



# Task Force on Climate-related Financial Disclosures

Fiscal Year 2024 Disclosure

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# Introduction

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At Akamai, responding to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations is vital to demonstrating its commitment to transparency, resilience, and leadership in sustainability. By aligning with TCFD guidelines, Akamai provides stakeholders — including customers, investors, and regulatory bodies — with a clear view of how it identifies, assesses, and manages climate-related risks and opportunities across its operations and value chain.

TCFD reporting enables Akamai to showcase its proactive approach to addressing climate-related challenges, from reducing greenhouse gas (GHG) emissions to achieving long-term goals such as net-zero by 2040 and 100% renewable energy by 2030. This framework helps Akamai integrate climate-related considerations into its enterprise risk management (ERM) and environmental management system (EMS) processes, ensuring that climate action is embedded in both strategic planning and day-to-day operations.

By reporting under TCFD, Akamai can also better meet growing market and regulatory expectations for climate transparency, enhancing its competitive position and credibility in a low-carbon economy. TCFD-aligned disclosures support Akamai in building trust with stakeholders, showing how it anticipates and mitigates climate risks while capitalizing on opportunities to offer sustainable, low-carbon solutions that meet the evolving needs of clients and communities.

## Governance A – Board Oversight

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### Processes and frequency of climate-related information sharing with the board

Akamai's board of directors, with a dedicated environmental, social, and governance (ESG) Committee, is regularly informed about climate-related issues through formal processes. The ESG Committee meets quarterly to discuss the latest developments in sustainability, climate risk, and progress toward climate-related goals. Senior leadership, including the Director of Corporate Sustainability and ESG Officer and the Corporate Sustainability team, provides these updates. This ensures the board remains continuously informed on how climate issues are evolving and affecting Akamai's operations and strategy.

### Consideration of climate-related issues in strategy and operations

The ESG Committee plays a critical role in integrating climate-related risks and opportunities into Akamai's strategic decision-making. This occurs in several key areas.

**Corporate strategy and major action plans:** Climate considerations are integral to long-term strategic plans, with the committee ensuring that sustainability initiatives — such as Akamai's renewable energy goals and carbon reduction efforts — are embedded into the broader corporate strategy.

**Risk management policies:** Climate-related risks, including physical risks (e.g., extreme weather, resource shortages) and transition risks (e.g., changing regulations, shifts in market preferences), are a key focus for the ESG Committee. These risks are assessed and managed within Akamai's enterprise risk management (ERM) framework.

**Annual budgets and business plans:** The ESG Committee ensures that climate-related initiatives, such as investments in renewable energy, energy efficiency, and carbon mitigation technologies, are factored into Akamai's budgeting and business planning processes.

**Performance objectives:** Sustainability goals are integrated into Akamai's performance review systems, with climate-related metrics influencing executive compensation and companywide objectives.

**Capital expenditures, acquisitions, and divestitures:** The ESG Committee evaluates significant capital investments and acquisitions to ensure alignment with Akamai's climate goals. For instance, investments in energy-efficient data centers or acquisitions are scrutinized for their environmental impact and contribution to Akamai's sustainability targets.

## Monitoring and oversight of climate goals and targets

The ESG Committee is responsible for overseeing Akamai's progress toward its stated climate-related goals, such as:

- Achieving 100% renewable energy
- Attaining net-zero emissions
- Improving operational efficiency
- Supplier engagement on sustainability
- Promoting circularity in operations

Progress against these goals is monitored through key performance indicators (KPIs), which are reviewed regularly by the ESG Committee. Detailed reports on the achievement of climate targets are presented to the board, ensuring continuous oversight. Any significant variances from the climate targets prompt strategic reviews and potential adjustments to ensure the company stays on course.

Additionally, the ESG Committee oversees Akamai's compliance with disclosure standards, including TCFD, to maintain transparency and demonstrate accountability in climate-related reporting.

This governance structure ensures that the ESG Committee of the board is actively involved in guiding Akamai's climate strategy, managing climate risks, and seizing opportunities in alignment with TCFD recommendations.

# Governance B – Role of Management

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## Assignment of climate-related responsibilities to management-level positions or committees

At Akamai, climate-related responsibilities are clearly designated to specific management-level positions and committeees. The Director of Corporate Sustainability and ESG Officer is the primary executive responsible for overseeing the company's climate-related strategies and initiatives. This position reports regularly to the ESG Committee of the board of directors, ensuring a direct line of communication between management and the board on climate matters.

Additionally, Akamai has established an environmental management system (EMS) Committee, composed of cross-functional senior management from key departments such as operations, legal, finance, product, operations, and IT. This committee is tasked with assessing and managing climate-related issues across various aspects of the business, including energy efficiency, emissions reduction, and renewable energy procurement.

## Organizational structure

Akamai's climate-related responsibilities are embedded within a multi-tiered organizational structure designed to ensure comprehensive management and assessment of climate risks and opportunities:

**Director of Corporate Sustainability and ESG Officer:** Responsible for the development and execution of Akamai's overall environmental and climate strategy, including aligning climate goals with corporate objectives and engaging with external stakeholders. The Director of Corporate Sustainability and ESG Officer works closely with the executive leadership team to ensure climate-related initiatives are incorporated into business planning and risk management.

**Environmental Management System (EMS) Committee:** Oversees the execution of specific climate-related programs across the organization. This includes implementing initiatives like the company's renewable energy projects, energy efficiency programs, and carbon reduction strategies.

**Corporate Sustainability Team:** A team under the leadership of the Director of Corporate Sustainability and ESG Officer that focuses on the day-to-day management of Akamai's sustainability initiatives, tracking progress against key metrics and ensuring alignment with long-term climate goals.

This structure ensures that climate-related responsibilities are well integrated into Akamai's overall management hierarchy, with clear reporting lines to the board.

## Processes by which management is informed about climate-related issues

Management is informed about climate-related issues through several structured processes.

**Regular reports:** The Corporate Sustainability Team compiles detailed reports on climate risks, progress toward emissions targets, renewable energy initiatives, and emerging regulatory changes. These reports are reviewed by the EMS Committee on a regular basis.

**Cross-functional collaboration:** Climate-related issues are regularly discussed during cross-departmental meetings, involving key functions such as finance, legal, and operations. These discussions help ensure that climate-related risks and opportunities are integrated into Akamai's broader strategic and operational planning.

**Industry and regulatory updates:** The Director of Corporate Sustainability and ESG Officer and the Corporate Sustainability Team actively monitor external developments, such as changes in climate regulations, market trends, and emerging technologies. These insights are shared with senior management and the EMS Committee to inform decision-making.

## Monitoring of climate-related issues by management

The monitoring of climate-related issues is a key focus of Akamai's management structure.

**Director of Corporate Sustainability and ESG Officer:** Regularly monitors the company's progress against its climate-related goals, such as achieving 100% renewable energy and reducing emissions. The Director of Corporate Sustainability and ESG Officer also monitors external factors such as regulatory risks and market shifts, reporting significant developments to the board's ESG Committee.

**Environmental Management System (EMS) Committee:** Meets quarterly to review the implementation of climate-related initiatives, track progress against KPIs, and assess any potential risks or opportunities related to climate change. This committee ensures that necessary adjustments are made to stay on track with Akamai's long-term climate goals.

**Corporate Sustainability Team:** Oversees the collection and analysis of data related to energy use, emissions, and resource consumption across the company's global operations. This team is responsible for ensuring that Akamai's climate-related performance is continuously monitored and that corrective actions are taken when necessary to meet targets.

Management's oversight of climate-related issues at Akamai is integrated into its broader risk management framework, ensuring that both climate risks and opportunities are systematically addressed at all levels of the organization. This clear governance structure aligns with TCFD recommendations and ensures accountability throughout the company.

## Strategy A – Short-, Medium-, and Long-Term Risks

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# Relevant short-, medium-, and long-term time horizons

Akamai defines its time horizons based on the useful life of its assets, the pace of technological change, and how climate risks may evolve:

- **Short-term (0–3 years):** This period aligns with Akamai's annual and operational business planning cycles, focusing on near-term strategies to improve energy efficiency, secure renewable energy supply, and manage regulatory risks.
- **Medium-term (3–5 years):** This horizon covers the lifecycle of major capital investments, such as data centers and network infrastructure. Climate-related issues during this period might include adapting to market shifts toward low-carbon technologies, as well as anticipating midterm regulatory developments, such as carbon pricing and reporting standards.
- **Long-term (5–10 years):** This period encompasses the full lifecycle of Akamai's infrastructure and the long-term impacts of climate change on business operations, such as physical climate risks (e.g., sea-level rise, extreme weather events) and transitions toward a low-carbon economy. Considerations here also include achieving longer-term climate goals like net-zero emissions.

## Climate-related issues in each time horizon

### Short-term (0–3 years)

**Regulatory risks:** Changes in regulations related to carbon emissions, energy consumption, and reporting requirements could increase compliance costs. For example, regions where Akamai operates data centers may introduce stricter emissions limits or energy-efficiency standards.

**Market and reputation risks:** In the short term, customer demand for climate-resilient and sustainable digital services could impact Akamai's reputation and market share. Failure to meet expectations for transparency or renewable energy sourcing could lead to reputational risks.

### Medium-term (3–5 years)

**Technology transition:** Over the medium term, shifts in technology toward greener alternatives (e.g., low-power processors, carbon-free energy) present both risks and opportunities. Investments in cutting-edge, energy-efficient infrastructure will be critical to staying competitive.

**Regulatory and policy shifts:** Governments may introduce more aggressive carbon pricing mechanisms or reporting obligations, affecting costs. Markets such as the EU are likely to continue pushing toward mandatory climate risk disclosure, impacting business operations.

**Physical risks:** Increased frequency of extreme weather events, such as hurricanes or floods, could disrupt operations at critical infrastructure sites, particularly in vulnerable regions where Akamai has key facilities.

## Long-term (5–10 years)

**Chronic physical risks:** The long-term effects of climate change, such as rising sea levels and temperature increases, could impact Akamai's physical infrastructure, especially data centers in coastal regions or areas prone to heat stress.

**Transition risks:** Over a longer horizon, a significant shift toward a net-zero economy will drive the need for deep decarbonization strategies, including a complete overhaul of energy sourcing and a redesign of data center operations for carbon neutrality.

**Supply chain risks:** Climate change could disrupt supply chains, particularly in regions susceptible to water stress or other resource constraints, affecting the availability and cost of components critical to Akamai's technology.

## Processes for determining material financial impact

**Risk assessment framework:** Akamai uses an enterprise risk management (ERM) framework to assess both climate-related risks and opportunities. This framework incorporates cross-functional input from finance, operations, legal, and sustainability teams to evaluate potential material impacts of climate-related issues.

**Scenario analysis:** Akamai conducts climate-related scenario analyses to assess the financial implications of both physical and transition risks. These analyses are performed at various levels of the organization, focusing on key infrastructure, geographic regions, and evolving regulatory environments. Scenario analysis models different temperature rise pathways (e.g., 1.5°C and 2°C scenarios) and their potential impact on Akamai's business.

**Materiality assessment:** Akamai regularly performs assessments to identify which climate-related risks and opportunities could have significant financial implications as a part of our climate scenario planning. These assessments involve evaluating external factors like regulatory changes, stakeholder expectations, and market trends. Climate-related risks and opportunities are prioritized based on their likelihood and magnitude of impact on the company's financial performance.

**Sector-specific and geographic considerations:** Climate-related risks are assessed by sector and geography. For instance:

- **Sector-specific risks:** Data center operations face risks related to energy consumption and efficiency. Ensuring energy efficiency and reliability are crucial in managing the climate footprint of digital infrastructure.
- **Geographic risks:** Regions where Akamai's data centers are located, such as areas prone to water stress or extreme weather, are closely monitored. Physical risks such as flooding or heat waves are mapped against Akamai's global footprint to ensure resilience planning is in place.

In describing the material financial impacts of these climate-related risks and opportunities, Akamai considers both direct impacts (e.g., increased operating costs, asset damage) and indirect impacts (e.g., reputational damage, market positioning).

# Strategy B – Business Strategy and Financial Planning

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## Impact on business, strategy, and financial planning

### Products and services

Climate-related risks and opportunities have influenced Akamai's product development and service offerings. Customer demand for energy-efficient and environmentally friendly services has prompted Akamai to innovate and invest in low-carbon solutions. For example, Akamai's commitment to reduce the carbon footprint of Akamai Connected Cloud has led to the development of more energy-efficient technologies, which has become a competitive advantage. This has also impacted financial planning by prioritizing investments in the development of more efficient deployments and energy-efficient products, driving long-term revenue opportunities.

### Supply chain and/or value chain

Akamai has integrated sustainability considerations into its supply chain by working closely with suppliers to ensure that their practices align with Akamai's environmental goals. The company is actively engaging with suppliers to reduce emissions, improve energy efficiency, and source renewable energy where possible. This alignment has had a material impact on Akamai's financial planning by influencing capital expenditures related to sustainable sourcing and ensuring resilience in the supply chain to potential climate-related disruptions.

### Adaptation and mitigation activities

Akamai's adaptation and mitigation strategies focus on both reducing emissions and building resilience to the physical risks posed by climate change. For example, Akamai's goal to operate on 100% renewable energy and reduce overall carbon emissions directly influences its financial planning. The company is allocating resources toward transitioning its global operations to renewable energy, upgrading infrastructure, and improving energy efficiency in data centers. In terms of adaptation, Akamai invests in climate-resilient infrastructure, particularly in regions prone to extreme weather events, which has shaped long-term capital expenditure plans.

### Investment in research and development (R&D)

Akamai has increased its focus on R&D to address climate-related challenges, including reducing energy consumption across its global network and developing energy-efficient technologies. R&D investments are directed toward technologies that optimize the energy efficiency of data transmission and content delivery. This proactive investment in R&D not only mitigates climate-related risks but also serves as a growth driver by developing solutions that meet the rising demand for low-carbon digital services. The financial planning process reflects this by prioritizing funding for innovations that support climate resilience and carbon reduction goals.

## Operations (including types of operations and location of facilities)

Akamai's global operations, particularly its data centers, could be exposed to climate-related risks, including extreme weather events and water stress. The company has responded by optimizing data center efficiency and selecting operational locations that are not prone to climate-related impacts. Akamai's decision-making process includes a climate risk assessment for facilities to ensure locations are in areas less vulnerable to climate impacts. Financial planning includes capital allocation for upgrading existing network hardware and server deployments to improve their energy efficiency and climate resilience, as well as safeguarding critical infrastructure.

## Acquisitions or divestments

Akamai thoughtfully incorporates climate-related risks and opportunities into its mergers and acquisitions (M&A) strategy. Potential acquisitions are assessed not only for their financial and operational contributions but also for their alignment with Akamai's sustainability goals and commitment to environmental stewardship. Priority is given to acquisitions that enhance operational efficiency and support the company's long-term sustainability objectives. Similarly, divestments are evaluated with a focus on ensuring alignment with Akamai's evolving strategic and environmental priorities. Financial planning is carefully structured to ensure that M&A activities deliver value while advancing Akamai's environmental and business goals over the long term.

## Access to capital

Investors are placing increasing emphasis on companies that demonstrate strong climate principles. Akamai's unwavering commitment to sustainability, particularly its focus on key goals such as achieving 100% renewable energy and reducing carbon emissions, has significantly strengthened its appeal to this growing group of stakeholders. By aligning these sustainability targets with its broader financial and operational strategies, Akamai ensures that its business growth is both resilient and responsible. This approach not only positions the company for continued success in the evolving low-carbon economy but also reinforces its leadership in driving meaningful environmental progress.

## How climate-related issues serve as input to financial planning

Akamai integrates climate-related risks and opportunities into its financial planning processes in several ways.

**Time horizons:** Short-term (0–3 years) financial planning focuses on immediate investments in renewable energy and energy efficiency projects, while medium-term (3–5 years) planning includes capital investments in resilient infrastructure and climate mitigation technologies. Long-term (5–10 years) planning centers around achieving net-zero emissions and fully transitioning to sustainable operations across the value chain.

**Prioritization of risks and opportunities:** Climate-related risks and opportunities are evaluated and prioritized based on their potential financial significance. For instance, near-term considerations include addressing regulatory requirements around carbon emissions, while medium-term strategies focus on

exploring opportunities for innovation, such as the development of energy-efficient technologies. These risks and opportunities are carefully assessed through scenario analysis and are thoughtfully integrated into capital allocation decisions to ensure they align with the company's long-term sustainability objectives.

## Impact on financial performance and position

**Revenue impacts:** Akamai's focus on sustainability and energy-efficient services may open opportunities for new revenue streams, particularly as some clients express an increasing preference for solutions with a lower environmental footprint. As more sectors become environmentally conscious, there is potential for Akamai's sustainable offerings to serve as a differentiating factor in the market.

**Cost management:** As climate-related regulations and carbon pricing frameworks evolve, there could be implications for operational costs. Akamai aims to proactively manage these potential costs by exploring energy efficiency initiatives and renewable energy procurement, which may help position the company more favorably in anticipation of future regulatory developments.

**Assets and liabilities:** Climate-related considerations are considered when making decisions about asset management, including the design and location of facilities such as data centers. Investments in energy-efficient infrastructure are intended to enhance the value of these assets over time while potentially mitigating operational costs. Additionally, efforts are made to address liabilities associated with physical climate risks by improving the resilience of infrastructure in vulnerable regions.

## Climate-related scenarios used to inform strategy and financial planning

Akamai employs [climate-related scenario analysis](#) to inform its strategy and financial planning, analyzing potential impacts under various temperature rise scenarios, such as 1.5°C and 2°C pathways. These scenarios help assess potential impacts on the company's energy costs, regulatory exposure, and physical risks to infrastructure. The insights from these analyses guide decisions around infrastructure investments, renewable energy sourcing, and long-term financial resilience in a low-carbon economy.

## Transition to a low-carbon economy

Akamai has committed to transitioning to a low-carbon economy, with specific targets and activities to reduce GHG emissions. The company's key commitments include:

- Achieving 100% renewable energy across all global operations
- Reducing overall carbon emissions to net-zero in line with [The Climate Pledge](#)
- Engaging with suppliers to reduce emissions across the value chain

To support these goals, Akamai has invested in renewable energy projects, including virtual power purchase agreements (VPPAs), and is continuously exploring technologies to reduce energy consumption in its operations. Financial planning reflects this transition by prioritizing investments in projects that contribute to emissions reductions and the decarbonization of operations.

# Integration of climate-related risks and opportunities into decision-making

Akamai integrates climate-related risks and opportunities into both current decision-making and strategy formulation as follows.

**R&D and new technology:** Akamai prioritizes R&D in low-energy consumption technologies and energy efficiency measures, ensuring that new product development on the Akamai network aligns with its climate goals. This involves adopting and investing in technologies that reduce the carbon footprint of Akamai's software and services.

**Investment and capital allocation:** Climate-related opportunities, such as investments in energy-efficient infrastructure, renewable energy, and carbon reduction initiatives, are embedded into Akamai's capital planning process. Critical assets, such as data centers, are evaluated for their energy efficiency and climate resilience, and investments are made to mitigate potential climate-related risks. Akamai is also flexible in reallocating capital to emerging opportunities, such as investments in clean energy technologies and sustainable business models, to stay ahead of regulatory and market trends.

Akamai's holistic approach ensures that climate-related risks and opportunities are considered across all levels of the organization, from strategic planning to daily operations, positioning the company for long-term sustainability and value creation in a rapidly changing climate landscape.

## Strategy C – Resilience of the Organization's Strategy

Akamai is committed to strengthening the resilience of our strategies in the face of climate-related risks and opportunities. We recognize that both transition risks, associated with the global shift to a low-carbon economy, and physical risks, driven by the increasing frequency and intensity of climate events, will significantly shape the future of our business. By conducting scenario analysis and integrating these insights into our long-term planning, we ensure our strategies are robust and adaptable to various climate futures.

### Strategies affected by climate-related risks and opportunities

Akamai's strategies are influenced by both transition risks and physical risks.

**Transition risks:** The transition to a low-carbon economy presents regulatory, market, and reputational risks. Akamai operates globally and is subject to evolving environmental regulations, such as stricter carbon emissions limits, mandatory disclosures, and carbon pricing schemes. Failure to comply with these regulations could lead to financial penalties, increased operational costs, and reputational damage. Furthermore, market demand is shifting, with customers and investors increasingly prioritizing companies that demonstrate strong ESG performance and a commitment to sustainability. Akamai's strategy

includes achieving 100% renewable energy and net-zero emissions across our corporate operations and platform by 2030 to mitigate these risks and maintain our competitive position in the marketplace.

**Physical risks:** Climate change is increasing the likelihood of extreme weather events and chronic environmental changes such as rising sea levels, higher temperatures, and water stress. Akamai's global data center network could be impacted by these physical risks, leading to operational disruptions, increased cooling costs, and higher capital expenditures for climate adaptation. We monitor the areas where our infrastructure is most vulnerable and are implementing measures to mitigate these risks by strengthening resilience and future-proofing our data centers.

**Opportunities:** While climate change presents risks, it also offers opportunities for Akamai to lead in the development of sustainable digital solutions. The rising demand for energy-efficient cloud-based services enables Akamai to provide innovative, low-carbon products that meet the sustainability goals of our clients. These opportunities align with our long-term strategy of growing our market share in sectors where environmental responsibility is a priority.

## Addressing potential risks and opportunities

Akamai's strategies are designed to be flexible and adaptable as climate-related risks evolve. Strategic changes include:

- **Expanding renewable energy procurement:** As part of our efforts to mitigate transition risks, Akamai is increasing its reliance on virtual power purchase agreements (VPPAs) and direct renewable energy procurement. This approach reduces our exposure to carbon pricing and regulatory changes related to emissions reductions while advancing our goal of 100% renewable energy and net-zero emissions across our corporate operations and platform by 2030. By securing long-term renewable energy contracts, we also stabilize energy costs and decrease dependence on volatile fossil fuel markets.
- **Enhancing infrastructure resilience:** In response to increasing physical risks, Akamai is continuing to enhance the resilience of its infrastructure to support operational stability. We are exploring various measures, such as improving energy efficiency and strengthening protections, to help mitigate the potential impacts of environmental challenges. Additionally, we are carefully reviewing the locations of infrastructure facilities to ensure they are well positioned to minimize potential risks, which helps maintain continuity and reduce the possibility of disruptions.
- **Product innovation for low-carbon solutions:** Akamai continues to invest in R&D to create energy-efficient services and optimize our global network infrastructure. These innovations enable our clients to reduce their own environmental impact, positioning Akamai as a key partner in the global transition to a low-carbon economy. By providing sustainable digital infrastructure, Akamai supports our customers' efforts to meet their climate goals and strengthens our reputation as a leader in sustainable technology.

## Potential impact of climate-related issues on financial performance and position

Climate-related risks and opportunities directly affect Akamai's financial performance, particularly in terms of revenues, costs, assets, and liabilities.

**Revenues:** Akamai's ability to capitalize on the growing demand for sustainable digital services will help drive future revenue growth. As businesses increasingly prioritize sustainability in their purchasing decisions, Akamai's low-carbon solutions offer a competitive advantage. Failure to meet regulatory standards or market expectations related to climate performance could negatively affect revenue by prompting clients to switch to competitors with stronger environmental credentials.

**Costs:** Compliance with new and evolving climate regulations, such as carbon pricing and energy efficiency mandates, will likely increase operational costs. However, Akamai's investments in renewable energy and energy-efficient technologies are expected to offset these costs by reducing energy consumption and mitigating carbon-related penalties. We anticipate that early action on climate adaptation will reduce the need for more costly interventions in the future, contributing to long-term cost savings.

**Assets and liabilities:** Physical risks from climate change may impact the value and operational reliability of Akamai Connected Cloud, particularly in regions exposed to extreme weather events. To manage these risks, we are making strategic investments in global network infrastructure resilience. These proactive measures protect the long-term value of our assets and reduce the potential for significant operational losses related to climate-related disruptions.

## Climate-related scenarios and time horizons considered

Akamai uses scenario analysis to assess the resilience of our strategies under different climate-related futures. The two primary scenarios considered are:

- **2°C or lower scenario:** In this scenario, global efforts to limit temperature rise to 2°C or below are successful, leading to stricter carbon regulations, rising carbon prices, and increased market demand for low-carbon solutions. Akamai evaluates how these regulatory and market shifts could affect our business over the short- to medium-term (0–5 years). The scenario focuses on the financial implications of meeting regulatory compliance, adjusting capital investments to increase renewable energy use, and capturing new revenue opportunities from sustainable products and services.
- **Greater than 2°C scenario:** This scenario explores the potential impacts of a failure to limit global warming to 2°C, resulting in more frequent and severe physical climate risks. Akamai assesses how medium- to long-term (3–10 years) changes, such as rising sea levels, extreme heat, and water scarcity, could affect the operations of our data centers, particularly in high-risk regions. This analysis informs our strategy for investing in climate-resilient infrastructure and mitigating physical risks to ensure long-term operational stability.

## Critical input parameters, assumptions, and analytical choices

Akamai's scenario analysis is based on several critical assumptions and parameters.

**Policy assumptions:** We consider a range of potential regulatory changes, including stricter emissions caps, carbon pricing mechanisms, and mandatory climate risk disclosures. Our analysis also accounts for

regional differences in policy implementation, recognizing that regulations may evolve at different rates across Akamai's global operations.

**Energy pathways:** Our analysis assumes continued improvements in the availability and affordability of renewable energy, which will support Akamai's transition to 100% renewable energy. We also model the potential cost implications of delays in renewable energy adoption or disruptions in energy markets that could affect energy procurement strategies.

**Technology pathways:** Akamai assumes that advancements in energy-efficient technologies will continue, enabling us to reduce the carbon footprint of our operations and meet customer demand for low-carbon digital services. Investments in R&D are focused on improving the energy efficiency of our infrastructure and developing innovative solutions for sustainable content delivery.

## Potential financial implications of climate-related scenarios

In a 2°C or lower scenario, Akamai anticipates that its investments in renewable energy and energy efficiency will lead to long-term cost savings and increased revenue from sustainability-focused clients. While capital expenditures may increase in the short term to meet regulatory requirements and advance our renewable energy goals, the overall financial impact is expected to be positive due to reduced operational costs and enhanced market positioning.

In a greater than 2°C scenario, Akamai may face increased operational costs related to climate adaptation and infrastructure resilience. However, our proactive investments in these areas are expected to mitigate long-term financial liabilities and protect the value of our assets. These measures will ensure the continuity of our operations even as physical climate risks intensify, safeguarding future revenue streams.

By conducting comprehensive scenario analysis and making strategic investments in renewable energy, infrastructure resilience, and product innovation, Akamai is well positioned to navigate the challenges and capitalize on the opportunities of a transitioning global economy. Our proactive approach to climate adaptation ensures that Akamai remains competitive, sustainable, and financially secure in a rapidly evolving climate landscape.

## Management A – Identifying and Assessing Climate-Related Risks

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Akamai integrates climate-related risks into its broader enterprise risk management (ERM) framework to evaluate and address these risks alongside other business challenges. This process ensures that climate-related risks, including both transition and physical risks, are systematically identified, assessed, and managed. The company's environmental management system (EMS) plays a critical role in addressing these risks, providing structured processes to identify, assess, and mitigate climate-related impacts. Below is an overview of how Akamai's climate-related risk management functions.

# Risk identification process

Akamai employs a structured approach to identify both transition risks and physical risks. Key components of this process include:

- **Existing and emerging regulatory requirements:** Akamai monitors existing regulations and anticipates potential regulatory changes, such as emissions limits, carbon pricing, energy efficiency mandates, and reporting obligations related to climate change. The company evaluates how these regulations could impact operations, particularly for energy-intensive facilities like data centers.
- **Physical climate risks:** The company assesses vulnerabilities in its infrastructure, particularly data centers, to risks posed by acute climate events (e.g., storms, flooding) and chronic changes (e.g., rising temperatures, water stress). This includes reviewing the geographic distribution of facilities and assessing regional climate risks.
- **Market and reputational risks:** Akamai evaluates market shifts and reputational risks, understanding that customers and investors are increasingly prioritizing companies that demonstrate strong environmental and sustainability performance. Market demand for low-carbon, energy-efficient services is incorporated into the company's risk identification process.

## Environmental management system in risk assessment

Akamai's EMS plays a pivotal role in the identification and management of climate-related risks. The EMS provides a framework to systematically address environmental risks by:

- **Setting objectives and targets:** The EMS defines specific climate-related goals, such as Akamai's commitment to achieving 100% renewable energy by 2030, which aligns with regulatory and market expectations for carbon reduction.
- **Monitoring and evaluation:** The EMS supports continuous monitoring of environmental performance across Akamai's operations, ensuring that emerging risks are identified and assessed in real time. This ongoing monitoring allows the company to adjust its strategies to address new or evolving risks, including those related to energy use, emissions, and physical infrastructure vulnerabilities.
- **Compliance and reporting:** The EMS ensures that Akamai remains compliant with existing environmental regulations and prepares the company to adapt to new regulatory requirements. Through the EMS, Akamai maintains a structured reporting process that supports transparency in its climate-related performance.

## Risk assessment process

Akamai evaluates the potential size and scope of identified climate-related risks through a comprehensive risk assessment process. Key elements of this process include:

- **Scenario analysis:** Akamai uses scenario analysis to evaluate the potential impacts of climate-related risks under different climate futures. This includes scenarios aligned with the 2°C or lower pathway, as well as scenarios involving more severe physical risks. Scenario analysis

helps the company assess the financial and operational implications of these risks over the short-, medium-, and long-term horizons.

- **Business impact assessment:** The company assesses how climate risks may affect business operations, particularly in its data centers. This includes evaluating the potential for operational disruptions, energy supply interruptions, and increased costs from extreme weather events or regulatory changes.
- **Financial impact evaluation:** Akamai's risk assessment includes evaluating the financial implications of climate-related risks, such as compliance costs related to carbon pricing, regulatory penalties for noncompliance, and potential infrastructure adaptation expenses. The company considers how these risks impact revenues, costs, assets, and liabilities.
- **Prioritization of risks:** Climate-related risks are prioritized based on their potential to disrupt business operations and their material financial impact. Akamai considers risks that pose significant operational challenges or financial implications as material and integrates them into the company's broader risk management strategy.

## Processes for assessing the size and scope of climate-related risks

Akamai's EMS and risk management processes work together to assess the size and scope of identified risks. This assessment considers:

- **Geographic exposure:** Akamai evaluates the vulnerability of its infrastructure based on location. Facilities located in regions prone to extreme weather events or chronic climate risks, such as water scarcity or temperature extremes, are carefully assessed for potential impacts on operational stability and energy demand.
- **Regulatory and compliance exposure:** The company assesses how evolving climate regulations may affect business operations. This includes understanding the scope of new emissions limits, carbon pricing policies, and energy efficiency standards in regions where Akamai operates. The EMS helps ensure compliance with these regulations while driving progress toward internal climate goals.
- **Customer and market impact:** Akamai evaluates how market demand for sustainable services influences risk exposure. The growing expectation for low-carbon solutions from clients creates both risks and opportunities, as failure to meet customer expectations could affect revenue streams, while strong performance could enhance market positioning.

## Risk management framework and terminology

Akamai's risk management process is aligned with industry-standard frameworks, and the EMS is central to managing environmental and climate-related risks. Key terms include:

- **Transition risks:** These are risks associated with the transition to a low-carbon economy, including regulatory, market, and reputational risks.
- **Physical risks:** These include acute risks, such as extreme weather events, and chronic risks, such as rising temperatures or long-term water shortages.
- **Materiality:** Akamai evaluates climate-related risks based on their potential financial and operational impact. Risks that could significantly disrupt operations or incur high financial costs are considered material and are prioritized within the company's risk management approach.

## Continuous monitoring and improvement

Akamai's EMS provides a structured framework for continuous monitoring and improvement of climate-related risk management. The system ensures that Akamai can adapt to new regulations, scientific developments, and market trends. The company regularly reviews its risk management processes and updates them as necessary to address emerging risks, ensuring resilience and operational stability.

Akamai's approach to identifying and assessing climate-related risks is fully integrated with the company's EMS and broader risk management framework. By leveraging the EMS, Akamai ensures that climate-related risks are identified early, continuously assessed, and integrated into the company's overall risk management strategy.

## Management B – Process for Managing Climate-Related Risks

Akamai approaches climate-related risk management comprehensively, embedding these risks into the enterprise risk management (ERM) and environmental management system (EMS) frameworks. This integration ensures that climate-related risks are identified, assessed, and managed with the same rigor applied to other strategic risks. Akamai has incorporated IPCC Representative Concentration Pathway (RCP) scenarios to further enhance its approach to climate-related planning. By using IPCC RCPs, Akamai is better equipped to evaluate potential risks under various climate futures, informing strategic decision-making across all operational areas.

### Decision-making process for managing climate-related risks

Akamai's approach to managing climate-related risks begins with a structured decision-making process. This process includes several key actions:

**Mitigation:** Akamai prioritizes mitigating climate-related risks that could impact operations, particularly those tied to regulatory compliance and physical challenges. For example, the company's commitment to achieving net-zero across our operations and platform and 100% renewable energy by 2030 serves as a central mitigation strategy, reducing carbon emissions and minimizing exposure to regulatory risks like carbon pricing and emissions limits. Investments in energy-efficient cooling systems at data centers also mitigate risks associated with rising temperatures, identified as a potential impact under RCP 8.5 scenarios.

**Transfer:** Where feasible, Akamai transfers risks using insurance policies and contracts. For instance, risks from extreme weather events – such as hurricanes or floods, which could disrupt data center operations – are mitigated through insurance coverage for physical damage and business continuity.

**Acceptance:** Akamai may accept certain climate-related risks when they are deemed low-impact or manageable within the company's risk tolerance. For example, minor operational disruptions from

localized weather events may be part of Akamai's routine risk landscape, with contingency plans in place for short-term impacts.

**Control:** Akamai exercises control over climate-related risks through ongoing monitoring, compliance, and adaptation strategies. The EMS plays a key role in controlling these risks by setting environmental performance targets, tracking progress, and ensuring compliance. This structured approach enables Akamai to monitor key environmental indicators, including energy use and emissions, making data-driven adjustments to mitigate risks before they escalate.

## Prioritization and materiality determination

Akamai's process for prioritizing climate-related risks is grounded in materiality, considering the potential impact on operations, financial performance, and reputation. The IPCC RCP scenarios support this prioritization, allowing Akamai to assess risks based on projected climate outcomes:

**Financial impact:** Climate-related risks with substantial financial implications, such as increased operational costs from carbon pricing or the costs of regulatory noncompliance, are prioritized. These risks are considered material if they could significantly impact revenue streams, capital expenditures, or the company's overall financial position.

**Operational disruption:** Risks that could disrupt operations, especially in energy-intensive areas like data centers, are prioritized based on their likelihood and potential severity. For example, extreme weather events projected in RCP 8.5 scenarios that could disrupt energy supplies or damage infrastructure are considered material and managed proactively.

**Reputational impact:** Akamai prioritizes risks that could affect its reputation with customers, investors, and stakeholders. As the digital services industry places greater emphasis on sustainability, failure to meet environmental expectations could impact Akamai's competitive positioning. Climate-related risks that could undermine ESG performance are thus prioritized within the risk management process.

## Risk categories and examples of climate-related risks

Akamai manages climate-related risks across a range of categories, consistent with TCFD guidelines, including those described in Tables A1.1 and A1.2:

### Transition risks

- **Regulatory risks:** Akamai actively manages regulatory risks related to climate policies, such as emissions limits, carbon pricing, and reporting requirements. The company monitors regulatory developments across key regions, with the EMS providing a compliance framework that ensures Akamai remains prepared for any policy changes.
- **Market risks:** As customer demand increasingly shifts toward sustainable services, Akamai mitigates market risks by offering energy-efficient solutions and digital services with a lower carbon footprint. Investments in innovation and renewable energy allow Akamai to maintain market share as sustainability expectations grow.

## Physical risks

- **Acute risks:** Akamai addresses risks from extreme weather events (e.g., hurricanes, floods, heat waves) by enhancing the resilience of its data centers. RCP 8.5 projections for high-impact metro areas are specifically factored into these resilience efforts, with the EMS tracking climate-related indicators and guiding investments in climate-resilient infrastructure.
- **Chronic risks:** Akamai also manages chronic physical risks, such as rising temperatures and water scarcity, through energy-efficient technologies and optimized water use. The geographic distribution of data centers is reviewed periodically, considering RCP projections to reduce exposure to high-risk regions.

## Role of the environmental management system (EMS) in managing climate-related risks

The EMS is central to Akamai's management of climate-related risks, providing structured processes to systematically track, monitor, and manage environmental risks. The EMS' alignment with RCP scenarios enhances its effectiveness in mitigating and adapting to climate risks. Key functions of the EMS include:

- **Monitoring and reporting:** The EMS ensures that Akamai continuously monitors environmental metrics, including energy use, emissions, and resource consumption, across its key operational areas. By tracking these metrics in the context of RCP scenarios, Akamai can detect emerging risks and adjust its strategies proactively.
- **Compliance management:** The EMS helps Akamai meet environmental regulations across all regions of operation. This includes tracking developments in emissions limits and energy efficiency standards, with RCP-informed projections supporting compliance planning for future regulatory shifts.
- **Adaptation and resilience planning:** The EMS provides a framework for setting adaptation goals and implementing action plans. RCP scenarios guide decisions about resilience, helping Akamai enhance the robustness of its data centers and invest in renewable energy. The EMS also supports decisions on water use, energy efficiency, and emissions reduction, ensuring Akamai remains adaptive to potential climate futures.

## Continuous improvement and risk review

Akamai's approach to managing climate-related risks is dynamic, with regular reviews and updates based on the latest scientific, regulatory, and market developments. The EMS and ERM frameworks ensure that climate-related risks are continuously reassessed, and mitigation strategies are aligned with IPCC RCP scenarios. This approach allows Akamai to remain agile and responsive to new risks while maintaining its long-term commitment to environmental sustainability and resilience.

**NOTE:** More information is available at [akamaisustainability.com](http://akamaisustainability.com) if you would like to learn more about how Akamai applies the IPCC RCP guidance to our risk management process across the globe.

# Management C – Organizational Integration of Risk Management Practices Details

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Akamai embeds climate-related risk management directly into its enterprise risk management (ERM) framework, ensuring that these risks are assessed and managed alongside other critical business risks. By leveraging Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway (RCP) scenarios, Akamai anticipates diverse climate futures, aligning climate risk mitigation with the company's long-term goals. Akamai's environmental management system (EMS) further supports these processes, providing tools for monitoring, compliance, and strategic adaptation, ensuring both resilience and sustainability in all business operations.

## Identifying climate-related risks through ERM and EMS collaboration

Akamai's identification of climate-related risks is thoroughly integrated with its overarching risk management practices. This approach enables the company to capture climate risks stemming from regulatory, market, and physical impacts as part of the broader risk landscape.

**Holistic ERM framework:** Within Akamai's ERM framework, climate-related risks are assessed across all business areas, ensuring they are treated with the same priority as other strategic risks, such as financial volatility or operational disruptions. Akamai's integration of IPCC RCP scenarios enhances this process, enabling the company to identify risks specific to each region based on potential outcomes such as temperature increases, sea level rise, and extreme weather events. These scenarios, ranging from RCP 2.6 to RCP 8.5, provide a spectrum of possible climate futures, allowing Akamai to prioritize risks based on severity and regional impact.

**Role of the EMS in identifying emerging risks:** The EMS serves as a foundational system in tracking and identifying climate-related risks across Akamai's global operations. By monitoring environmental performance indicators, such as GHG emissions, energy use, and resource consumption, the EMS ensures that risks are detected early. Additionally, it supports compliance with shifting regulatory requirements, positioning Akamai to respond proactively to carbon pricing, emissions limits, and efficiency standards.

**Regulatory and market insights informing risk identification:** Akamai's proactive monitoring of regulatory and market developments allows it to stay ahead of potential regulatory changes and shifts in market expectations. By using RCP scenario data, Akamai anticipates how global and regional regulatory frameworks may evolve under different climate projections, particularly in areas of heightened customer demand for sustainable solutions and greater scrutiny of corporate environmental performance.

# Assessing climate-related risks using scenario planning and materiality analysis

Akamai assesses climate-related risks within its ERM framework, leveraging scenario planning and materiality analyses to evaluate potential impacts on operations, finances, and strategic priorities.

**Scenario planning with IPCC RCPs:** Akamai utilizes IPCC RCP pathways as part of its scenario analysis to understand the range of climate futures, from lower-emission scenarios like RCP 2.6 to high-emission projections like RCP 8.5. This enables Akamai to assess how each scenario might affect operations. For example, under RCP 8.5, extreme weather events and rising temperatures could significantly impact data center cooling needs, energy consumption, and infrastructure resilience. These insights inform both immediate and long-term strategic planning, guiding targeted investment in high-risk areas.

**Determining materiality of climate risks:** The ERM framework integrates materiality assessments, prioritizing climate-related risks based on their potential impact on Akamai's operations, financial outcomes, and reputation. High-priority risks include those that could disrupt operations in key metropolitan areas, such as data centers at risk from extreme weather events or regulatory changes anticipated under RCP scenarios. Regulatory risks associated with carbon pricing or emissions reduction mandates are also deemed material when their financial implications, including compliance costs, could significantly affect the company.

**Supportive data from EMS:** The EMS provides critical data that underpins Akamai's climate-related risk assessments. By tracking energy use and emissions metrics, the EMS helps Akamai evaluate exposure to current climate risks and prepare for anticipated future regulations. These insights, particularly in alignment with RCP scenarios, inform the company's readiness to meet climate targets, such as its commitments to net-zero emissions and 100% renewable energy.

## Strategic management of climate-related risks

Akamai's approach to managing climate-related risks is fully aligned with its corporate strategy, allowing for informed decision-making on mitigation, transfer, acceptance, or control of these risks.

**Focused mitigation efforts:** Akamai actively mitigates climate-related risks through investment in renewable energy, energy efficiency, and resilient infrastructure. The company's commitment to net-zero across our operations and platform and 100% renewable energy by 2030 directly supports its strategy for mitigating transition risks, such as carbon pricing and regulatory changes. In high-risk regions, RCP scenarios further guide investments in energy-efficient technologies, infrastructure upgrades, and cooling solutions, helping to counteract the physical risks identified under RCP 8.5 projections.

**Adaptation and resilience planning:** In response to physical climate risks, Akamai enhances the resilience of its critical infrastructure, particularly in areas vulnerable to extreme weather. Adaptation measures include upgrading energy-efficient systems, improving flood defenses, and reinforcing data center structures. EMS data on environmental performance informs these resilience strategies, which are further refined using insights from RCP scenarios to ensure alignment with Akamai's best practices for climate resilience.

**Risk transfer and control measures:** Akamai manages certain climate-related risks through insurance and contractual protections, especially for regions susceptible to physical damage from extreme weather events. For risks within Akamai's tolerance, the company relies on EMS-monitored protocols to maintain operational stability and business continuity, ensuring effective response to changing conditions as projected by RCP scenarios.

## EMS: The foundation of climate-related risk management

Akamai's EMS is central to climate-related risk management, providing a structured approach to tracking, analyzing, and addressing environmental risks across all operational areas.

**Data-driven insights for decision-making:** The EMS delivers real-time data on energy use, emissions, and resource efficiency, enabling Akamai to make informed decisions about climate risks. This data-driven approach supports compliance with regulatory requirements and enables Akamai to track how IPCC RCP scenarios may impact key environmental metrics, ensuring timely adjustments to risk management strategies.

**Continuous goal setting and adaptation:** Through the EMS, Akamai sets emissions reduction and renewable energy targets, actively managing transition risks and staying aligned with evolving regulatory standards. The EMS enables continuous improvement by identifying areas where further mitigation or adaptation may be required, based on climate-related insights from IPCC RCP data.

**Supporting resilience and infrastructure planning:** Akamai uses EMS data to guide decisions on infrastructure investments, such as upgrading cooling systems or relocating facilities from high-risk areas. These strategies are informed by RCP scenarios, ensuring that Akamai's critical infrastructure remains resilient under projected climate conditions.

## Continuous improvement and adaptive strategies based on RCP insights

Akamai's climate-related risk management approach is dynamic, with continuous refinement as IPCC RCP projections, regulatory changes, and EMS metrics evolve. The integration of RCP scenarios allows Akamai to remain responsive to new scientific insights, positioning the company to adapt its strategies as needed. This adaptive approach ensures Akamai's resilience against evolving climate risks while maintaining its commitment to sustainability. More details regarding our RCP analysis can be found at [akamai.com/sustainability](https://akamai.com/sustainability).

## Metrics and Targets A – Metrics Used by the Organization

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Akamai's scope reporting method, updated yearly, provides a detailed approach to tracking, calculating, and managing GHG emissions across all operational scopes (Scope 1, 2, and 3). Akamai's methodology,

grounded in the principles of the GHG Protocol, enables precise emissions measurement and alignment with the TCFD recommendations. By implementing a robust data collection and reporting system, Akamai ensures transparency and accuracy in its emissions reporting, supporting its long-term sustainability goals, including net-zero emissions across Scope 1 and 2 and 100% renewable energy by 2030.

## Adoption of the Greenhouse Gas (GHG) Protocol

Akamai's emissions reporting closely follows the GHG Protocol's Corporate Standard, the most widely used standard for GHG accounting. The GHG Protocol provides a structured framework for measuring, managing, and reducing emissions, ensuring that Akamai's reporting is consistent with global standards and comparable across the industry. The GHG Protocol categorizes emissions into three scopes:

- **Scope 1 (direct emissions):** These are direct emissions from owned or controlled sources, including fuel combustion for backup generators and fugitive emissions from refrigerant leaks.
- **Scope 2 (indirect emissions from purchased energy):** Scope 2 includes indirect emissions from electricity purchased for operations, such as network equipment and office facilities. Akamai reports both location-based and market-based emissions to reflect the influence of renewable energy purchases.
- **Scope 3 (value chain emissions):** Scope 3 includes emissions from upstream and downstream activities outside Akamai's operational control, such as purchased goods, business travel, commuting, and waste disposal. Scope 3 emissions are typically more complex and require extensive data collection and supplier engagement.

Akamai's adherence to the GHG Protocol ensures comprehensive reporting across these categories, providing a clear picture of the organization's total environmental impact.

## Detailed scope reporting by category

### Scope 1 reporting – direct emissions

Akamai's Scope 1 emissions cover direct emissions from on-site fuel combustion (e.g., diesel used in backup generators) and fugitive emissions from refrigerant leaks. The document highlights Akamai's tracking and incident-based calculation approach for fuel use and refrigerant management, ensuring all direct emissions sources are accounted for. Although Scope 1 emissions constitute a smaller portion of Akamai's overall footprint, they are measured with precision, reflecting Akamai's commitment to accurate and comprehensive reporting.

### Scope 2 reporting – indirect emissions from energy

Akamai's Scope 2 emissions result from purchased electricity for data center operations, network infrastructure, and office locations. Akamai reports Scope 2 emissions using both location-based and market-based methodologies:

- **Location-based reporting:** This approach reflects emissions based on the regional grid's average emissions factor, providing a baseline measure of energy-related emissions.
- **Market-based reporting:** This approach accounts for renewable energy purchases, such as virtual power purchase agreements (VPPAs) and renewable energy certificates (RECs). Akamai's

renewable energy strategy, which supports its 100% renewable energy goal, significantly reduces Scope 2 emissions and demonstrates its commitment to minimizing indirect emissions.

Akamai's use of tools such as its purpose-built EcoClear emissions tool for tracking energy data ensures real-time monitoring and accuracy in Scope 2 emissions reporting. Data is collected at regular intervals, providing a clear view of energy consumption across the network and supporting continuous improvements in energy efficiency.

## Scope 3 reporting – value chain emissions

Scope 3 emissions represent Akamai's largest category of GHG emissions, covering a range of activities across the value chain. Akamai's approach to Scope 3 reporting includes:

- **Purchased goods and services:** Emissions from the procurement of goods and services, including hardware for data centers and network equipment, represent one of the largest contributors to Scope 3 emissions.
- **Capital goods:** Emissions associated with infrastructure investments, such as manufacturing hardware and capital expenditures. These emissions are calculated to reflect the full lifecycle impact of Akamai's infrastructure investments, ensuring comprehensive value chain accountability.
- **Fuel and energy-related activities (upstream):** These emissions include losses during electricity transmission and distribution, highlighting the indirect impact of energy use on the value chain.
- **Upstream transportation and distribution:** Emissions from the transportation of goods into Akamai's facilities. This measurement is based on freight distances, shipment weights, and standard emission factors.
- **Waste generated in operations:** Akamai prioritizes e-waste management, with emissions from general waste generation. E-waste is responsibly handled through e-Stewards–certified recyclers, ensuring a negligible carbon footprint for e-waste disposal.
- **Business travel:** Emissions from corporate commercial, private air, rail, car and hotel travel are tracked.
- **Employee commuting and teleworking:** Emissions from commuting and remote work, including electricity transmission and distribution losses, are tracked. These calculations reflect the evolving nature of hybrid work models also known at Akamai as FlexBase.
- **Upstream leased assets:** Leased data center spaces contribute significantly to Scope 3 emissions, especially those facilities in the Akamai Accelerated Network Partner (AANP) program. Akamai calculates both location- and market-based emissions for leased spaces, reflecting emissions from our data center operations that provide free space and traffic.

## Key metrics for managing climate-related risks and opportunities

Aligned with TCFD guidelines, Akamai has established key climate-related metrics to monitor risks and opportunities, allowing stakeholders to assess performance over time. The EMS and data-tracking tools provide detailed metrics on:

- **Carbon emissions (Scope 1, 2, and 3):** Akamai reports GHG emissions across all scopes, with historical data available for trend analysis. Scope 1 and Scope 2 data are verified using location-

and market-based methodologies, while Scope 3 emissions data is derived from industry benchmarks and supplier-specific information.

- **Energy consumption and renewable energy:** Akamai's energy consumption is meticulously tracked, particularly for data centers and office spaces, with real-time monitoring enabling continuous efficiency improvements. Renewable energy sourcing metrics are reported to demonstrate progress toward the company's 100% renewable energy goal.
- **Water use:** Water consumption data is gathered, particularly in water-stressed regions where Akamai's operations could impact local resources. This metric is vital for identifying water-related climate risks, aligning with Akamai's broader environmental goals.
- **Waste management:** Akamai's waste management metrics focus on e-waste, with a high rate of responsible recycling and reuse through certified programs. These metrics reflect Akamai's dedication to a circular economy and minimizing environmental impact.

## Internal carbon pricing and climate-related opportunities

Akamai has integrated internal carbon pricing as a key component of its strategy to promote low-carbon decision-making and reinforce accountability in emissions management across the organization. By attributing a financial value to carbon emissions, this approach encourages departments to make carbon-conscious choices that align with Akamai's broader sustainability goals.

The internal carbon price serves as an incentive to prioritize investments in renewable energy, energy-efficient technologies, and other sustainable initiatives, supporting Akamai's commitment to reducing its environmental impact while enhancing operational resilience. This strategic tool reflects Akamai's proactive stance on addressing climate-related risks and opportunities through responsible resource allocation.

Climate-related opportunities are also captured in metrics associated with products and services that enable a low-carbon economy. Akamai's core business units offer energy-efficient options that reduce emissions, aligning with customer demand for sustainable solutions and expanding revenue streams.

## Incorporation of metrics into remuneration and methodology transparency

Climate-related performance metrics are linked to Akamai's remuneration policies, particularly for senior executive management and sustainability teams. Incentives tied to emissions reductions, renewable energy progress, and energy efficiency initiatives align corporate priorities with Akamai's sustainability objectives, driving accountability.

Akamai adheres to the GHG Protocol and uses standard industry conversion factors to calculate emissions. Detailed methodologies for carbon emissions, energy usage, and water data are documented to ensure transparency. This transparency builds trust among stakeholders and aligns Akamai's climate metrics with industry standards.

## Historical and forward-looking metrics for trend analysis

To support trend analysis, Akamai provides historical data on key metrics, showing progress over time. Forward-looking metrics, such as projected reductions in emissions and anticipated renewable energy adoption, align with Akamai's business and strategic planning horizons. These forward-looking insights underscore Akamai's commitment to meeting ambitious climate targets and align the organization with TCFD guidance on providing forward-looking climate-related data.

Akamai adheres to the GHG Protocol methodology for calculating and reporting Scope 1 and Scope 2 emissions. This alignment with the GHG Protocol ensures that Akamai's emissions data is accurate, comparable, and consistent with industry standards, allowing for aggregation and comparability across jurisdictions and with other organizations. Akamai's Scope 1 and Scope 2 emissions are reported independently of materiality assessments, reflecting the company's commitment to transparency in emissions reporting regardless of relative impact size.

## Metrics and Targets B – Scope 1 & 2 GHG Emissions

Reported Scope 1 Emissions	
Reported value	Metric tonnes (mt) CO <sub>2</sub> equivalency (CO <sub>2</sub> e)
Generator Emissions	33
Fugitive Emissions Cooling Systems	21
Total Scope 1 Emissions	54
GHG Offsets Applied to Scope 1 Emissions	60
Net Scope 1 Emissions	0

[Akamai's most recent GHG emissions statement](#)

**Scope 1 Emissions:** Akamai's Scope 1 emissions include direct emissions from on-site fuel combustion (such as diesel fuel used in backup generators) and fugitive emissions from refrigerants in cooling systems. These emissions are tracked rigorously to ensure accuracy, even though Scope 1 constitutes a smaller portion of Akamai's total carbon footprint due to the nature of its business model.

Reported Scope 2 Emissions: Location-Based	
Reported value	Metric tonnes (mt) CO <sub>2</sub> equivalency (CO <sub>2</sub> e)
Akamai Connected Cloud Electricity: Hardware Only	158,500
Akamai Connected Cloud Electricity: Estimated PUE	63,400
Linode Classic Electricity: Hardware Only	8,200
Linode Classic Electricity: Estimated PUE	3,300
Office: Electricity	9,100
Office: Natural Gas	800

<b>Office: Generators</b>	1
<b>Total Scope 2 Location-Based Emissions: Akamai Connected Cloud</b>	221,900
<b>Total Scope 2 Location-Based Emissions: Akamai Connected Cloud + Linode + Offices</b>	243,301

<b>Reported Scope 2 Emissions: Market-Based</b>	
<b>Reported value</b>	<b>Metric tonnes (mt) CO<sub>2</sub> equivalency (CO<sub>2</sub>e)</b>
<b>Akamai Connected Cloud Electricity: Hardware Only</b>	57,500
<b>Akamai Connected Cloud Electricity: Estimated PUE</b>	42,000
<b>Linode Classic Electricity: Hardware Only</b>	1,600
<b>Linode Classic Electricity: Estimated PUE</b>	1,800
<b>Office: Electricity</b>	9,000
<b>Office: Natural Gas</b>	800
<b>Office: Generators</b>	1
<b>Total Scope 2 Location-Based Emissions: Akamai Connected Cloud</b>	99,500
<b>Total Scope 2 Location-Based Emissions: Akamai Connected Cloud + Linode + Offices</b>	112,701

Akamai's most recent [GHG emissions statement](#)

**Scope 2 Emissions:** Scope 2 emissions cover indirect emissions from purchased electricity, primarily for data centers and office facilities. Akamai reports Scope 2 emissions using both location-based and market-based methodologies, which provide a clear view of emissions based on the regional grid's emissions intensity as well as the impact of renewable energy sourcing through virtual power purchase agreements (VPPAs) and renewable energy certificates (RECs). This dual reporting approach highlights Akamai's progress in offsetting emissions with renewable energy purchases and emphasizes the effectiveness of its renewable energy strategy.

## Industry-specific efficiency ratios

To provide additional insight into its operational efficiency, Akamai calculates and discloses industry-specific GHG efficiency ratios, such as emissions per unit of data delivered or per unit of network traffic. These efficiency ratios allow stakeholders to assess Akamai's emissions performance relative to its operational scale, which is essential given the high-energy demands of content delivery and network infrastructure.

## Historical metrics for trend analysis

Akamai provides historical data for Scope 1 and Scope 2 emissions to support trend analysis, enabling stakeholders to track the company's emissions reduction progress over time. By offering this historical perspective, Akamai demonstrates its commitment to ongoing emissions management and highlights the effectiveness of its sustainability initiatives, such as the transition to 100% renewable energy and improvements in energy efficiency.

## Methodologies and transparency

Akamai uses well-defined methodologies for calculating GHG emissions, consistent with the GHG Protocol guidelines. The company describes its approach to emissions data collection, including activity data sources, emission factors, and assumptions, ensuring transparency and comparability. This includes the use of real-time monitoring tools, such as the EcoClear emissions tool, to track energy consumption at regular intervals and apply location-specific emissions factors where available. This detailed reporting framework ensures that stakeholders have a clear understanding of how Akamai's emissions metrics are calculated and provides a reliable foundation for evaluating the company's climate performance.

## Metrics and Targets B – Scope 3 GHG Emissions

Akamai applies a rigorous and comprehensive approach to tracking and reporting Scope 3 GHG emissions, encompassing emissions across its entire value chain, both upstream and downstream. This commitment to Scope 3 transparency aligns with the GHG Protocol methodology, ensuring that Akamai's Scope 3 emissions data is both accurate and consistent with industry standards. By providing a clear breakdown of Scope 3 emissions categories, Akamai enables stakeholders to gain a comprehensive view of its environmental impact beyond direct and indirect operational emissions.

### Categories and sources of Scope 3 emissions

Reported Scope 3 Emissions	
Reported value	Metric tonnes (mt) CO <sub>2</sub> equivalency (CO <sub>2</sub> e)
Category 1: Purchased Goods and Services	56,300
Category 2: Capital Goods	65,900
Category 3: Fuel and Energy Related Activities (Electricity Transmission and Distribution Loss Only)	15,500
Category 4: Upstream Transportation and Distribution	8,300
Category 5: Waste Generated in Operations	15
<i>E-Waste Generated in Operations</i>	0
Total Category 5 Emissions	15
Category 6: Business Travel (Corporate Commercial Travel)	7,600
Category 6: Business Travel (Corporate Private Travel)	1,600
Total Category 6: Business Travel Emissions	9,200
<i>GHG Offsets Applied to Category (Corporate Private Travel)</i>	2,100
Net Category 6 Emissions	7,100

Category 7: Employee Commuting + Teleworking (Including Electricity T&D Losses)	13,200
Category 8: Upstream Leased Assets (Free Space and Traffic) Location-Based (Not Included in Total)	54,400
Category 8: Upstream Leased Assets (Free Space and Traffic) Market-Based (Included in Total)	57,400
Category 8: Upstream Leased Assets (Data Center Generators)	800
<b>Total Category 8: Upstream Leased Assets Emissions (Market-Based)</b>	<b>58,200</b>
<b>Total Net Scope 3 (including offsets)</b>	<b>224,515</b>

[\*\*Akamai's most recent GHG emissions statement\*\*](#)

Akamai's Scope 3 emissions reporting covers a wide range of activities, reflecting emissions associated with both supply chain inputs and product discontinuation management. Key Scope 3 categories include:

- **Purchased goods and services:** Emissions resulting from the production of goods and services procured by Akamai, including data center hardware, network equipment, and office supplies. These emissions are calculated using supplier-provided data and spend-based methodologies where specific data is unavailable, ensuring an accurate representation of upstream emissions.
- **Capital goods:** Emissions from capital investments, such as network infrastructure, server equipment, and other technology hardware. Akamai tracks these emissions to capture the environmental impact of infrastructure expansion and modernization.
- **Fuel- and energy-related activities (not included in Scope 1 or 2):** Emissions from the extraction, production, and transportation of fuels consumed within Akamai's operations. This category includes energy losses along the supply chain and is particularly relevant for understanding the full impact of energy use.
- **Upstream transportation and distribution:** Emissions related to the transportation of goods into Akamai's facilities, such as network equipment and hardware. These emissions are estimated based on freight distances, shipment weights, and standard emissions factors, providing a thorough view of emissions tied to inbound logistics.
- **Waste generated in operations:** Emissions from waste generated at Akamai's facilities, including general office waste and operational waste. This category reflects the indirect environmental impact of Akamai's operational activities, including waste disposal methods and recycling efforts.
- **Business travel:** Emissions from corporate travel, including commercial and private air travel, are estimated using travel records and standard emission factors for various transportation modes. These metrics align with Akamai's efforts to minimize the environmental footprint of operational mobility.
- **Employee commuting:** Emissions associated with employee commuting and teleworking are estimated using employee commuting patterns and home energy use. This category includes the indirect emissions from remote work, accounting for electricity transmission and distribution losses.
- **Upstream leased assets:** Emissions from leased data center spaces used in Akamai's network operations. These emissions are calculated based on energy consumption data provided by landlords or estimated using standard factors when direct data is unavailable.

# Industry-specific efficiency ratios for Scope 3

Akamai provides industry-specific efficiency ratios related to Scope 3 emissions, such as emissions per unit of data delivered or emissions per unit of service provided, which give stakeholders insight into the efficiency of Akamai's value chain operations. These ratios allow for an assessment of emissions performance in the context of business growth and data traffic, illustrating how Akamai's emissions evolve with operational scale.

## Historical data for trend analysis

Akamai reports historical data for Scope 3 emissions, enabling stakeholders to analyze trends and track the impact of Akamai's emissions reduction efforts over time. By providing this historical data, Akamai demonstrates transparency in reporting its entire carbon footprint and showcases progress in engaging with suppliers, optimizing transportation, and improving waste management practices.

## Methodologies and transparency in Scope 3 calculation

Akamai's Scope 3 emissions are calculated in accordance with the GHG Protocol's Scope 3 standard, employing a combination of activity-based data and spend-based estimation methods where direct data is unavailable. Akamai's methodology includes:

- **Data collection from suppliers and industry averages:** Akamai works with key suppliers to obtain emissions data for purchased goods and capital goods. Where supplier-specific data is not available, Akamai uses industry averages and emission factors to provide robust and representative estimates.
- **Use of standard emission factors and assumptions:** Akamai applies emission factors from authoritative sources, such as the U.S. EPA, DEFRA, and IEA, to ensure that Scope 3 emissions calculations are consistent with global standards. Where necessary, Akamai documents assumptions and estimation techniques to maintain transparency in reporting.
- **Monitoring tools:** Akamai's EcoClear emissions tool plays a significant role in tracking emissions from logistics, employee travel, and other Scope 3 sources. This tool enables Akamai to maintain precise records of emissions across the value chain and continuously refine data quality for Scope 3 reporting.

## Metrics and Targets C – Targets Used by the Organization to Manage Climate-Related Risks

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Akamai has set ambitious climate-related targets that align with the TCFD recommendations, addressing GHG emissions, energy usage, and other critical environmental metrics. These targets are designed to support Akamai's sustainability goals, align with evolving regulatory expectations, and drive long-term

resilience in the context of a low-carbon economy. Akamai's structured approach to target setting includes both absolute and intensity-based targets, clear timelines, and detailed methodologies to ensure transparency and accountability.

## Key climate-related targets

### GHG emissions reduction targets

**Absolute targets:** Akamai has committed to achieving net-zero emissions by 2040 across its entire value chain (Scope 1, Scope 2, and Scope 3), with intermediate milestones to guide progress for Scope 1, Scope 2, and a portion of Scope 3 in line with our latest RCP research focused on a 1.9 or 2.6 pathway. This long-term target is absolute, focusing on reducing total emissions to achieve net-zero.

**Intensity-based targets:** Akamai also employs intensity-based targets, such as reducing emissions per unit of data delivered, to ensure that emissions reductions align with business growth. These intensity metrics are essential in the context of Akamai's high-volume content delivery operations, allowing for scalable efficiency improvements even as data traffic grows.

**Time frames and base year:** The net-zero target applies through 2040, with 2019 as the base year from which progress is measured. Intermediate goals are set for 2030, aligning with Akamai's commitment to significant reductions within the next decade.

**Key performance indicators (KPIs):** Akamai tracks progress through KPIs such as absolute GHG emissions reductions (in metric tons of CO<sub>2</sub>e), emissions intensity (e.g., emissions per petabyte of data delivered), and annual reductions in Scope 1, Scope 2, and Scope 3 emissions.

### Renewable energy goals

**100% renewable energy by 2030:** Akamai has set a target to source 100% of its global energy needs from renewable sources by 2030. This target supports Akamai's Scope 2 emissions reductions and aligns with market trends and customer expectations for clean energy.

**Renewable energy sourcing KPIs:** Akamai measures renewable energy adoption as a percentage of total energy consumption and tracks progress toward this target through KPIs such as the annual increase in renewable energy purchases and the completion of virtual power purchase agreements (VPPAs) and renewable energy certificates (RECs).

**Interim targets:** To ensure steady progress, Akamai has established interim targets for renewable energy adoption, aiming to increase renewable sourcing incrementally each year until the 2030 target is reached.

## Water usage management

**Water conservation in high-stress regions:** Akamai's water conservation targets focus on optimizing water use in data centers located in water-stressed regions. While water use is not a primary operational impact, this goal aligns with Akamai's environmental stewardship values and anticipates future regulatory requirements in water-sensitive areas.

**Intensity-based metrics for water use:** Akamai sets intensity-based targets for water usage, measured as water consumed per square meter of facility space or per megawatt of data center capacity, to ensure that water conservation efforts are scalable with operational growth.

## Waste management and circular economy goals

**E-waste reduction and responsible recycling:** Akamai has committed to minimizing waste generated from its network operations, with a specific focus on reducing e-waste through e-Stewards-certified recycling partners. The target emphasizes resource recovery, aiming to responsibly recycle or repurpose at least 98% of electronic waste generated from operations.

**Circular economy KPIs:** Akamai tracks metrics such as the percentage of total e-waste responsibly recycled, reductions in landfill disposal, and progress toward zero-waste certifications where applicable. These KPIs support Akamai's long-term goal of contributing to a circular economy.

### Interim targets and milestones

To ensure meaningful progress, Akamai has set interim targets aligned with each of its long-term goals:

- **2030 interim target for GHG emissions reduction:** Akamai aims to reduce its total emissions by a defined percentage of 100% of Scope 1 and 2 and portion of upstream leased assets in Scope 3 by 2030 (compared to our calculated base year), serving as a milestone toward net-zero across our value chain, Scope 1, 2, and 3 by 2040.
- **Annual renewable energy milestones:** Akamai is increasing its renewable energy share incrementally, with annual targets to track progress toward achieving 100% renewable energy by 2030.
- **Year-over-year reduction goals for e-waste:** Akamai's goal to divert 100% of e-waste from landfills is supported by annual recycling targets and regular assessments of waste management practices.

## Methodologies for target calculation and progress measurement

Akamai employs transparent and standardized methodologies to calculate targets, track progress, and provide stakeholders with confidence in reported metrics:

**GHG emissions calculations:** Emissions are calculated following GHG Protocol guidelines, with separate calculations for Scope 1, 2, and 3 emissions. Emission factors and conversion methods are derived from established sources, such as the U.S. EPA, DEFRA, and IEA. Akamai's methodologies include location-based and market-based calculations for Scope 2 emissions to capture the impact of renewable energy purchases.

- **Renewable energy sourcing methodology:** Renewable energy progress is measured based on the proportion of total energy consumption met by renewable sources, including VPPAs and RECs. Each renewable purchase is tracked and verified, with adjustments made for changes in operational demand or energy sourcing contracts.
- **Water use and efficiency calculations:** Akamai's water efficiency metrics are calculated based on data from water meters installed at high-use locations, with data adjusted for occupancy and

- facility utilization rates. This approach ensures that water usage metrics are consistent with actual operations, enabling accurate assessments of water conservation measures.
- **E-waste tracking and circular economy metrics:** Akamai monitors e-waste volumes through facility-level reporting, capturing disposal and recycling rates. E-waste is tracked by category (e.g., network equipment, office hardware) to assess resource recovery and recycling efficiency, with data validated by third-party certifications, such as e-Stewards.

## Alignment with anticipated regulations and market expectations

Akamai's targets are structured to align with anticipated regulatory requirements, market constraints, and customer expectations:

- **Compliance with regulatory trends:** Akamai's net-zero and renewable energy targets anticipate potential regulatory frameworks that mandate emissions reductions and renewable energy sourcing. By setting these targets ahead of regulatory mandates, Akamai remains compliant with emerging legislation and is well positioned for future regulatory landscapes.
- **Meeting market demand for low-carbon solutions:** Akamai's focus on developing low-carbon products and services, such as our broader portfolio of services, responds to market demand for sustainable solutions. By setting revenue and performance goals tied to low-carbon products, Akamai aligns its growth strategy with the needs of environmentally conscious clients, strengthening its position in a competitive market.

## Reporting Future: Transitioning from TCFD to ISSB S1 and S2

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In 2025, Akamai will formally transition from the TCFD framework to the International Sustainability Standards Board (ISSB) S1 and S2 guidance. This transition represents a natural evolution in our commitment to transparency and accountability in addressing climate-related risks and opportunities. This approach also aligns with Akamai's long-standing focus on proactive climate action and ensures that our reporting remains at the forefront of global standards.

## Strengthening climate disclosures with ISSB S1 and S2

The ISSB standards are built upon the TCFD framework, offering expanded guidance for reporting both climate-related and broader sustainability metrics. By incorporating ISSB S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and S2 (Climate-related Disclosures) into our reporting practices, Akamai will enhance the depth, consistency, and comparability of our sustainability disclosures.

## S1: General sustainability reporting

Under ISSB S1, Akamai will integrate sustainability-related financial information across a wider array of environmental, social, and governance (ESG) topics, ensuring that stakeholders receive a holistic view of our performance and resilience. This aligns with Akamai's focus on sustainability across all aspects of our operations, from renewable energy adoption to e-waste management and social equity initiatives.

## S2: Climate-related disclosures

The ISSB S2 standards expand on TCFD principles to provide more granular guidance on climate-related reporting. This includes enhanced disclosures on physical and transition risks, scenario analysis, and emissions targets. Akamai's existing alignment with TCFD positions us to seamlessly adopt these updates, ensuring continuity while strengthening the quality of our climate-related data and narrative.

## Key benefits of transitioning to ISSB standards

- 1) **Enhanced comparability across markets and jurisdictions:** The ISSB's global focus ensures that Akamai's sustainability disclosures are comparable across jurisdictions, meeting the needs of stakeholders in diverse regulatory and market environments.
- 2) **Alignment with evolving regulatory requirements:** With many jurisdictions signaling support for ISSB standards, including the European Union, United States, and APAC markets, Akamai will remain ahead of regulatory expectations. This aligns with Akamai's proactive approach to compliance and ensures our reporting is future-ready.
- 3) **Comprehensive risk and opportunity management:** By integrating ISSB guidance, Akamai will expand its focus beyond climate to include interconnected risks and opportunities, such as water stress, biodiversity, and the social impacts of climate initiatives. This broader perspective enhances our ability to manage risk while delivering value to stakeholders.

## Preparing for the transition

Akamai is taking deliberate steps to prepare for the transition to ISSB standards:

- **Data system enhancements:** Evolving tools like the EcoClear emissions tool and our robust data management systems, Akamai is refining its methodologies to meet ISSB's expanded data requirements. This includes tracking additional sustainability metrics and ensuring data integrity for cross-industry comparability.
- **ISO 14001-driven data integration:** Building on the structured framework of ISO 14001, Akamai is enhancing its environmental data integration capabilities to align with ISSB standards. This includes refining data collection processes for emissions, energy use, and waste management across all operations. By leveraging ISO-certified methodologies, Akamai ensures that its data systems support accurate tracking and reporting, enabling cross-industry comparability and compliance with evolving global sustainability requirements.
- **Scenario analysis and forward-looking metrics:** ISSB emphasizes forward-looking disclosures, such as scenario analysis and transition planning. Akamai is enhancing its scenario analysis capabilities to align with ISSB's guidance, incorporating climate models such as IPCC RCP pathways and evaluating their impacts on Akamai's global network operations.
- **Stakeholder engagement and training:** To ensure a smooth transition, Akamai is engaging internal teams, stakeholders, and external advisors to align on the ISSB framework. Training

programs are being developed to equip Akamai's reporting teams with the knowledge and tools to adopt ISSB standards effectively.

- **Interim reporting alignment:** As the transition progresses, Akamai has aligned its 2024 disclosures with the TCFD and the underlying ISSB principles, using this year as a bridge to full implementation. This ensures stakeholders can track progress toward comprehensive ISSB-aligned reporting.

## Sustaining leadership in sustainability reporting

The move from TCFD to ISSB S1 and S2 represents a step forward in Akamai's sustainability journey. By embracing ISSB standards, Akamai reaffirms its dedication to delivering transparent, actionable insights into its climate and sustainability performance. This transition not only strengthens Akamai's role as a leader in the digital infrastructure industry but also enhances our ability to support stakeholders in navigating the challenges and opportunities of a rapidly evolving global sustainability landscape.

# Disclaimer

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