

# Greenhouse Gas Inventory Report

KnowBe4 2023 GHG Inventory Report

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## Executive Summary

This Greenhouse Gas (GHG) Inventory documents KnowBe4's environmental impact, measured in tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) for the reporting year 2023, January 1, 2023 to December 31, 2023. It aims to manage KnowBe4's firm-wide GHG emissions and establish a consistent methodology for documenting the emissions inventory on an ongoing basis.

The Sustainability Department compiled this Inventory with support from various departments including Human Resources, Facilities Management, Finance, Accounting, Procurement, and IT. The process involved collecting and examining documentation, testimony, and data from internal and external sources. It also included verifying the completeness and accuracy of provided data and subsequent calculations.

In 2024, KnowBe4 upgraded its GHG measurement platform to Watershed, enabling higher-quality GHG data collection and more sophisticated analytics. This upgrade is crucial as we work to understand and manage our environmental impact, ensuring that our efforts are informed by high-quality data. Watershed provides audit-grade GHG emissions data, which aligns with requirements set by emerging climate disclosure regulations.

We also expanded our data collection to include employee commute in addition to remote work emissions. It's important to note that as a result of these methodology enhancements, KnowBe4's reported GHG emission footprint has increased compared to previous years. This change reflects improved accuracy in our measurements rather than necessarily indicating an actual increase in emissions.

## Methodology

The measurement was completed using external software to collect, calculate, and report on consumption and emission data across relevant business sites. As part of the GHG emissions calculation, the software applied relevant emissions factors from international standards.

Scope 1 and Scope 2 GHG emissions in the Greenhouse Gas Emissions Inventory and related notes have been prepared in accordance with the World Resources Institute / World Business Council for Sustainable Development's Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition and the GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard (collectively referred to as the "GHG Protocol").

Scope 3 GHG emissions have been prepared with reference to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard: Supplement to the GHG Protocol Corporate Accounting and Reporting Standard.

## Greenhouse Gasses Included in the Inventory

Emissions disclosed in the Greenhouse Gas Emissions Statement and accompanying notes include the following Greenhouse Gasses: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), and hydrofluorocarbons (HFCs).

Other Greenhouse Gasses, including nitrogen trifluoride (NF<sub>3</sub>), perfluorocarbons (PFCs), and sulfur hexafluoride (SF<sub>6</sub>) are not included as they are not relevant to the sources of emissions within our operational boundaries or do not generate emission material to our overall Greenhouse Gas Inventory. Such gasses are not relevant sources of emissions because enterprise software companies do not typically emit material quantities of these gasses.

All emissions are converted to carbon dioxide equivalents (CO<sub>2</sub>e) for reporting purposes.

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### Organizational Boundary

KnowBe4 used the operational control approach to set organizational boundaries and consolidate GHG emissions, which means we account for emissions from operations over which we have full authority to introduce and implement operating policies. KnowBe4 presents emissions from activities within our value chain, but outside of KnowBe4's operational control, under Scope 3 emissions.

### Operational Boundary

**Scope 1** emissions are direct emissions from the combustion of fuel from sources inside the organizational boundary and include leaked emissions from refrigerant gasses.

**Scope 2** emissions are indirect emissions from the generation of acquired and consumed electricity, steam/heat or chilled water occurring at sources outside of the organizational boundary resulting from activities from sources inside the organizational boundary. These include purchased electricity, steam, heat, and cooling.

**Scope 3** emissions are other indirect emissions from sources outside the organizational boundary resulting from activities in KnowBe4's value chain.

These include:

- › Category 1: Purchased goods and services (cloud data center services)
- › Category 3: Fuel and energy related activities (Transmission and distribution loss)
- › Category 6: Business travel (air, rail, road, and hotel services)
- › Category 7: Employee commuting (remote work and office commuting)
- › Category 8: Upstream leased assets (leases)

These categories represent the most significant sources of our Scope 3 emissions based on our current assessment.

### Use of Estimates and Measurement Uncertainties

The preparation of the GHG Emissions Inventory requires management to make estimates and assumptions that affect the amounts reported. Emissions data presented are subject to measurement uncertainties due to limitations inherent in the nature and the methods used for data collection.

Different acceptable measurement techniques can result in materially different measurements, and their precision may vary. KnowBe4 bases its estimates and methodologies on historical experience, available information, and other assumptions believed to be reasonable.

Certain emissions data rely on information provided by the suppliers, participants in our value chain, and other third parties. While these are sources that are believed to be reliable, the suitability, design and effectiveness of the third-party systems and associated controls over data accuracy and completeness have not been independently assessed. Knowbe4 has ongoing efforts to improve data quality and reduce uncertainties.

# KnowBe4 2023 GHG Inventory Report

## KnowBe4 GHG Inventory For Reporting Year 2023: Results

### Key Findings

The following table presents KnowBe4’s GHG emissions as reported in this Inventory by scope.

### GHG INVENTORY RESULTS

The table presents the GHG emissions totals by scope and category as reported in this Inventory.

# KnowBe4 2023 GHG Inventory Report

## KnowBe4 GHG Inventory For Reporting Year 2023: Results

### GHG INVENTORY RESULTS

The pie chart presents the GHG emissions totals by scope as reported in this Inventory.