of climate-related extreme weather events on our operations including: ability to serve traffic, ability to sustain global platform operations, and the negative impacts to customers.

Time horizon
Medium-term

Likelihood
About as likely as not

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
37000000

Potential financial impact figure – maximum (currency)
40000000

Explanation of financial impact figure
The financial impact figure is based on the cost of building new infrastructure within a similar proximity to existing operations on a per site basis. Within our Network Impact (NI) modelling efforts focused on climate , we measure the potential impact of a significant natural disaster or weather event on global operations and the costs associated with the reinstatement of those operations. Akamai maintains slack (extra capacity) on our network to ensure that our operations are always on. So much so, that even if we were to lose a considerable amount of capacity due to a natural disaster. Notwithstanding our ability to continue operations, the cost to repair would be very material. The $37 - $40 million cost range is derived from an internally developed cost-to-construct figure that shows the costs associated with building out new infrastructure; sourcing new locations, purchasing new hardware, powering those operations, and the salaries related to this implementation, so that we ultimately can serve traffic from that network build. We have detailed calculations, but they are confidential. This range is directly based off of modeling that Akamai has undertaken related to severe climate events. It is a range due to the uncertainty of the effects that climate change could have on our operations.

Cost of response to risk
20000000

Description of response and explanation of cost calculation
The figure was derived from the cost to redeploy our infrastructure in affected areas based on the modeling we have done. These additional expenditures could help bolster existing hardware or contribute to deploying net-new hardware based on the overall impact of the disaster, location, etc. In addition, since we lease data center facility space in almost all cases, except in Akamai-owned data centers (AODCs), we diversify our network IT infrastructure accordingly to limit our risk. Furthermore, our network optimization process model is run to ensure capacity is not overly concentrated in any one city. This approach helps to ensure that capacity losses in any region are limited and not service affecting.

Comment
Akamai's network is intelligent and self healing in nature. This means that if one of our 350,000 global servers or 4,100 locations go down, the platform will automatically reroute traffic to avoid the affected area. This agility allows us to significantly mitigate climate-related risks of natural disasters on our network. However, they still pose a risk, and we have taken steps to assess and manage these risks as we continue to build out our network infrastructure. It's important to note that the costs to rebuild affected data centers/locations will vary based on the magnitude of an event or if multiple events were to occur simultaneously. We look at varying scenarios to ensure we are capturing magnitude and potential impact.

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Other, please specify (Supply Chain Disruptions due to Global Pandemics)

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
As mentioned, Akamai's Intelligent Edge Platform relies upon hundreds of thousands globally distributed servers. Although these servers are mostly housed in data centers run by our partners, Akamai designs our own proprietary hardware to meet our specific deployment needs. This means we are heavily reliant on our supply chain partners. Because we are reliant on our network made of servers to maintain operations, we continually assess the risk of supply chain scarcity as it relates to the availability of hardware and component pieces (read: precious metals, CPUs, RAM, motherboards, hard drives, etc.) To meet traffic demands as the world moved online during the COVID-19 pandemic, Akamai needed to deploy servers to meet capacity needs at a significantly higher rate than usual. In fact, we were at risk of not meeting last year's sustainability goals of 50% renewable energy by the end of the 2020 and 30% emissions reduction y/y because of this increased traffic demand. To make matters worse, Akamai experienced supply chain shortages due to climate-related weather incidents that were exacerbated by the COVID-19 pandemic (which itself was undoubtedly exacerbated by climate change). These challenges were cyclical in nature; hardware component shortages and logistics issues due climate-change-related weather storms globally affected our ability to meet increased traffic demands as a result of the pandemic. Supply chain shortages came in all forms. As an example, In Texas, climate-related weather disasters made shipping to our impacted operations areas nearly impossible. Since we couldn't get the necessary parts onsite to fit the affected operations, we needed to backload our capacity with hardware in that was different from the original architecture. Raw material shortages made it difficult to properly stage and rack our equipment. This again led to off-the-shelf buying through suppliers outside of our normal workflow at, in some cases, 2-4x markup. Although this was originally a pandemic-related shortage, extreme weather made it even more difficult to meet our increased demand. It's important to note: risk two (supply chain risk) differs from risk one (climate-related operational risk) in that risk two denotes supply chain disruptions to regular platform operations, while risk one denotes a risk to business continuity as a result of climate-related issues. Last year during the worst of the pandemic, severe weather exacerbated our challenge even further.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
29400000

Potential financial impact figure – maximum (currency)
58400000

Explanation of financial impact figure
This range denotes an estimation of costs we incurred in 2020 as a direct result of supply chain shortages. This cost was incurred in addition to regular operating costs. There were two main areas this cost came from. First is the cost of the off-the-shelf hardware itself. In normal circumstances, Akamai specially creates and purchases servers for our unique needs. Generally, we use bigger server boxes, with more CPU and built from more resilient hardware so we can run our network more efficiently (less energy to run and cool). But due to climate-related supply chain disruptions, we needed to utilize hardware technologies that weren't right-fitted for our needs. The $29,400,000 baseline was the cost of purchasing hardware off-the-shelf due to network sprawl (growth) and supply chain issues. The high end of our financial impact figure at $58,400,000, denotes the other costs associated with adjusting our software to run on the off-the-shelf solutions. Reworking our software took more engineering cycles, lengthening the time it takes to both bring our products to market and make them available to customers. This resulted in higher opex to cover the costs of more engineering roles and impacted our bottom line. And this is just the one-time cost. In the future, because the hardware was not made for Akamai's specific use case, we run the risk of higher hardware turn-over rates, increased operating expenses, and even heightened carbon emissions due to increased energy usage.

Cost of response to risk
9500000

Description of response and explanation of cost calculation
To alleviate this, Akamai continuously iterates our supply chain process to stay ahead of supply chain shortcomings. Our current supply chain program covers the entire end-to-end supply chain for building and maintaining our network. We alleviate the challenge of supply chain risks by moving to a as needed inventory and supply chain management approach. Akamai has implemented a 2 year program intended to solve supply chain issues by implementing a more nimble approach in which we have just enough hardware available to deploy at a moment's notice to meet capacity demands. This approach is based on our hardware needs in 2020 where we saw an increase in capacity needs. Building out this program with its benefits will mean that we have enough hardware on demand and most cases with just in time . The cost of response to risk is the cost of the program development, implementation, management and salaries. Additionally, we have taken the risk of future pandemics due to climate change into consideration in our risk mitigation strategy.

Comment

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Reputation	Increased stakeholder concern or negative stakeholder feedback

Primary potential financial impact
Other, please specify (Decrease in direct company investment by stakeholders and lost revenue from customer churn)

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
We have identified a climate-related risk to the Akamai brand given changing environmental, social, and governance (ESG) investment and consumer trends. With consumers and investors becoming more aware of the negative impacts of modern internet usage on the environment, Akamai has identified a risk with the potential to damage our brand/reputation resulting in lost revenue, negative customer and investor perception, higher employee churn, and loss of competitive differentiation if we do not maintain and expand our level of commitment to mitigating our environmental impacts. Akamai plays a key role in today's internet, especially in light of the COVID-19 pandemic. With such a role comes great scrutiny. If consumers and investors are not continuously made aware of the implications of modern internet usage, our environmental sustainability program, and its progress, we risk losing investment opportunities and competitive differentiation. Furthermore, if employees are dissatisfied with our approach, we risk losing top talent resulting in higher costs of employee churn and onboarding. We track the potential impacts of these risks in two categories: employee data and customer purchasing habits.

Time horizon
Medium-term

Likelihood
Unlikely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
11100000

Potential financial impact figure – maximum (currency)
100000000

Explanation of financial impact figure
It is notoriously hard to measure these impacts, given the emphasis on theoretical and trend data. A worst case speculation would show top investors leaving or forgoing an investment in Akamai and a higher rate of customer churn, which would have impacts on both stock price and our bottom line, if we chose to lessen our investment in our sustainability program. That's why the high end of our financial impact figure range estimate is $100M. Employee Data: We track the cost of employee churn and the cost of onboarding new talent. If Akamai discontinued or lessened our program, we would anticipate a higher rate of employee turnover, with the risk of increased cost to onboard, anywhere from 15-20%. With environmental sustainability becoming an important consideration for employment, (79% of millennials consider ESG performance in choosing employment), Akamai is able to measure the potential impacts of increased rate of employee churn by multiplying the cost to onboard a new employee ($8,350) including recruitment costs by the estimated churn rate of 15-20% of our 8,838 full time employees to get $11,069,595 for the bottom of the above financial impact range. Customer Purchasing Habits To get a better understanding of how our customers view sustainability in their purchase decisions, we track sustainability and ESG mentions in customer RFPs, inbound requests for customized scope 3 reports, and sustainability meetings the team takes. Anecdotally, in 2020 we saw 45 existing customers request customized emissions reports and a 30% increase in sustainability being mentioned in RFPs year over year. In fact, we won a multi-year contract with a Finnish broadcaster with sustainability being almost 10% of the RFP points in the face of a price-sensitive competitive landscape. Our sustainability efforts played a key role in winning that renewal. Additionally, sustainability was the key to closing a 3-year, multi-million euro contract with a large European retailer. Right before this customer was due to sign their contract, they requested that a sustainability clause be added as a necessary part of closing their deal. Combined, these deals show a growing trend in the importance of sustainability in RFPs. This is just a small example of the impacts that sustainability has in the purchasing process here at Akamai. If we did not have a sustainability program in place, we would risk losing revenue and goodwill with our customers.

Cost of response to risk
3525000

Description of response and explanation of cost calculation
To respond to the risk of missed investment, the sustainability team relies on frequent communication with our investor relations group to highlight our program's progress (on at least a quarterly basis) and collect feedback from key investment groups for areas of improvement. We also externally disseminate new investor-focused material on at least a biannual basis. To respond to the risk of customer churn, we also rely on frequent communication with key customers. Akamai has a dedicated team within the marketing org with the goal of understanding customers' perception of Akamai, the extent to which sustainability is considered in purchasing decisions, and to inform this audience of our program when appropriate. This group meets regularly with target accounts (those with substantial sustainability programs themselves) to understand how Akamai, as a key part of their supply chain, is helping them meet their sustainability goals. We survey these key accounts via customer conversations at least annually to ensure that our customers are aware and satisfied with our program. When applicable, we offer instances of sustainable partnership to our customers by divulging our renewable energy plans (expressed under NDA) with an invitation to collaborate. We also take customer requests into consideration when creating our sustainability strategy, and look to integrate their goals whenever possible. For example, a key customer wanted Akamai to work towards a higher percentage of emissions reductions in a shorter time frame. While our plans are still confidential, we went back to the drawing board to further push ourselves when setting emissions reduction targets. Akamai prioritizes the needs of our customers and investors and looks to integrate them into our sustainability strategy wherever viable. Costs of responding to investor and customer risk are already included in marketing program costs which include marketing content, bought media expenses, research group membership costs, analyst fees, employee salaries, and other ancillary costs. To respond to the risk of employee churn overall, Akamai is open about our program with existing and potential employees. We spend an average of $4,000 on just recruiting new employees and had an employee turnover rate of 5% in FY 2020. The cost of response to risk is calculated by 2 times annual turnover rate of our 8,838 employees and multiplying that number by the cost of recruiting a new full time employee.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Use of more efficient production and distribution processes

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
The globally distributed Akamai Intelligent Edge Platform is made up of 350,000+ servers running in more than 135 countries, in 4,200+ locations. We require a lot of power to make good on our commitment to our customers, shareholders, and employees. Akamai set emissions targets to lessen the impacts of our operations. By 2020, we planned to reduce our network energy intensity by 30% and maintain our emissions below 2015 levels. Our successful realization of these emissions reductions targets means that our Edge Platform used 10X less energy per unit of capacity despite capacity increases of more than 350%, making the delivery of one gigabyte of data 61% more efficient. It's integral that Akamai finds ways to continuously become more efficient. If we didn't improve our network efficiency and continued to pay for 2015 efficiency levels, especially in light of capacity increasing due to COVID-19, our business model would not be viable. The efficiency of our network is a key part of Akamai's success.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
22500000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Building an efficient network is a key part of running a viable business. The first way we do that is to continuously add more capacity to our already globally distributed network. Accounting for the useful life of a server being 5 years, our hardware and software efficiency initiatives have allowed us to avoid the use of 6,200 servers and 148 racks in 2020 alone. This means that we have saved about 38,000 megawatt hours of energy since 2019, which therefore means that, given regional carbon emissions totals and grid mixes, we have avoided around 21,100 metric tons of carbon emissions as a direct result of our efficiency strategy. We calculated the potential impact figure of $22,500,000 given the cost of purchasing hardware, install, setup, and space needed for the 6,200+ servers in 2020 that we would have needed to deploy if not for our efficiency progress. This financial figure includes server/network device costs and rack costs in addition to avoided power, space and equipment costs.

Cost to realize opportunity
4750000

Strategy to realize opportunity and explanation of cost calculation
Akamai's engineers build hardware that is technologically advanced and energy-efficient. Our ongoing hardware efficiency initiatives are responsible for lessening our server's power consumption while increasing throughput 10x. The more throughput in a single server means improved performance for end-users, while lessening our environmental footprint. We take platform efficiencies a step further by writing software that makes more efficient use of our hardware. More specifically, we streamline our code to include fewer instructions so that it uses less energy to complete complex tasks. Because of this, we don't directly track the cost to realize these efficiencies because it is already part of our engineer's scope of work. We get the $4,750,000 cost by taking into consideration engineering salaries, hardware improvements, lab testing, supply chain management, procurement efforts, and partnerships with data centers. Since Akamai's emissions reduction plan is well integrated into network planning, we do not have specific engineering heads dedicated to this effort. This is our best estimation based on the amount of hours (between 350-500 hours) a project like this would take. It's important to note that during the COVID-19 pandemic, Akamai needed to rapidly scale capacity, even in light of our hardware and software efforts with no additional spend. We had to get creative and use what we had, to ensure we met our capacity demand.

Comment

Identifier
Opp2

Where in the value chain does the opportunity occur?
Upstream

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of lower-emission sources of energy

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
In 2020, Akamai met our public goal to power our network with 50% renewable energy and set up future goals to be powered by 100% renewable energy and carbon neutral by 2030. Our renewable energy procurement strategy focuses on putting net-new renewable energy on the grid, especially prioritizing the grids where we have the most energy intensive operations. In 2020, we saw our investments in net-new, on-grid renewable wind energy projects in Dallas, Texas and Chicago, Illinois all come online. We also made it a priority to partner with third-party data center providers using the Future of Internet Power (FoIP) Requirements for Supplier-Procured Renewable Energy to ensure that they understand the benefits of using renewable energy to power their facilities. In doing this, we have identified a twofold opportunity in renewable energy procurement. First, we have negotiated a more fiscally responsible method of procuring renewable energy across our operations. While our overall goal is to be cost neutral, we have been seeing a positive cash influx from projects this past year. Secondly, and perhaps most importantly, we have found that lessons learned from our renewable energy procurement is valuable insight for other data center lessors. We use this as an opportunity to be a pacemaker in renewable energy procurement and look to share best practices with the industry as a whole. In collaboration with the Renewable Energy Buyers Alliance (REBA), we've developed a training program called LESsen to help other data center customers, like Akamai, get access to attestable renewable energy to power their operations. At Akamai, we know that widespread change is needed to counteract climate change and we are thrilled to be working with REBA to make this knowledge more attainable for all.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
403000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
If Akamai did not invest in net new renewable energy on the grid in our current fashion, our renewable energy investment would have cost us an additional $403,000 dollars to purchase additional renewable energy direct through our utility suppliers. Akamai looks at this on a per project basis. We directly contract for renewable energy procurement instead of purchasing it on the retail market. In general, Akamai makes contracting decisions based on our total network capacity focused in the areas primarily where we have colocation leases. In 2020, we experienced cash positive returns on our renewable energy portfolio, 10% beyond our original model. As an example, Akamai's new 18MW wind VPPA in Texas, (operational in 2022), is expected to provide a positive annual cash flow of between $345,000 to $1,000,000. This money will help offset our power spend in and around the Dallas metro.

Cost to realize opportunity
157200

Strategy to realize opportunity and explanation of cost calculation
Akamai has a concrete plan for renewable energy (RE) procurement all the way to 2030 and beyond. In 2020, we spent $157,200 on our RE procurement. The major cost drivers to realize the opportunity are defined on a per project basis and are mostly legal (VPPA negotiation costs) and ancillary fees. At a high level, our strategy is to prioritize the geos in which we have the most energy intensive operations. While we have been successful in decoupling our business growth from energy usage to create a more efficient platform, we will always need to consume energy. A key to Akamai's sustainability progress is the decarbonization of the energy we use by investing in education for our partners and in projects that add net-new RE to the grids where we have facilities across the globe. Since 2015, we have achieved 50% global RE through our approach. In 2020, we reduced our scope 2 emissions by more than 50% from 2019 levels, while growing the network by more than 60%. We expanded our RE colocation partnerships across the globe. We've added RE resources to our portfolio by working with data center partners to ensure our operations are powered by RE, even if their operations are not fully renewable. We have made significant progress with our global partners, including a large portion of our European operations, where we have achieved 85% renewable power. We believe it is important to develop net-new renewable sources of energy to create a lasting, meaningful impact and will continue to look for these types of projects in our future planning. To further realize the opportunities that come with renewable energy procurement, Akamai works with REBA and the Future of Internet Power (FoIP) group to identify new and innovative ways to make net new renewable energy procurement more attainable for small to mid-size businesses. These projects are made possible through collaboration with groups like the Renewable Energy Buyers Alliance (REBA) and the Future of Internet Power (FoIP) to make renewable energy procurement easier and more attainable for everyone, not just the huge consumers of power. Together we created a training program called LESsor Sustainable Energy Network Education with the intention of developing an educational opportunity to demystify renewable energy procurement. By making renewable energy easier to understand, we lower the barrier to entry and help others lessen their impacts on the planet.

Comment
Akamai believes that — as a shared resource — our edge network performs at a higher level of energy efficiency than what most of our customers would be able to achieve with their own network infrastructure to realize a comparable level of performance, reliability, security, and availability. That is, Akamai can do the same work as a customer's website infrastructure with comparatively less infrastructure and energy. This higher energy efficiency level may result in overall reduced GHG emissions for our customers. There are several elements to our potentially improved energy and infrastructure efficiency on an aggregate scale across all of our customers: 1. Higher server utilization 2. Less excess capacity to absorb seasonal or event-based traffic spikes 3. Less infrastructure required to achieve high availability, performance, and security 4. Optimized server efficiency and productivity with custom designs to maximize performance per watt

---

Identifier
Opp3

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Other, please specify (Platform Hardware and Software Efficiency to Reduce Emissions)

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
As consumer trends and purchasing habits shift to greener options, our customers are searching their supply chain for places where they can become greener. Akamai has identified this as an opportunity to position ourselves as a green, strategic partner. Akamai's streamlined global platform provides significantly more efficient operations than most of our customers can achieve alone or with other providers. Their utilization of Akamai's services reduces traffic load on their own, less-efficient website infrastructure. By shifting their load to Akamai, customers not only forgo the clunkiness and cost of a homegrown solution, but they also are more efficient in their deployments and greatly decrease their emission impacts along their supply chain. While Akamai does not specifically market its product and services as green, we help our customers understand how sustainable they are with us. We believe that — as a shared resource — our edge computing platform performs at a higher level of energy efficiency than what most of our customers would be able to achieve on their own, especially if they want to realize comparable levels of performance, reliability, security, and availability. We do this through 1. Higher server utilization 2. Less excess capacity to absorb seasonal or event-based traffic spikes 3. Less infrastructure required to achieve high availability, performance, and security 4. Optimized server efficiency and productivity with custom designs to maximize performance per watt In conversations with customers and analysts alike, we have seen our sustainability program be a key benefit to the way they look at Akamai. Akamai's sustainability program allows our customers to grow their infrastructure at their own pace and scale, while having lower impact per bit served from a carbon emissions view. We also offer our customers transparency. We understand that their own customers are demanding sustainable improvements and want to see evidence of those claims. We help customers by providing a customized report that details each customer's emissions on our platform. It shows their global emissions as a result of their server and energy usage. Our ability to continually lessen the energy and carbon intensity of our network operations makes Akamai a green, strategic partner to our customers.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)

25000000

Potential financial impact figure – maximum (currency)
150000000

Explanation of financial impact figure
The benefits of being a green supplier in an industry where there are few are numerous. Based on our most conservative estimates, we believe that Akamai has earned an additional $25,000,000 as a result of our program since 2018. We get this number by calculating the amount of new business we won where sustainability was a prominent topic. We estimate the potential of this earning to grow exponentially as we've seen an increase of sustainability being included and heavily weighted in RFPs. Our customers have begun to expect sustainable progress from their suppliers, so the work we've been doing to green ourselves isn't just for us. Since we are very familiar with our own supply chain expectations, we take care to absorb the responsibility for carbon reduction for our customers, consequently reducing our customer's emissions. And by 2030, with our goal of achieving carbon neutrality, we will have no impact on our customers emissions at all, which helps to reinforce Akamai as a key partner. A key way we do this is by offering our customers transparency and accountability by providing a scope 3 emissions report that is customized to their needs with granularity down to month and Geo. Secondly, we give meetings to explain what they see in this report and use our sustainability report to show them the program. That way, they see both sides of the coin; their impacts and what we're doing to mitigate them.

Cost to realize opportunity
750000

Strategy to realize opportunity and explanation of cost calculation
To realize this opportunity, there are dedicated marketing and sales enablement roles with the goal of understanding customer's perception of Akamai, the extent to which sustainability is considered in purchasing decisions, and to inform our customers' audience of our program and its impacts. These roles meet with target accounts (those with substantial sustainability programs themselves) to understand how Akamai is helping them meet their sustainability goals and to reinforce the benefits of offloading a part of their emissions to us. We also reach customers through sales motions and dedicated sustainability campaigns, and we train our salesforce on an annual basis on how to talk about sustainability and its benefits with customers. These marketing and sales roles are also responsible for managing a steering committee of sales, other marketing roles, analyst relations, corporate communications, product experts and legal advisors. This steering group meets regularly to discuss how we can improve our sustainability narrative, better support our customers in their efforts, and further optimize and get the word out about the program. The majority of the costs to realize this opportunity are sales enablement and marketing salaries, marketing content/advertising budget, and R&D costs.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?
Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, and we do not intend it to become a scheduled resolution item within the next two years	Here at Akamai, we believe it's time for the technology industry to utilize advancements and efficiencies to take shared responsibility for our role in climate change. Akamai provides information to our shareholders about our environmental impact and what the company is doing to mitigate our emissions output regularly. Our stakeholders can find detailed information in our annual report and on our website, in addition to details about our program provided to stakeholders by our IR team. Akamai has not included this as a schedule resolution because the company is working toward new goals that our board and executive team have accepted. These goals contain a 100% renewable, zero-carbon platform by 2030. In the future, Akamai will continue to provide relevant information on our progress to our stakeholders through our public transparency and disclosure efforts.

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?
Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
Other, please specify (Natural Disaster Scenario Analysis Based on Metro)	Due to the unique footprint of how Akamai's network is deployed globally, finding scenarios that match are particular circumstance is difficult. These difficulties are mainly due to the self-healing nature of our network and the dynamics we have to deal with across the geographies where we have operations. Nevertheless, we believe that scenario building is essential to understand the impacts climate will have on our business and customers. Therefore, to accurately capture an accurate analysis of impact, Akamai has developed a scenario analysis that explicitly addresses global network capacity needs and "what if" we were to lose capacity globally due to a climate-related issue.. With our scenario analysis, climate is one of the factors that we look at as a business when addressing corporate risk. In addition, we do periodic reviews of our global network footprint to better understand if a natural disaster were to occur, such as a superstorm, flooding, or other catastrophic events that could devastate our operations. This study focused on various geographies, target capacity values, and possible effect of simultaneous events. This model reveals the potential loss of capacity, capacity deficits, and the potential impact we could see as a company if major events were to occur all at the same time. Even with this model in place, Akamai's network is self-healing in nature and is able to be agile in how it redirects traffic due to localized impact. The self-healing nature of the Akamai network helps keep our services available and uninterrupted. Multiple events would have to occur at the same time to have a long-term or deep lasting effect on our operations globally.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Considering climate-related risks and opportunities, Akamai has realized an opportunity to build more efficient products and services. The foundation of our product offering is our globally distributed edge platform, so to make our business model a sustainable one, our engineers are constantly iterating our software and hardware to be as efficient as possible. As a result, a good portion of our product offerings' main benefits includes increased efficiency for our customers. 1) EdgeWorkers enables developers to create and deploy microservices across more than a quarter of a million edge servers deployed around the globe. When development teams activate code at the Edge, they push data, insights, and logic closer to their end-users, lowering the impact on energy utilization and emissions output on services that would have traditionally been in a centralized data center. In addition, Akamai's high-performance and scalable implementation model ensures that data and computation are not hampered by latency issues that can negatively impact digital experiences. With EdgeWorkers, the product can help development teams create innovative services and manage Akamai as code as part of their digital infrastructure, with lower emissions impact by everything happening at the Edge. 2) Akamai's Image and Video Manager (IVM) intelligently optimizes both images and videos with the combination of quality, format, and size best suited for every device and browser. At its most basic level, IVM delivers website videos and images in the most efficient way possible by reducing bytes needed for images, videos, and animated GIFs across desktop, mobile, and apps for lighter, less energy-intensive pages for better overall site performance. 3) Function as a service (FaaS) provides a platform that allows you to build modular applications. In addition, we created pre-packaged functions, so our customers can build faster - all without having to manage any underlying infrastructure, reducing customer's emissions impact at a centralized data center with dedicated infrastructure.
Supply chain and/or value chain	Yes	With most of our emissions impact coming from data center electricity usage, Akamai collaborates with our data center partners to procure and put net-new renewable energy back on the grid wherever possible. We have highlighted this work in our partnership with the Renewable Energy Buyers Alliance (REBA) and our sponsorship of LESSEN. The LESSEN training is helping to educate and activate landlords through fundamental education provided by market leaders. Virtual and in-person workshops include essential in-depth and project-specific education on energy efficiency strategies and associated technologies, on-site and off-site renewable energy generation, making a compelling business case for sustainability, contracting structures, and economic considerations for project types. This program has given data center providers a unique opportunity to engage their peers and market leaders in a small-group setting with personalized support to develop a renewable energy procurement template to be used in future projects. In addition, our contracts with critical data center partners seek renewable energy encouraging our partners to procure renewable energy for their operations to help decarbonize the global grid.
Investment in R&D	Yes	Akamai continuously invests in R&D to improve hardware and software to keep our network running as efficiently as possible. This mindfulness highlights a core challenge. Akamai prioritizes making good on our promises for delivery, performance, and security, without compromising our commitments to sustainability. We work to ensure a superior and secure web experience for our customers in an environmentally conscious way. While there is no simple solution, Akamai's engineers take a hard look at our network's software and hardware infrastructure to cut excess usage and proactively eliminate inefficiencies to lessen our carbon emissions. Our network requires a lot of hardware. With 4,200+ locations, getting the most out of our global platform is crucial for running our network efficiently. To do this, we build our servers to run hotter and cool them with outside air (adhering to concepts like free cooling). This work allows us to serve more traffic per box, lower our data center PUE, and lessen the impact of our operational footprint. Our engineers are continually looking at improvements when it comes to software efficiency. As an example of this R&D work, we no longer need to power long fetches to the origin for every request, which effectively lowers our collective carbon emissions output. It may seem minuscule for a single request, but Akamai manages trillions of these requests per day, which add up quickly. This development also has vast benefits for performance and security. The requested data couldn't be as close to the end-user or as secure as it is when being delivered by Akamai, and R&D is at the center of that
Operations	Yes	Akamai is committed to being transparent in how we power the Akamai Intelligent Edge Platform. We recognize that our platform is a crucial component of our energy consumption and where we can have the highest impact of mitigating and reducing our greenhouse gas output. At the end of 2020, our global platform operations made up over 92% of our total Scope 2 footprint. Akamai addresses this issue in several ways under our program: Data Center Partners: Engage with our data center partners to provide Akamai with attestable sources of zero-carbon renewable energy through the Future of Internet Power Documentation Requirements for Supplier Procured Renewable Energy. Net-New Renewables: Purchase net-new zero-carbon renewable energy with associated bundled attributes equal to Akamai's remaining global electricity consumption in and around our major metropolitan areas through grid additionality Facility Operations Approach: Work with data center providers and our office REIT partners to provide LEED and Energy-star certified buildings while meeting employee wellness standards that our employees have come to expect. Reduced impact and improved wellness for our staff are essential to our overall success. We demonstrated our commitment to this in our LEED Gold 4.1 and Well Platnum Headquarters, which came online in Cambridge in Q4 of 2019 In addition, Akamai also owns a few data center operations. Because we are in complete control of how they are being run, these data centers are our most efficient yet. For example, in our two Akamai Owned Data Centers (AODCs), servers in Virginia and New Jersey reach a power usage effectiveness (PUE, with one being the most efficient and an average of 1.4) of 1.2. We can achieve this PUE by running the facilities hotter because of better hardware heat tolerances than most cooled with outside air. In addition, the facility in NJ is powered by on-site roof-top solar. Sustainable, reliable, and efficient operations are critical to our global ambitions.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Capital allocation	Climate-related risks and opportunities have influences our financial planning in two ways; accounting for the potential impacts of a carbon tax and increased R&D costs of purchasing more efficient hardware, software and data center development. To account for the potential revenue impact of a carbon tax, we monitor existing and emerging global regulations and closely collaborate with our data center partners to understand and mitigate the potential impacts of a carbon tax. On a quarterly basis, the Global Director of Sustainability checks in with the legal, regulatory, and finance teams to ensure there are no emerging threats to our operations or revenue due to carbon taxes or other regulations. Secondly, Akamai has adjusted our capital allocation and direct costs to be inclusive of increased R&D costs to purchase more efficient hardware, to develop more efficient software, and the potential for increased data center development costs. Akamai encourages our data center partners to prioritize renewable energy procurement.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

Since Akamai was founded, we have always been in the business of providing fast, reliable, and secure experiences for our customers and their customers. Across our brand, from our sales teams to our architects, we innovate ways to be more efficient and build that value back into the business by creating exceptional digital experiences, enabling instant global scale, protecting reputation and revenue, and providing avenues to innovate right at the Edge. Engineering is critical to innovating hardware, software, and physical efficiency to deploy our facilities globally to build a more sustainable Edge. A platform with over 4,200+ locations, 1,400 networks in over 135 countries, with capacities of over 300+ Tbps, Akamai is responsible for a vast amount of the traffic that travels the world wide web daily. Therefore, it is critical that we pay attention to our impact to ensure what we have promised to our customers is delivered with security, speed, and sustainability.

Akamai's long-term environmental strategy continues to be influenced by doing what is right for the world, making change, and ensuring that the work causes lasting impact in those areas where we work and operate. Three areas that Akamai is dedicated to including:

1) Positively and proactively impacting our upstream operations with hardware and software development through innovative R&D practices focused on being more efficient.

2) Maintaining environmentally friendly operations for our customers, such as working with our data center operations for renewable energy and efficient spaces, purchasing our own renewable energy to reduce our emissions impact, and integrating efficiencies along the way whenever possible.

3) Ensuring downstream that end of useful life, hardware, components, and other network materials are decommissioned and properly recycled to reuse materials.

Our yearly disclosure process keeps us honest to our stakeholders and helps with understanding precisely what we have to work toward in the future. Our hardware, software, and operational engineering teams help us realize what Akamai has set out to accomplish. We take their hard work, determination, and dedication and translate it into long-term programs. Progress on these programs is reported directly to the Board of Directors' Environment, Social, and Governance Committee, our Corporate Operating Committee, and the Corporate ESG Committee. Our reporting structure is in place to provide and build on transparency of the internal and external efforts currently underway and to influence future programs to support our environmental strategy. For example, our data center team has a yearly dialog with our operators to understand better what sustainability efforts they are working on to understand better how their work aligns with our own corporate goals.

While disclosure keeps us honest, we have to pay close attention to a variety of areas:

1) These areas include physical and regulatory risks such as climate change, causing increased electricity costs in operations

2) The energy efficiency efforts underway globally across our operations and the continued need to innovate to reduce Akamai's impact

3) Understanding the dynamics of our continued network growth and demands from our customers to incorporate into our broader climate strategy into our operations

4) Looking for opportunities to influence good climate policy with NGO's like Ceres BICEP or Renewable Energy Buyers Alliance (REBA) that is focused on contributing to minimizing environmental impact

At the end of 2020, we had committed to 4 renewable energy agreements that made up for over 60 MW of renewable energy. Unlike the prominent cloud players who have a more centralized load, Akamai is in over 4,200 locations globally. We are trying to take a systematic and well-thought-out approach to our renewable energy strategy to have a meaningful impact as close to our operations as we can. We are committed to procure net-new renewable energy, working closely with our suppliers to procure renewable energy on our behalf, developing renewable opportunities with like-minded companies and looking at the ways where we can have the most meaningful impact in those areas where we have operations.

To help with the transition in the industry to a clean energy economy of the future, we launched alongside the REBA International Supply Chain and Collaboration team a program called "LESSEN."

https://rebuyers.org/blog/the-renewable-energy-buyers-alliance-and-akamai-technologies-launch-innovative-program-to-develop-and-implement-sustainable-energy-for-data-centers/

The 10-month training educated and activated landlords through fundamental education provided by market leaders. Virtual workshops include essential in-depth and project-specific education on how to navigate the renewable energy world.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?
Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Year target was set
2016

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (market-based)

Base year
2015

Covered emissions in base year (metric tons CO2e)
190271.53

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
100

Target year
2020

Targeted reduction from base year (%)
50

Covered emissions in target year (metric tons CO2e) [auto-calculated]
95135.765

Covered emissions in reporting year (metric tons CO2e)
80731

% of target achieved [auto-calculated]
115.141272054731

Target status in reporting year
Achieved

Is this a science-based target?
No, but we are reporting another target that is science-based

Target ambition
<Not Applicable>

Please explain (including target coverage)
The target is to reduce absolute GHG market-based emissions below 2015 levels by 2020. This work will be accomplished by procuring renewable energy and building colocation partnerships through the Renewable Energy Buyers Alliance (REBA) Future of Internet Power (FoIP). Akamai will cover 50% of our global network energy consumption of our paid leased facilities. We have achieved just over 100% of our goal renewable goal due to our colocation partnerships that supply 100% renewable energy and direct-vPPA renewable projects invested in to bring net-new renewables to market. We saw a 109,540 MT reduction in our CO2e footprint in 2020. When we look at our baseline targets from 2015 against per-gigabit capacity on the platform, Akamai was able to divert ~440% of its carbon emissions through the end of 2020. The data is based on platform efficiency, due to lower hardware power consumption while still having continued capacity growth within a similar data center power footprint close to baseline. Under this view, since 2015, we have mitigated over ~950,000 MT of potential carbon emissions when compared to today per gigabit of capacity served by our network The % of emissions in Scope is less than 100% because the target is focused on GHG emissions associated with Akamai's global network and office operations. It makes up ~92% of our total impact, which includes: 1) Akamai operated and owned data centers and colocation facilities (including server hardware) 2) Leased, colocation data centers (including server hardware) 3) Leased office space (Includes lab space) This does not include items in Scope 3: 1) Data Centers where Akamai has free space and power to support operations of network partners ABS1 was initially reported on the 2017 CDP report. Akamai is investing in virtual power purchase agreements (vPPAs) in target regions where we have significant network operations. We also incepted a program in conjunction with the REBA's FoIP to educate data center operators on procuring affordable renewable energy to power their facilities through a newly pioneered program Called LESSEN which will help with additional GHG reductions beyond 2020.

Target reference number
Abs 2

Year target was set
2021

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (market-based)

Base year
2020

Covered emissions in base year (metric tons CO2e)
68238

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
61.23

Target year

2030

Targeted reduction from base year (%)

100

Covered emissions in target year (metric tons CO2e) [auto-calculated]

0

Covered emissions in reporting year (metric tons CO2e)

68238

% of target achieved [auto-calculated]

0

Target status in reporting year

New

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

<Not Applicable>

Please explain (including target coverage)

The target was established to reduce absolute GHG market-based emissions in Akamai's Scope 1 and Market-Based Scope 2 to Net-Zero (0) by 2030. This work and approach will be mainly accomplished by procuring renewable energy and building colocation partnerships through the Renewable Energy Buyers Alliance (REBA) Future of Internet Power (FoIP). Akamai will mitigate 100% of our global server energy consumption in our paid leased facilities, Akamai Owned Data Centers (AODC) and diesel generators under our operational control. Please Noter: Only 38 MT accounts for our diesel generators at our AODC's, the rest of this figure falls into Scope 2

Target reference number

Abs 3

Year target was set

2021

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 2 (market-based)

Base year

2019

Covered emissions in base year (metric tons CO2e)

1300

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

1.17

Target year

2030

Targeted reduction from base year (%)

100

Covered emissions in target year (metric tons CO2e) [auto-calculated]

0

Covered emissions in reporting year (metric tons CO2e)

1300

% of target achieved [auto-calculated]

0

Target status in reporting year

New

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

<Not Applicable>

Please explain (including target coverage)

The target was established to reduce absolute GHG market-based emissions in Akamai's Market-Based Scope 2 to Net-Zero (0) by 2030. Akamai will approach this work mainly by procuring renewable energy. In addition, we will look to offset our Natural Gas usage from only creditable and attestable offset sources such as those from: Gold Standard, Verified Carbon Standard, Climate Action Reserve, American Carbon Registry, Plan Vivo and The Climate, Community & Biodiversity Alliance. We will also explore emerging technology such as carbon and emissions capture technology when it becomes available.

Target reference number

Abs 4

Year target was set

2021

Target coverage

Company-wide

Scope(s) (or Scope 3 category)
Scope 2 (market-based)

Base year
2020

Covered emissions in base year (metric tons CO2e)
41900

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
37.6

Target year
2030

Targeted reduction from base year (%)
100

Covered emissions in target year (metric tons CO2e) [auto-calculated]
0

Covered emissions in reporting year (metric tons CO2e)
41900

% of target achieved [auto-calculated]
0

Target status in reporting year
New

Is this a science-based target?
No, but we are reporting another target that is science-based

Target ambition
<Not Applicable>

Please explain (including target coverage)
The target was established to reduce absolute GHG market-based emissions in Akamai's Market-Based Scope 2 to Net-Zero (0) by 2030. Akamai will approach this work mainly by procuring renewable energy and building colocation partnerships through the Renewable Energy Buyers Alliance (REBA) Future of Internet Power (FoIP) to mitigate emissions coming from Power Usage Efficiency (PUE). PUE includes our portion of Cooling, UPS and common areas services for those data center providers that do not convert to renewable power in their operations.

Target reference number
Abs 5

Year target was set
2021

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 3: Upstream leased assets

Base year
2020

Covered emissions in base year (metric tons CO2e)
32700

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
93

Target year
2030

Targeted reduction from base year (%)
100

Covered emissions in target year (metric tons CO2e) [auto-calculated]
0

Covered emissions in reporting year (metric tons CO2e)
32700

% of target achieved [auto-calculated]
0

Target status in reporting year
New

Is this a science-based target?
No, but we are reporting another target that is science-based

Target ambition
<Not Applicable>

Please explain (including target coverage)
The target was established to reduce absolute GHG market-based emissions in Akamai's Scope 3: Upstream leased assets by 93% by 2030. Akamai will approach this work mainly by procuring renewable energy. This goal is focused on mitigating 100% of our global server energy consumption in our non-paid, Akamai Accelerated Network Partners (AANP) and free space and traffic deployments globally.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Target(s) to increase low-carbon energy consumption or production
Net-zero target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number
Low 1

Year target was set
2015

Target coverage
Company-wide

Target type: absolute or intensity
Absolute

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)
MWh

Target denominator (intensity targets only)
<Not Applicable>

Base year
2015

Figure or percentage in base year
392953.27

Target year
2020

Figure or percentage in target year
50

Figure or percentage in reporting year
149253

% of target achieved [auto-calculated]
62.025513302549

Target status in reporting year
Achieved

Is this target part of an emissions target?
Yes, this goal is apart ABS 1, as reported in Section C4.1a. For Akamai to reduce our network emissions to meet our ABS 1 target, we have to procure from renewable energy sources. This process includes our data center partners purchasing from 100% attestable renewable power sources or direct-project investment to mitigate our carbon output. A combination of these approaches has help set 50% renewable goal by 2020. We were able to meet our goal with sourcing ~62% of our power across the Akamai global platform using renewable energy

Is this target part of an overarching initiative?
Other, please specify (Yes, it is apart of our public renewable energy strategy to power our network operations from 50% renewable sources by 2020)

Please explain (including target coverage)
This target and figure include power from 2 different sources, which does not include Grid Mix like it previously did in 2019, 2018, and 2017 CDP reports. We believe the new methodology is an immediate improvement from years previous due to the additional claims of not incorporating Grid Mix as a power source. Here are the two areas where we focus our efforts: 1) Data Center partners providing 100% renewable energy and attesting on Akamai's behalf through the BSR / REBA Future of Internet Power White Paper 2) Renewable energy coming from our Power Purchase Agreements (vPPA's) The combination of these two areas makes up our renewable energy percentage across Akamai's global operations. Our primary focus is on getting more data center suppliers renewable to help reduce our emissions. In addition, Akamai will support renewable energy projects to advance carbon mitigation using zero-carbon sources in areas where we can't. In 2020, we eliminated the use of Grid Mix due to the lack of data updated data available and the potential of double-counting of Grid Mix sources. To ensure Akamai was having the highest impact possible with the renewables sourced, during 2020, we worked directly with suppliers. Our 3rd renewable energy project in Northern Virginia came online in Q4 2020. This project helped us hit our target of ~62% renewable through attestable and documentable sources.

Target reference number
Low 2

Year target was set

2021

Target coverage
Company-wide

Target type: absolute or intensity
Absolute

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)
Percentage

Target denominator (intensity targets only)
<Not Applicable>

Base year
2020

Figure or percentage in base year
50

Target year
2030

Figure or percentage in target year
100

Figure or percentage in reporting year
51

% of target achieved [auto-calculated]
2

Target status in reporting year
New

Is this target part of an emissions target?
Yes, this goal is apart ABS 2, 4 and 5 as reported in Section C4.1a. For Akamai to reduce our network emissions to meet our targets, we have to procure from renewable energy sources. This process includes our data center partners purchasing from 100% attestable and traceable renewable power sources or direct-project investment to mitigate our carbon output. A combination of these approaches has help us set new goal, to get to 100% renewable goal by 2030.

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain (including target coverage)
This target and figure include power from 2 different sources and will not not include Grid Mix like it previously did in 2019, 2018, and 2017 CDP reports. We believe the new methodology is an immediate improvement from years previous due to the additional claims of not incorporating Grid Mix as a power source. Here are the two areas where we focus our efforts: 1) Data Center partners providing 100% renewable energy and attesting on Akamai's behalf through the BSR / REBA Future of Internet Power White Paper 2) Renewable energy coming from our Power Purchase Agreements (vPPA's) and other direct supplier-based agreements Our primary focus is on getting more data center suppliers renewable to help reduce our emissions. In addition, Akamai will continue to support renewable energy projects to advance carbon mitigation using zero-carbon sources in areas where we can't.

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number
NZ1

Target coverage
Company-wide

Absolute/intensity emission target(s) linked to this net-zero target
Abs2
Abs3
Abs4
Abs5

Target year for achieving net zero
2030

Is this a science-based target?
No, and we do not anticipate setting one in the next 2 years

Please explain (including target coverage)
Akamai has set out goals to make our entire platform operation net-zero by 2030. This approach includes: - All network operations emissions in scope 1 - All network operations emissions in scope 2 (market-based) - A portion of our upstream emissions in scope 3 (our non-paid, Akamai Accelerated Network Partners (AANP) and free space and traffic deployments globally). We will approach this in three ways focused on decarbonizing our energy usage in the areas where we have global operations: 1) Data Center partners providing 100% renewable energy and attesting on Akamai's behalf through the BSR / REBA Future of Internet Power White Paper 2) Renewable energy coming from our Power Purchase Agreements (vPPA's) and other supplier, provider, and broker based offerings that help support and create net-new renewable energy options 3) Creditable Carbon Offsets through creditable standards and emerging technology in those areas where it is impossible to partner with our data centers, generate renewables, or engage with suppliers. This approach will be mainly for our smaller data center facilities. We believe that this diversified approach will help us on a path to support our long-term goals to become a Zero-Emissions platform. In addition, this approach will help us better maintain our net-zero goal for our stakeholders with this combination of techniques.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	2	110000
To be implemented*	1	20000
Implementation commenced*	0	0
Implemented*	3	253900
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in production processes	Product or service design

Estimated annual CO2e savings (metric tonnes CO2e)
21100

Scope(s)
Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
22600000

Investment required (unit currency – as specified in C0.4)
2500000

Payback period
<1 year

Estimated lifetime of the initiative

3-5 years

Comment

This reduction target is an overall continued effort to be more efficient in our operations. This past year, even with continued growth above and beyond expectation, mainly due to COVID-19, Akamai engineers reduced the need for roughly 148 racks and over 6,000 servers due to our continued Hardware and Software efficiency programs. Our hardware engineering team reduced the overall demand for power from our servers while increasing throughput on the hardware side. As the engineers make inroads to increase throughput leads to a more efficient platform, which reduces our environmental footprint while still providing superior performance for our customers and their end-users. Making carbon emissions impact and reduction helps lower emissions while improving overall customer experience

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)

37800

Scope(s)

Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

12990000

Investment required (unit currency – as specified in C0.4)

150000

Payback period

<1 year

Estimated lifetime of the initiative

3-5 years

Comment

Akamai is working directly with Data Center providers to figure out the best ways to lower PUE even if it is only by 10% from 2019 levels. This includes running spaces hotter or working with providers around getting more innovative and efficient with cooling practices in facilities. Akamai hardware is being designed to run hotter, so options such as outdoor air cooling using a mix of emerging cooling technologies is becoming more of a reality in how we can operate. If we continue to work with our providers, look at lower the average PUE from 1.4 to 1.3, we will get a savings of over 37,800 of avoided emissions output.

Initiative category & Initiative type

Low-carbon energy consumption	Low-carbon electricity mix

Estimated annual CO2e savings (metric tonnes CO2e)

195000

Scope(s)

Scope 2 (location-based)
Scope 2 (market-based)
Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

850000

Investment required (unit currency – as specified in C0.4)

400000

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

In addition to our existing renewable energy projects and direct supplier relationships, we have opportunities the reduce our emission footprint as we grow the renewable energy program globally at Akamai. As an essential component to our renewable energy transition by 2030 and our ambition to move to zero emissions across the Akamai platform across Scope 2 and Scope 3, Akamai is looking to use mainly net-net renewable energy to reduce our emissions footprint. This program will further allow us to push forward with our foremost opportunity since our platform is power-intensive. Based on our baselines today, Akamai believes that we would reduce emissions by at least an additional 105,000 MT and predict with other emissions reduction activities through renewable generation, we could see reductions upward of 195,000 MT of CO2e yearly.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Financial optimization calculations	This method is primarily used when assessing energy efficiency projects. There review includes what opportunities those projects will bring from a reduced emissions perspective and to better understand the overall cost of each opportunity to better budget for activities.
Other (Customer Demand / Proactive Partnership)	Akamai is continuing to see customers asking for a low-carbon transition of products and services. Customers are increasingly looking for decarbonized/low-carbon services.
Other (Investor Demand)	Investor demand for corporate action and management of climate-related risks and opportunities. This is an ongoing ask from investors across most disciplines today.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?
Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation
Group of products

Description of product/Group of products
To give our customers insight into their emissions related to their usage on the Akamai platform, we offer them a customized report that showcases their emissions by Month and by GEO. The information includes specific details related to using the Akamai platform and how that usage translates directly to our customers from a product utilization perspective compared to baseline emissions and what actions Akamai is taking to reduce emissions further. This reporting works for all utilization on the platform, not just one individual product.

Are these low-carbon product(s) or do they enable avoided emissions?
Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Other, please specify (Emissions based on traffic delivery and principles from the WRI Estimating and Reporting the Comparative Emissions Impacts of Products)

% revenue from low carbon product(s) in the reporting year
100

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

Comment
Due to the nature of our platform and services, we track usage to understand actual emissions, not individual products.. We do not directly track revenue from our low carbon platform, just customer wins from having a sustainability program.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
January 1 2009

Base year end
December 31 2009

Base year emissions (metric tons CO2e)
101

Comment
In 2009, Scope 1 was solely from the use of diesel fuel for backup electricity generation at two Akamai offices where we had operational control of the Generators.

Scope 2 (location-based)

Base year start
January 1 2009

Base year end
December 31 2009

Base year emissions (metric tons CO2e)
55181

Comment
Estimates of Akamai's Scope 2 includes electricity used by Akamai's global network IT equipment and offices as well as energy used for heating of Akamai's leased office space. This is the last year for these figures to be used in our reporting.

Scope 2 (market-based)

Base year start
January 1 2015

Base year end
December 31 2015

Base year emissions (metric tons CO2e)
92182

Comment
Estimates of Akamai's Scope 2 includes electricity used by Akamai's global network IT equipment and offices as well as energy used for heating of Akamai's leased office space. This is the last year for these figures to be used in our reporting.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
IEA CO2 Emissions from Fuel Combustion
ISO 14064-1
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
The Greenhouse Gas Protocol: Scope 2 Guidance
US EPA Emissions & Generation Resource Integrated Database (eGRID)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
38

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
Akamai Scope 1 includes any production of electricity through a generator that burns fuel for power. In addition, Akamai documents and captures other emissions sources under Scope 1, such as fugitive emissions are gases or vapors from equipment that contribute to building operations that could cause air pollution and climate change. The latter, we only report on fugitive emissions if we have an incident documented by our facilities team for those buildings under direct operational control or if the details have been published to us by our Landlord. Those sources under our operational control focus on several areas, including any impact our buildings or operations may have on the environment due to emissions being released into the atmosphere. Under these assumptions, the figure above is representative of the following areas: - Diesel generator emissions - Natural gas generator emissions - Gasoline generator emissions - Off-gassing from building mechanical systems and owned company vehicles The UNFCCC Carbon Development Mechanism (CDM) provides a protocol and source for CEF's for diesel generators. Diesel generator CEF's are a function of many factors, including the generator size, maintenance upkeep, efficiency, and diesel fuel type. Therefore, CEF's are also provided in many different units, including kg CO2e/KWH, kg CO2e/MWH, kg CO2e/US gal, and kg CO2e/liter. As necessary, the appropriate CEF is selected and converted based on the units of activity recorded for Akamai's diesel generators. In this instance, everything has been converted to MT of CO2e.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment
Location-Based U.S. GHG emission factors are sourced from the EPA eGrid annual summary tables. Country-based GHG emission factors are sourced from DEFRA. Market-Based For the largest data centers representing 95% of Akamai's network power demand, identify whether competitive / deregulated power purchasing is available in the location. This is done by state, and then by exception. - For states with only a very limited "Direct Access" program (CA, OR, MI), assume the power is provided by the regulated utility provider rather than an opt-out provider. - For all regulated power locations and Munis, the EPA Power Profiler is used to determine the power provider. -A sorted list by city is developed. Where cities with regulated power providers match those already identified, fill in the power provider. - From the list, it is matched by power provider with emission factor, in order of preference: - Emission factors for delivered power provided by the regulated utility or Municipality - Emission factors for delivered power provided by the State (e.g. Oregon Dept of Energy) - Emission factors for delivered power provided by another regulatory body (e.g. RGGI in the Northeast) - Emission factors for delivered power provided by a regional power market (PJM) In cases where emission factors are not published, but a delivered power grid mix is published, standard emission factors for each generation technology is adopted and the grid mix is converted into an emission factor (e.g. ERCOT, many California providers) If both emission factors or grid mix is not available, Akamai defaults to regional eGRID value. Outside the US Typically, nearly all of the high-load locations (either by country or by city) are in deregulated nations. For which there is no data on power providers, for deregulated locations, the national average is assumed. In addition, the largest, regulated (or quasi-regulated) countries in which Akamai has operations are island nations where the only grid mix data available are national, such as Japan and Singapore. Natural Gas The U.S. EPA provides and source for CEF's for natural gas in several units including kg CO2 per mmBtu and kg CO2 per scf Our most recent emissions statement can be found here on our Website: https://www.akamai.com/us/en/multimedia/documents/sustainability/ghg-verification-statement-2020.pdf

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
190800

Scope 2, market-based (if applicable)
105100

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
When considering the types of colocation deployments and office operations, Akamai will report in the following areas: Electricity Emissions from Colo Operations including: - Akamai Owned Data Center (AODC) server, switch, router, and network component electricity - Colo server, switch, router, and network component electricity not including hardware from non-direct impact, AANP, free space, and power deployments - Colo operations electricity (mechanical, lighting, and common area and not including non-direct impact, AANP free space, and power deployments) Office electricity Lab electricity (cooling if available) Office heating, steam, and natural gas consumption Akamai includes a portion of a given facility's mechanical cooling, lighting, and common area power since our Data Center deployments directly impact how much power in our Scope 2. Therefore, even though in some cases, these systems, also referenced as PUE, would be seen as Scope 3, we incorporate it into Scope 2 since Akamai is directly causing it from our operations. Our Scope 2 market-based method will be used to track and monitor green power generation from renewable energy purchases to reduce Akamai's overall Scope 2 GHG footprint. The category of contractual instruments when calculating the market-based method will take into account the following areas: - Direct contracts such as power purchase agreements (PPAs and VPPA's), where other instruments or energy attribute certificates do not exist - Energy attribute certificates (GOs, RECs) - Pass through from vendors through letters of Attestation to Akamai - Supplier-specific emission rates - Residual mix (e.g., the emissions rate left after the three other contractual information items are removed from the system)** Our most recent emissions statement can be found here on our Website: https://www.akamai.com/us/en/multimedia/documents/sustainability/ghg-verification-statement-2020.pdf

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Metric tonnes CO2e
41100

Emissions calculation methodology
Our calculation is based on the estimated total network equipment energy usage for a data center and the data center's reported Power Usage Effectiveness (PUE). PUE is self-reported by each data center via an annual online survey that Akamai conducts using public surveying tools. Where PUE is not self-reported or collected, the average of the self-reported PUE is used to calculate. Please Note: This figure is included in our Scope 2 calculation from an overall power consumption perspective and is considered double counted. PUE Calculation DC Electricity Consumption = Network Electricity Consumption x DC PUE

Percentage of emissions calculated using data obtained from suppliers or value chain partners
60

Please explain
Our data centers are a significant portion of our Top 100 suppliers as to why we believe our current figures make up for about ~60% of our purchased goods and services figures. In addition, Akamai is in the process of launching our Responsible Supply Chain Program (RSCP) more formally, which will include other suppliers outside of our data center suppliers that will make up for about ~40% of our purchased goods and services. We are focused on covering our most impactful sources of emissions in our supply chain, which we believe is critical to our overall long-term success. Supplier responsibility is the reason why Akamai is launching the RSCP. The RSCP will address responsible supply chain issues most relevant to Akamai's business through engagement in mutually beneficial partnerships with diverse, environmentally conscious, and responsible suppliers. Akamai's Responsible Supply Chain Program (RSCP) creates the world's best and most secure digital experiences by monitoring and engaging our suppliers in the areas of ESG. Together, we look to partner with businesses to help mitigate supply chain risks, create opportunities for diverse representation, protect our stakeholders, and inspire better business.

Capital goods

Evaluation status
Relevant, calculated

Metric tonnes CO2e
73300

Emissions calculation methodology
Akamai's network equipment consists of servers, storage, switches, routers, DWDMs, power distribution units and accessories. Server equipment makes up approximately 90% of the network equipment in terms of aggregate power used. Switches, routers, DWDMs, storage, PDUs and Accessories are approximately 10%. Akamai estimates the embedded carbon associated with its network equipment purchased within the reporting year. The Scope 3 emissions for these capital goods are estimated based on the expected energy consumption over a 5-year life cycle. A purchased server's expected lifetime energy consumption is calculated as follows: Network Equipment Embedded Carbon Total GHG MT = Total MWh (n) x ((MPD x %MP) x H) x CO2e x 0.001 Calculations Details n = Unique server type MPD = Maximum Expected Power Drawn over lifecycle %MP = % of Max power CO2e = Greenhouse gas equivalency 0.001 = CO2e MT Conversion The same calculation for our servers will be used to estimate the embedded carbon of non-server equipment including switches, routers, DWDMs, power distribution units and network accessories. The total server embedded carbon is multiplied by the amount of power drawn by each device. The average device life for this type is between 5 and 7 years. for this exercise, a 6 year useful life will be used to estimate all non-server devices.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
99

Please explain

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Metric tonnes CO2e
17100

Emissions calculation methodology
Akamai estimates the transmission and distribution (T&D) losses associated with Akamai's global electricity usage including offices, network equipment and third-party data center operations. The T&D loss percentage was calculated from the most recent IEA data set of per country electricity emission factors that includes transmission and distribution losses. The percentage T&D loss for each country was calculated by dividing the T&D loss emission factor by the electricity generation emission factor for that country. Where a country has no published IEA electricity T&D loss emission factor, the average value for non-U.S. countries with published T&D loss EFs was used. Total T&D Electricity Loss Calculation T&D Electricity Loss = Akamai Total Electricity Consumption (ATEC) x % T&D Loss (TDL) Calculation Details ATEC = Akamai Total Electricity Consumption Total T&D loss emissions are then totaled for all countries and U.S. states

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e
820

Emissions calculation methodology
For Akamai to get an accurate total on Logistics GHG, we analyze the manifest reports from our shipping vendors and the known CO2e emissions based on distance traveled and applicable weights. Our two primary shipping vendors are known to account for over 98% of our total shipping in a calendar year. Therefore, if the data is available, the remaining shipments are calculated using this equation based on vendor spend: Logistics GHG Calculation Vendor CO2 Emissions = Primary Vendor 1 CO2e + Primary Vendor 2 CO2e x (Other Vendor Spend / Primary Vendor Spend) Calculation Details Primary Vendor 1 CO2e = Provide quarterly and Yearly Primary Vendor 2 CO2e = Provide quarterly and Yearly Other Vendor Spend = Other Vendor Spend for calendar year Total Vendor Spend = Total Primary Spend for calendar year Based on our research, this estimate is considered conservative since shipping with primary vendor 1 is more carbon-intensive because of the much higher percentage of shipments via air than other shipping vendors, mainly by ground and sea.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
98

Please explain

Waste generated in operations

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Akamai's GHG emissions related to waste generated in operations is deemed to be de minimis. Akamai's primary waste product by weight is our decommissioned network and corporate electronic equipment. Since 2011, all decommissioned electronic equipment has been sent to an asset management vendor. Akamai requires our vendors to have an e-Stewards certification. These vendors, in order of priority, resell, recycle, and recover components and materials with zero waste going to landfill. Greater than ~98% of corporate and network electronic equipment is processed in this manner. A 2011 analysis by the Swiss Technology and Society Lab (EMPA) of the embedded carbon footprint of sample Akamai network IT equipment concluded that due to the resale, recycling and recovery of Akamai's IT equipment the associated GHG emissions were slightly negative.

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
2900

Emissions calculation methodology
Akamai currently collects employee flight data activity that covers the majority of Akamai worldwide employees. This flight data includes flight segment travel dates, originating and destination airports, originating and destination countries, cabin class, traveler name, ticket cost, confirmation code, ticket number and affiliated Akamai businesses (subsidiary). Methodology used to convert flight data Akamai uses the following approach to convert flight data to CO2e: Commercial Airline Flights 1) The origination and destination airport codes entered are matched against the ICAO database and their latitude and longitudes identified. 2)These latitudes and longitudes are then plugged into an algorithm that calculates the great circle distance. This algorithm is based on the Haversine formula, which is commonly available and used to calculate flight distance between two points, taking into account the spherical shape of the earth. As an example, look at http://www.movable-type.co.uk/scripts/latlong.html 3)After flight segment mileage has been calculated, the system automatically assigns the flights as long, medium, or short haul based on the standard distance categorization of flights as shown in the table below. 4)The system then looks at the seating type (economy, premium, business, etc.) and applies the emission factor(s) for that flight. If no seating information is available, then a default EF is applied. 5)Once the calculations are completed, the global warming potentials are applied to obtain a CO2e result Flight Distance for Each Category Short Haul - <= 463 km or 288 miles Medium Haul - > 463 km or 288 miles and <= 3700 km or 2299 miles Long Haul - >3700 km or 2299 miles

Percentage of emissions calculated using data obtained from suppliers or value chain partners
95

Please explain
Our emissions amount reflects a year with minimum travel as Akamai was restricted to travel globally for most of 2020.

Employee commuting

Evaluation status
Relevant, calculated

Metric tonnes CO2e
15800

Emissions calculation methodology
Yearly, Akamai conducts a commuter survey focused on travel habits, including mode of transportation used, the number of days traveling into the office, and round trip distance to get into the office. The data that is collected to understand the GHG emissions impact better. Total GHG Emissions North America Employee Commuting GHG Emissions = (EF x GWP) x (%Trans x MPG) x HC x Dist x WDPY Calculation Details EF = GHG emission factor for Gasoline kg/gallon GWP = Global Warming Potential from IPCC, %Trans = Percentage of the mode being utilized to get to work MPG = Miles Per Gallon from a particular mode HC = Total employee headcount at month's close Dist = Distance traveled to work WDPY = number of working days per year In addition, since most of the company was remote in 2020 due to COVID 19. We expect to continue going forward in some capacity where not everyone will be commuting into the office. This figure is also inclusive of the work-from-home habits we saw this year. We used the following metrics to understand those working from home based on these power stats of a typical Akamai engineer home setup. Devices Types Watts Monitor x 2 100 Video Unit 60 Laptop 72 Lighting 150 Cell Phone Charger 5 Electric HVAC 1190.47619 Total Watts 1577.47619 Total KW Per Person 1.57747619

Percentage of emissions calculated using data obtained from suppliers or value chain partners
98

Please explain

Upstream leased assets

Evaluation status
Relevant, calculated

Metric tonnes CO2e
34900

Emissions calculation methodology
Our database contains inventory data for all deployed Akamai network equipment, including but not limited to: Servers (type, configuration, associated max power draw under load) Storage appliances Network switches DWDM hardware Power distribution units (PDU) Various accessories The database also contains location information associated with this equipment, including data center name, description, and location of where the hardware is deployed. In addition, for each piece of equipment, the maximum power draw (WATTs) is applied to these devices from the measured peak load that was recorded during the associated tests performed in the Akamai hardware lab. Similar to how we capture our power utilization today across the rest of the Akamai platform, we do the same for AANP's and Free Space and Traffic, which are considered upstream leased assets. AANP / Free Space And Traffic Calculation DC Electricity Consumption = Network Electricity Consumption x DC PUE This figure also includes a percentage of Diesel emissions coming from our DC facilities. We factor in a portion of emissions from generator sources as well to ensure we are accurately capturing diesel emissions coming from gensets not under our operational control

Percentage of emissions calculated using data obtained from suppliers or value chain partners
98

Please explain

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Akamai does not sell or distribute a material amount of products.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Akamai does not process or sell physical products.

Use of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Akamai does not sell physical products.

End of life treatment of sold products

Evaluation status
Not evaluated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Akamai does not sell physical products.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Akamai does not lease downstream assets.

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Akamai has no franchises

Investments

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Scope 3 emissions related to Akamai's investments do not meet the material threshold.

Other (upstream)

Evaluation status
Not evaluated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Akamai has no other upstream activities

Other (downstream)

Evaluation status
Not evaluated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Akamai has no other downstream activities

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?
No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.0000327978

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
104893

Metric denominator
unit total revenue

Metric denominator: Unit total
3198149000

Scope 2 figure used
Market-based

% change from previous year
50

Direction of change
Decreased

Reason for change
Akamai decreased its intensity impact per unit of revenue by 50% due to our continued improvements with our operational efficiencies and additional renewable energy sources coming online in the 2020 calendar year. With our continued performance optimizations, renewable energy, sustainable facility, and data center partners, we can lower our overall scope 1 and 2 emissions per dollar of revenue. With our continued initiatives, we predict to see additional long-term improvements that will translate for our customers by using an Edge platform with a reduced emissions impact.

Intensity figure
0.4267

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
104893

Metric denominator
megawatt hour generated (MWh)

Metric denominator: Unit total
245270.92

Scope 2 figure used
Market-based

% change from previous year
30

Direction of change
Decreased

Reason for change
Akamai has decreased its emissions intensity per MWh renewable power generated by 30% to 0.4267. This figure is an overall decrease from last year, mainly due to Akamai meeting our 50% renewable power goal by 2020. In addition, as we continue to add renewable power globally to our operations, our projections will continue to see a reduction in our overall emissions output per renewable MW generated.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
North America	38

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.
By business division
By activity

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Global Real Estate and Workplace Productivity organization: office operations (backup power generation using diesel generators) under Akamai's operational control (not operated by the landlord).	0
Platform - Akamai Global Network. Focused specifically on generators under Akamai's operational control in our owned data center facilities.	38

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Global Real Estate and Workplace Productivity organization: office operations (backup power generation using diesel generators) under Akamai's operational control (not operated by the landlord).	0
Global Network Operations. Focused specifically on generators under Akamai's operational control in our owned data center facilities.	38

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Africa	422.65	422.65	478.33	0
Asia Pacific (or JAPA) *This figure is just for Asia countries not including India, Chain, Japan, Taiwan or Hong Kong*	6669.85	5093.67	12736.09	2934.92
China	979.02	979.02	1629.53	0
Europe	28994.5	13490.49	98800.68	74210.8
India	10457.05	10662.46	14708.88	0
Japan	18314.07	12353.73	33836.47	8714.66
Middle East	1501.57	1501.57	2965.78	0
North America	101389.72	41585.89	281685.47	157237.85
Oceania	8177.06	8177.06	12997.19	0
South America	1457.37	1457.37	9293.52	0
Other, please specify (Taiwan)	649.25	649.25	1350.08	0
China, Hong Kong Special Administrative Region	7395.51	5149.45	9147.42	2172.68

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.
By business division
By activity

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Platform (Global Network Operations)	186407.52	104723.07
Global Real Estate and Workplace Productivity	4009.4	3706.93

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Global Network Operations (IT + PUE + Akamai owned-operated DC)	186407.52	104723.07
Office Operations	4009.4	3706.93

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?
Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	40694.27	Decreased	38	Due to an increase in renewable energy, we saw an emission decrease of 38% across the Akamai Global Platform. This decrease was mainly due to our renewable energy work in Europe with our Data Center Partners and additional renewable energy that Akamai was able to bring online in the US. Europe and the United States make up for the majority of our emissions output.
Other emissions reduction activities		<Not Applicable>		
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?
Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	Unable to confirm heating value	0	38	38
Consumption of purchased or acquired electricity	<Not Applicable>	243700	234100	477800
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	243700	234100	477800

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)
Diesel

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
40.05

MWh fuel consumed for self-generation of electricity
3373

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
0.01018

Unit
metric tons CO2e per metric ton

Emissions factor source
Emissions factor sourced from UK-DEFRA Conversion Factors

Comment
This is the total amount of Diesel fuel used based on the generators that we have under operational control.

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method
Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

Low-carbon technology type
Wind

Country/area of consumption of low-carbon electricity, heat, steam or cooling
United States of America

MWh consumed accounted for at a zero emission factor
63116

Comment
These MWh are from our two renewable energy projects closely located outside of Chicago, Illinois, and Dallas, Texas. The total is the generation seen over the entire year of 2020, including the RECs from the voluntarily claimed attributes at the end of the year on PJM GATS and ERCOT Renewables. Akamai's third-party verifier reviews these figures each year as a part of our emissions verification process to ensure accuracy in our reporting.

Sourcing method
Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type
Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling
United States of America

MWh consumed accounted for at a zero emission factor
53202

Comment
With our solar project delayed throughout 2020, we worked with our provider to source renewable energy credits on PJM equal to the amount of generation expected from the solar project utilizing low-impact hydro from the Cheoah River. These certificates are net-new in-year generation. REC's voluntarily claimed attributes with PJM GATS at the end of the year. Akamai's third-party verifier reviews these figures each year as a part of our emissions verification process to ensure accuracy in our reporting.

Sourcing method
Other, please specify (Green Certificates Through Supplier Attestation)

Low-carbon technology type
Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Please select

MWh consumed accounted for at a zero emission factor

126064

Comment

Our green certificates through supplier attestation come from our Data Center partners or third-party electricity contracts globally. Our Data Center partners provide Akamai with attestable sources of zero-carbon renewable energy through the Future of Internet Power Documentation Requirements for Supplier Procured Renewable Energy. We receive power from various providers globally, account for this figure by metro for emissions offset, and roll that up into our renewable energy accounting figures. We receive attestions from our providers for renewable power in the following Geographies: - North America - Europe - Asia - Hong Kong -Japan Akamai's third-party verifier reviews these figures each year as a part of our emissions verification process to ensure accuracy in our reporting.

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Wind

Country/area of consumption of low-carbon electricity, heat, steam or cooling

United States of America

MWh consumed accounted for at a zero emission factor

1185

Comment

Direct-supplier electricity product from our competitive supply contracts for our facilities in the Boston Metro area. Renewables for this area coming from wind Akamai's third-party verifier reviews these figures each year as a part of our emissions verification process to ensure accuracy in our reporting.

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Australia

MWh consumed accounted for at a zero emission factor

53

Comment

Direct-supplier electricity product from our competitive supply contracts for our facilities in the North Sydney Metro area. Renewables for this area coming from a few low-carbon sources. Akamai's third-party verifier reviews these figures each year as a part of our emissions verification process to ensure accuracy in our reporting.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Energy usage

Metric value
51

Metric numerator
51% renewable energy in operations over 2020

Metric denominator (intensity metric only)
30.9 % renewable energy in operations over 2019

% change from previous year
20.1

Direction of change
Increased

Please explain
The 20.1% increase represents the additional renewable energy found across Akamai's global platform operations for 2020. This figure is compared to 2019 levels to see the overall change in carbon-free energy added to our operations

Description
Waste

Metric value
279.87

Metric numerator
279.87 Metric Tons of e-Waste decommissioned

Metric denominator (intensity metric only)
279.87 Metric Tons of e-Waste recycled

% change from previous year
0

Direction of change
No change

Please explain
Akamai remains committed to doing our part to address the worldwide waste crisis by partnering with E-Stewards–certified facilities to ensure 100% of our global e-waste is recycled or reused whenever possible. In addition to our conscious recycling practices, Akamai takes our security practices seriously. We require certification that every piece of recycled hardware containing data meets or exceeds HIPAA, Sarbanes-Oxley, Department of Defense 5220.22-M, and NIST 800-88 data security and destruction standards. Including the hundreds of thousands of servers located in more than 130 countries worldwide, as well as equipment from our offices, we are processing over 60,000 pieces of e-waste annually with responsible partners. Our yearly stats can be found here: https://www.akamai.com/us/en/multimedia/documents/sustainability/2020-ewaste-stats.pdf

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Akamai GHG Statement 2020.pdf

Page/ section reference
Page 1

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Akamai GHG Statement 2020.pdf

Page/ section reference
Page 1

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Akamai GHG Statement 2020.pdf

Page/ section reference
Page 1

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Capital goods

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Akamai GHG Statement 2020.pdf

Page/section reference
Page 1

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Akamai GHG Statement 2020.pdf

Page/section reference
Page 1

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Upstream transportation and distribution

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Akamai GHG Statement 2020.pdf

Page/section reference
Page 1

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
99

Scope 3 category
Scope 3: Business travel

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Akamai GHG Statement 2020.pdf

Page/section reference
Page 1

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Employee commuting

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Akamai GHG Statement 2020.pdf

Page/section reference
Page 1

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Upstream leased assets

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Akamai GHG Statement 2020.pdf

Page/section reference
Page 2

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
 Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Other, please specify (Carbon Offset)	ISO 14064-3	We included the verification of carbon offsets in our emission audit. This information can be found on Page 2 Akamai GHG Statement 2020.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
 No, but we anticipate being regulated in the next three years

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Yes, Akamai believes this will affect our operations over the next three years; however, we do not think it will be material to our overall operational cost.

We monitor our suppliers and the countries where we operate if a significant carbon tax will directly impact our operations. Right now, most contracts for our data centers have a price cap with the associated electricity usage. Based on most facility operations today, the carbon tax would become a part of our deal structure across our data center operations in the areas in which it out in place. The tax may not be directly translated into a monetary value since we are not directly purchasing the energy, the lessor of the space is. We anticipate a slight increase in overall cost but nothing that will have a significant material impact on the bottom line.

Regardless of the carbon tax and if it does become something that has a material effect, Akamai is committed to reducing our carbon emissions even if the tax goes into effect. We believe we must continue to reduce our impact regardless of the financial implications of a carbon tax across our operations.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase
Credit purchase

Project type
Wind

Project identification
CAPRICORN RIDGE WIND FARM - This project is located on 11,000 acres in West Texas. A total of 75 wind turbines will reduce reliance on fossil fuels by providing clean energy for the Lower Colorado River Authority. The wind farm will boost the local economy with jobs and land lease payments, while maintaining the surrounding agricultural land

Verified to which standard
CDM (Clean Development Mechanism)

Number of credits (metric tonnes CO2e)
75

Number of credits (metric tonnes CO2e): Risk adjusted volume
75

Credits cancelled
Yes

Purpose, e.g. compliance
Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?
Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price
Navigate GHG regulations
Drive energy efficiency
Identify and seize low-carbon opportunities
Other, please specify (Internal Measurement Against Output)

GHG Scope
Scope 1
Scope 2

Application
Akamai would likely not be impacted directly by carbon taxes. Any applicable cost increases would be passed down through our supply chain — primarily by our colocation data center providers. An analysis of our network-wide carbon emissions, including colocation data center operations, estimated the impact of a $US20/mton carbon tax would amount to less than a 2% to 2.5% increase in our operational costs.

Actual price(s) used (Currency /metric ton)
20

Variance of price(s) used
We used a $20/mton price based on the potential impact if the cost was passed down to Akamai from our operation partners. This was calculated with.the data we had from suppliers. The high-level data helped determine the overall potential impact was could see on added costs.

Type of internal carbon price
Shadow price

Impact & implication
Akamai would be looking at $2.9 Million a year tax across the portfolio if a carbon tax were put into place and Akamai paid directly. Today we believe this impact would be translated into our Data Center contracts on a per rack basis of power utilization mainly vs. per deployment and Offices leases based on per sq FT to kWh used. The figure might shift over time based on that context if we expand or contract our operations in both of these areas.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our suppliers
Yes, our customers

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Engagement & incentivization (changing supplier behavior)

Details of engagement
Run an engagement campaign to educate suppliers about climate change
Climate change performance is featured in supplier awards scheme

% of suppliers by number
50

% total procurement spend (direct and indirect)
60

% of supplier-related Scope 3 emissions as reported in C6.5
60

Rationale for the coverage of your engagement
Akamai has worked directly with one of our NGO partners, the Renewable Energy Buyers Alliance, to develop various opportunities to innovate ways to change supplier behavior. Akamai believes that there is an opportunity for all companies to be access to renewables regardless of size. Today, large renewable energy buyers, like multi-national corporations, have long championed renewable energy as a means to reduce greenhouse gas emissions across operations and facilities. We believe this should not stop with the largest companies. There is no question that there is a vast market demand for renewable power regardless of business size. More companies seek to get into the market to offset their brown power utilization, and there is a need to have an entry point to do so. Education is critical to understanding the markets, opportunities and entry points to be successful

Impact of engagement, including measures of success
The LESsor Sustainable Energy Network (LESSEN) is a complimentary 3-month training program for data center and real estate owners and operators to develop a successful, sustainable energy strategy and progress toward energy goals. The program creates a community of practice among attendees through ongoing engagement with experienced large-scale energy buyers serving as faculty. The LESSEN training is offered through multiple online sessions covering foundational knowledge and project-specific education. This is open to Data Center providers and Real Estate Investment Trusts (REITs). The measures of success and KPI's are based on participation and execution of a renewable energy strategy at the end of the education program.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement
Education/information sharing

Details of engagement
Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number
100

% of customer - related Scope 3 emissions as reported in C6.5
0

Portfolio coverage (total or outstanding)
<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement
the public alike. Forrester says it best, "The pressure to improve behavior, minimize negative environmental impacts, and mitigate climate-related risks have never been higher, and it's coming from every angle." This pressure has sparked widespread behavior change. Akamai's Customers are adjusting their go-to-market and risk mitigation strategies to address environmental sustainability. Regulators are becoming more stringent with their sustainable directives. Environmental, social, and governance investing is up 97% over the past 20 years. In addition, 52% of US consumers now consider company values when making a purchase, and 52% of European online adults say they like to buy environmentally friendly products. Akamai believes it is essential for our customers to understand their environmental impact by looking up and down their supply chain. In our key supplier relationships, Akamai has seen an uptick in customer inquiries about its carbon footprint, especially related to an individual customer's business. It has led Akamai to believe that all companies should reduce their impact and green up their footprint so that their customers can green theirs simultaneously.

Impact of engagement, including measures of success
As an enabler of online business, we know that the Internet emits massive amounts of carbon. The Internet is responsible for about 3.7% of global yearly emissions. That is equivalent to the airline industry and is growing at 9% per year. These facts are disrupting business as usual and ushering in the need for emissions data insight. To give our customers insight into their emissions related to their usage on the Akamai platform, we offer them a customized report that showcases their emissions by Month and GEO. In addition, this report has specific details regarding usage, baseline emissions output, and emissions avoided using the Akamai platform. Finally, it includes renewable energy mix in their use of the global platform and what Akamai has done to reduce the impact of utilization on our customer's behalf. Akamai measures our impact on the customers we reach every year through sales and direct requests coming into the sustainability team for emissions impact.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?
Direct engagement with policy makers
Trade associations
Other

C12.3a

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Clean energy generation	Support	Akamai participated in meetings with several federal lawmakers as part of the Federal Advocacy Day sponsored by Ceres - Lead on Climate 2020.	Support for select policies on climate and clean energy at a federal government level including building back better post COVID-19 Advocated for: - Investment in resilient infrastructure - Immediate investment in the country's transition to a net-zero emissions economy - Longer-term solutions, including a price on carbon https://www.ceres.org/events/lead-climate-2020
Adaptation or resilience	Support	On January 22, the day after the 2020 Massachusetts State of the Commonwealth speech, our Sustainability team participated in a clean energy legislative preview with Governor Charlie Baker, Secretary of Energy and Environmental Affairs Kathleen Theoharides, and representatives from Ceres, and other key businesses across the state. This was a part of conversation around a multi-state Transportation and Climate Initiative, which is working to build a regional program that would cap and reduce greenhouse gas emissions from the transportation sector across the Northeast and Mid-Atlantic regions, and invest the proceeds in a cleaner, more resilient, and more equitable low-carbon transportation system.	Passed - Massachusetts, Connecticut, Rhode Island and the District of Columbia are the first to launch a groundbreaking program to cut transportation pollution and invest in communities. The Transportation & Climate Initiative Program (TCI-P) will invest $300 million every year to modernize transportation, improve public health, and combat climate change. https://blogs.akamai.com/2020/01/akamai-attends-the-massachusetts-clean-energy-preview-with-governor-baker.html
Clean energy generation	Support	On March 6, the Virginia legislature passed the Virginia Clean Economy Act (VCEA) — a landmark legislation to put Virginia on a clear path to 100% zero-carbon electricity by 2045. Eight companies, including Akamai, signed a letter of support for the VCEA and also lobbied legislators to pass it.	Passed - On March 6, the Virginia legislature passed the Virginia Clean Economy Act (VCEA) — landmark legislation that puts the Commonwealth of Virginia on a clear path to 100 percent zero-carbon electricity by 2045. https://www.greenbiz.com/article/how-companies-led-way-clean-energy-virginia
Other, please specify (Renewables, emissions reductions and stronger more equitable economy)	Support	The effects of pollution on environmental justice communities are real and imbalanced. These communities often suffer from unequal access to healthcare and are commonly more vulnerable to greenhouse gas emitting sectors such as transportation and electricity. The equity measures in the House climate bill would ensure representation for these communities during the approval process for projects in their own neighborhoods that will have harmful impacts on their health and communities.	Passed Sets a statewide net-zero limit on greenhouse gas emissions by 2050 and mandates emissions limits every five years, as well as sub-limits for transportation, buildings, and other sectors of the economy. Codifies environmental justice provisions into Massachusetts law, defining environmental justice populations and providing new tools and protections for affected neighborhoods. Establishes a municipal opt-in specialized stretch energy code which includes a definition of "net-zero building" and net-zero building performance standards. Requires an additional 2,400 megawatts of offshore wind, increasing the total authorization to 5,600 megawatts in the Commonwealth. Directs the Department of Public Utilities (DPU), the regulator of the state's electric and natural gas utilities, to balance priorities going forward: system safety, system security, reliability, affordability, equity, and, significantly, reductions in greenhouse gas emissions. Sets appliance energy efficiency standards for a variety of common appliances including plumbing, faucets, computers, and commercial appliances. Adopts several measures aimed at improving gas pipeline safety, including increased fines for safety violations, provisions related to training and certifying utility contractors, and setting interim targets for companies to reduce leak rates. Requires utilities to include an explicit value for greenhouse gas reductions when they calculate the cost-effectiveness of an offering of MassSave. Increases the Renewable Portfolio Standard (RPS) by 3 percent each year from 2025–2029, resulting in 40 per cent renewable energy by 2030. A national first, this legislation factors the "carbon sequestration" capacity of Massachusetts' natural and working lands directly into our emissions reduction plans. Prioritizes equitable access to the state's solar programs by low-income communities.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Clean energy generation	Support	Akamai participated in meetings with several federal lawmakers as part of the Federal Advocacy Day sponsored by Ceres - Lead on Climate 2020.	Support for select policies on climate and clean energy at a federal government level including building back better post COVID-19 Advocated for: - Investment in resilient infrastructure - Immediate investment in the country's transition to a net-zero emissions economy - Longer-term solutions, including a price on carbon https://www.ceres.org/events/lead-climate-2020

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association
Renewable Energy Buyers Alliance

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
The Renewable Energy Buyers Alliance (REBA) is an alliance of large clean energy buyers, energy providers, and service providers that, together with NGO partners, are unlocking the marketplace for all nonresidential energy buyers to lead a rapid transition to a cleaner, prosperous, zero-carbon energy future.

How have you influenced, or are you attempting to influence their position?
No, Since the organization is aligned with Akamai's renewable goals, REBA is a perfect fit for us to be apart of and help support long-term change in the industry. REBA is helping to accelerate the purchasing and development of renewable energy across the globe. We only will join an organization working toward a common, meaningful goal in the environmental space, not to influence for a single corporate agenda.

Trade association
Ceres BICEP Network

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
The Ceres BICEP Network (Business for Innovative Climate and Energy Policy) was founded in 2009 on the understanding that climate and clean energy challenges present tremendous opportunities, but also urgent risks for global businesses. Ceres BICEP Network members have weighed in on a range of state and federal policies from renewable energy issues to fuel efficiency standards, to various Clean Air Act measures to the Paris Climate Agreement. These forward-thinking companies are respected leaders in their sectors who recognize that the low-carbon economy will continue stimulating growth and create new jobs, while stabilizing our climate. Ceres BICEP Network members support three principles: increased adoption of renewable energy and energy efficiency; increased investment in a clean energy economy; and increased support for climate change resilience.

How have you influenced, or are you attempting to influence their position?
No, Ceres provides members with the tools and knowledge they need to effectively engage with state and federal policymakers on climate and energy policies. Through in-person meetings with key lawmakers, sign-on letters, speaking engagements and media interviews, we offer a diverse menu of options for companies to demonstrate leadership and action that will result in a stronger, more sustainable future. We only will join an organization working toward a common, meaningful goal in the environmental space, not to influence for a single corporate agenda.

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

As appropriate, Akamai will sign on to letters or articles of support to state and federal elected officials in support of clean energy and climate legislation and policies, typically through Ceres, WRI, and WWF. Also, when applicable, we will meet with legislators to support work focused on the community that could benefit the long-term move to greener sources of energy for all. Akamai is committed lend public support as it aligns with our sustainability program. These areas include:
1. Access to renewable energy
2. Access to Wind Energy (on or off-shore)
3. Access to Community Solar
4. Utility Engagement - Focused on Greenhouse Gas Reduction and Renewable Energy
5. Energy Storage
6. Greenhouse Gas Reduction Climate Initiatives

Akamai believes these efforts will help us with meeting our short and long term goals through direct support of:

Access to Renewable Energy
- Helps increase Akamai's total amount of renewable energy to support our public stakeholder goals
- Supports our data center partners move all of their customers along with Akamai to a more renewable mix at an accelerated pace

Utility Engagement
- Brings more renewable power to the grid while helping to reduce greenhouse gas
- Helps reduce our total operation impact within our data center footprint while helping the whole facility get access to more renewables

Greenhouse Gas Climate Reduction Initiatives
- Helps build access to more renewable energy through legislative work like the VA clean economy act or MA 100% Renewable Energy Economy
- Legislation helps our data center partners get closer to their goals of renewable energy, reducing overall footprint impact

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Akamai coordinates internally to ensure that all of our direct and indirect policy activities are consistent with our overall climate change strategy. Akamai's Vice President of Public Policy reviews policy-related initiatives for such consistency in coordination with Akamai's Director of Corporate Sustainability.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In voluntary sustainability report

Status
Complete

Attach the document
2020-akamai-sustainability-report.pdf
Akamai GHG Statement 2020.pdf

Page/Section reference
6, 8 and 9. Additional details are scattered across the report focused on our sustainability pillars.

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment
Report Details: Akamai heeds the call for change and responsible action in our operations, our supply chain decisions, and in the global community. We recognize that in our role as the leading performance, security, and delivery provider, we share the responsibility for reducing the internet's carbon emissions. That's why back in 2015, we set goals to lessen our emissions by 30% year over year, power our network with 50% renewable energy, and recycle 100% of our e-waste all by the end of 2020.

Publication
In mainstream reports

Status
Complete

Attach the document
material-reporting-areas-for-environmental-2020.pdf

Page/Section reference
1 - 11

Content elements
Emissions figures
Emission targets
Other metrics

Comment
Document details metrics related to our environmental impacts. Aligned with GRI, SASB, UN SDG, UN Global Compact

Publication
In mainstream reports

Status
Complete

Attach the document
S P Global CSA 2021 - Akamai Technologies Inc.pdf

Page/Section reference
Page 108-159

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment
The S&P Global Corporate Sustainability Assessment (CSA) is an annual evaluation of companies' sustainability practices. It covers over 10,000 companies from around the world. The CSA focuses on sustainability criteria that are both industry-specific and financially material and has been doing so since 1999. Akamai publishes its response to the CSA each year to ensure transparency with our stakeholders. We include detail information around climate, renewable energy and our overall approach to reducing carbon emissions.

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Global Director of Corporate Sustainability	Other, please specify (Department Lead)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

Akamai's network consists of owned and operated IT infrastructure housed in third-party colocation data centers. Under the operational control approach for our greenhouse gas emissions inventory, Akamai considers the emissions associated with the operations of our IT infrastructure to be Scope 2. Our Scope 2 calculation also includes emissions related to the operations of our colocation data center infrastructure (cooling, power, lighting), which typically falls under Scope 3. These combined operations account for approximately ~92% of Akamai's Scope 1 and Scope 2 emissions and 74% of Akamai's Scope 1, Scope 2, and Scope 3 emissions (79% if embedded carbon of network IT infrastructure is included).

As an Akamai customer, you can use part or all of our global network platform. We determine your Scope 3 emissions based on that % use of our global network monthly and regional.

The basic methodology is as follows:
1. 1) Akamai estimates the percentage of the server network used by a customer monthly by geographic region for the reporting year. This estimate is relative to all other customers' monthly use of the regional infrastructure
2. 2) These monthly and regional percentages are multiplied by Akamai's GHG emissions attributable to the operation of our network IT and colo data center infrastructure in each of these regions. These customer-specific emissions are then summed across regions and months

A detailed accounting of Akamai's monthly and regional energy, GHG emissions, electricity, and fuel emissions factors are maintained in the external energy and environmental management system (EMS).

Upon request, customers can obtain the "Akamai Services Scope 3 Methodology" document for details on per customer GHG emissions estimates.

Details about the reporting and can be found on our website:

https://www.akamai.com/us/en/about/corporate-responsibility/sustainability/

Please Note: Based on the security commitments having to do with customer data, a formal request has to be made by our customers directly to the sustainability team via email to ensure we are adhering to our customer privacy principles https://www.akamai.com/us/en/privacy-policies/akamai-privacy-principles.jsp

Requests can be made to: sustainability@akamai.com. The sustainability team can generally turn around a report in 48 to 72 hours for the previous reporting year.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	3198149000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?
Yes

SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

	ISIN country code (2 letters)	ISIN numeric identifier and single check digit (10 numbers overall)
Row 1	US	00971T1016

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Other, please specify (Accurate customer network usage)	Akamai's network carbon emissions are calculated at the server and facility level and then rolled up to a less granular regional level for accounting purposes, e.g., North America, EMEA, etc. The customer percentage usage of our network is at a server level relative to other customers' usage. That usage is then rolled up to a regional level where regional GHG emissions are allocated per customer based on the network resources used. We are continuing to develop more accurate ways of providing this data to our customers. In the past year, we have figured out ways to provide a higher level of accuracy but not down to a facility level as of yet.
Managing the different emission factors of diverse and numerous geographies makes calculating total footprint difficult	Akamai's network energy consumption is calculated at the server and rolled up to the facility level. Emissions are calculated using the electricity emission factors associated with these facilities, which number in the thousands. It is difficult to maintain accurate emission factors for each location. Currently, market-based and residual-mix emission factors are implemented when published values are available. Otherwise, location-based emission factors are used.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?
Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

We continuously make strides to reduce our environmental footprint and provide custom insights into customers' emissions on our platform. This reporting provides details for customers by geo. Any customer today can request a customer report for our website to gain insight into a portion of their Scope 3.

In addition, We have begun to under go development work that would improve the granularity of customer network usage from a continental level to a country and state level with our EMS. This would improve the accuracy and allocation of carbon emissions to customers. Akamai is also working to integrate a carbon emissions calculator into our control center to understand emissions output based on traffic served. This calculator can be used by customers to understand the impact in more of a real-time fashion. This work is also underway with our engineering teams today. re

We will continue to look for and use external and expert sources for market-based and residual-mix emission factors, as they become available.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?
No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?
No, I am not providing data

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

Please confirm below
I have read and accept the applicable Terms