

Okta's FY22 Greenhouse Gas Inventory Results

Okta's greenhouse gas (GHG) inventory is foundational to our environmental strategy. The data enables us to increase our understanding of Okta's current emissions, track our progress year over year, and identify opportunities to reduce our carbon footprint

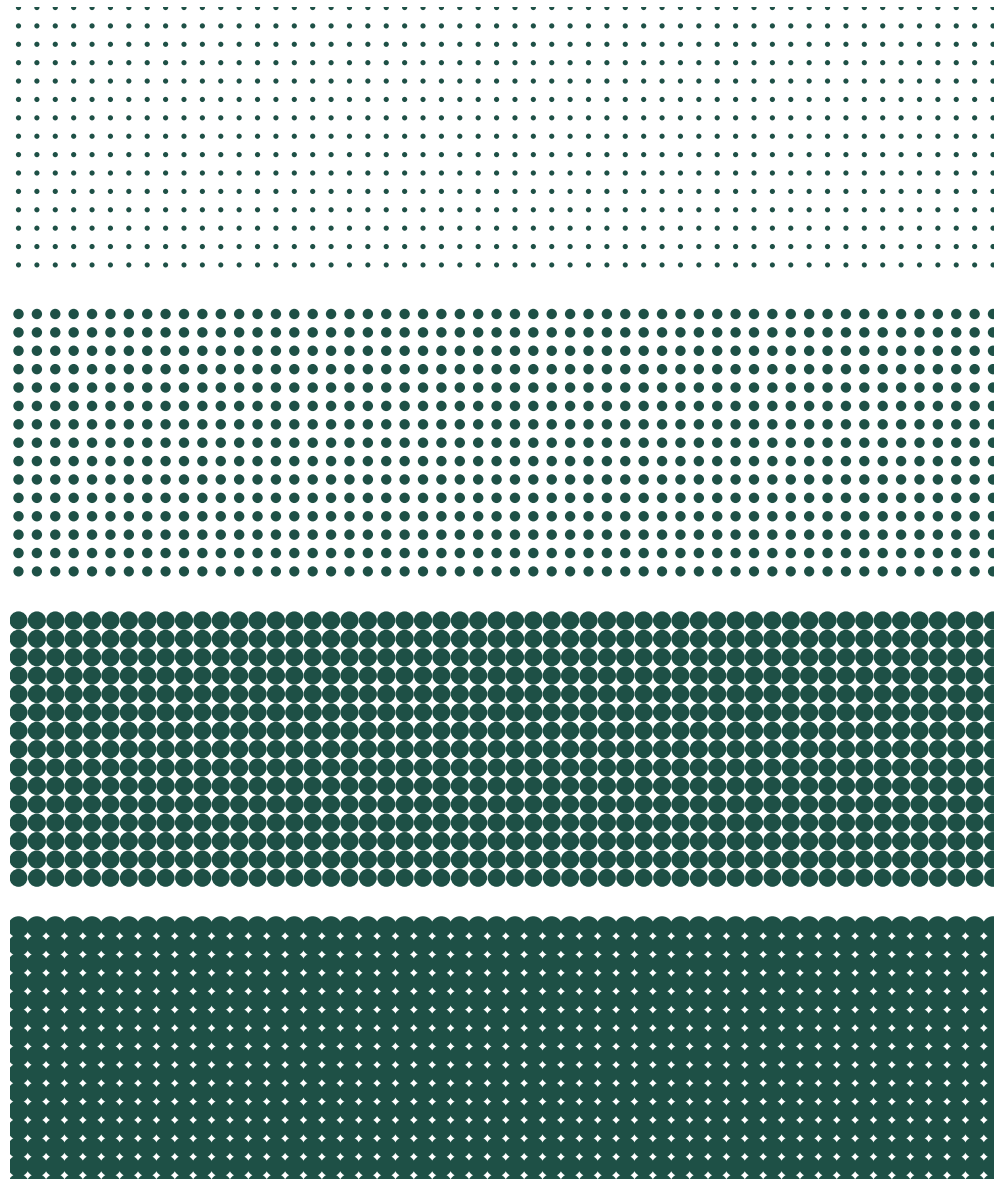
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FY22 Emissions Results

Overview

Okta's FY22 (February 1, 2021 - January 31, 2022) greenhouse gas (GHG) emissions were 56% more than previous year (FY21), predominantly due to an increase in scope 3 (value chain) emissions of third party cloud services, advertising, and increased business travel (see graphic 2 below). In FY22, Okta increased our investments in emissions reductions. We expanded our renewable energy certificates (RECs) program to cover our remote workforce electricity usage. This resulted in a decrease in our market-based scope 3 employee commute category, which includes remote workforce emissions, despite our growing workforce. FY22 was a unique year because we **acquired Auth0, Inc. in May 2021**. We have included Auth0 in our FY22 GHG inventory, as well as retroactively including them in our FY20 and FY21 inventories.

Table 1: Total Emissions

Emissions	FY20		FY21		FY22		Change from FY21 to FY22
	tCO ₂ e	% of total	tCO ₂ e	% of total	tCO ₂ e	% of total	
Scope 1	0	0%	0	0%	0	0%	0%
Scope 2 Location Based ¹	1,411		1,340		1,469		10%
Scope 2 Market Based ¹	1,103	3%	658	2%	254	<1%	-61%
Scope 3 ⁴	37,404	97%	35,237	98%	55,589	>99%	58%
Total Market based ²	38,508		35,895		55,843		56%

Scope 1 & 2 Global Leased Offices

In FY22, our scope 1 & 2 market-based (real estate footprint) emissions decreased by 61% as a result of our **FY22 100% renewable electricity achievement**. Okta's scope 2 location-based emissions increased by 10% in FY22 compared to FY21 due to Okta's real estate portfolio growing by 9% and increased office utilization. Okta's natural gas consumption decreased in FY22 by 64% from FY21, despite the real estate footprint growing by 31% during the same period.

A Closer Look at Okta's GHG Emissions

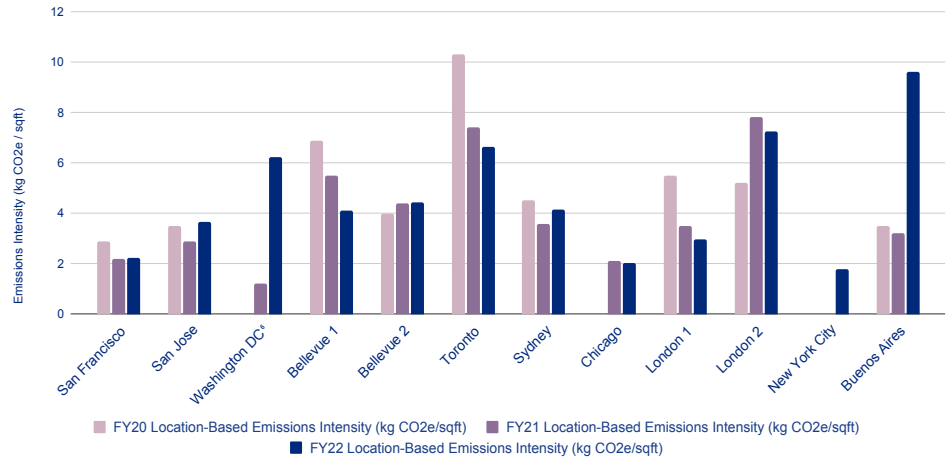


Figure 1: FY22 Emissions Intensity by Office Location

Scope 3 Value Chain Emissions

In FY22, our scope 3 emissions increased significantly in both purchased goods and services, including our third-party cloud services & advertising, and business travel categories. This is due to Okta's high growth and increased travel as guidelines around the Covid-19 global pandemic evolved and travel restrictions were eased.

We rely on third-party cloud service providers to run our operations; we do not own or operate any colocation data centers. Our primary third-party cloud service currently runs on more than 50% renewable energy and has publicly committed to increasing to 100% by 2025. We also saw a decrease in our market-based employee commute category (employee commute transportation + remote workforce electricity and natural gas usage). We expanded our renewable energy certificates (RECs) program to cover our remote workforce electricity usage, resulting in a 51% decrease in category emissions, despite our workforce growing.

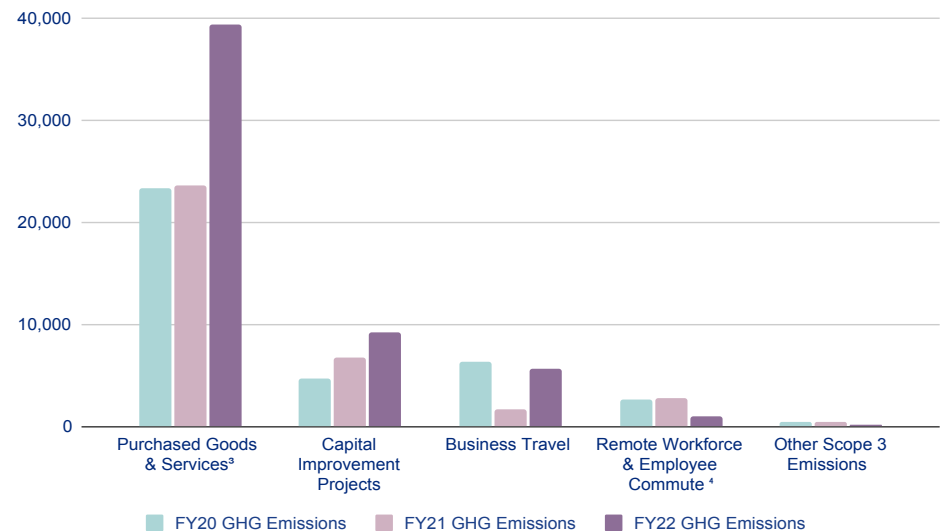


Figure 2: FY22 Scope 3 Emissions by Category

Scope and Methodology

Conducting Okta's annual GHG inventory is foundational to our **environmental strategy**. Collecting this data enables us to increase our understanding of Okta's current emissions, track our progress year over year, and identify opportunities to reduce our carbon footprint. We are excited to build on our core value of transparency by sharing the results of our GHG emissions study for our fiscal year ended January 31, 2022 (FY22). For FY22, we utilized Watershed, a climate platform, to conduct the analysis in accordance with applicable standards from the **GHG Protocol**. An independent third party assured our FY22 inventory in accordance with the **WRI/WBCSD Standards**. Find our FY22 GHG inventory assurance letter **here**.

Our GHG inventory is comprehensive, including our scope 1, scope 2, and all of our relevant scope 3 emissions, including employee remote work emissions, to align with our **Dynamic Work strategy**. Although remote work GHG emissions is an optional category for inclusion under the GHG Protocol, with the rise of Dynamic (hybrid) Work, we believe it is an essential piece of our footprint. Our FY20 and FY21 inventories were calculated with the **Anthesis methodology**. Anthesis is a Global Sustainability Consultancy. Our FY22 inventory was calculated using the Watershed methodology.⁵ To calculate most other scope 3 emissions, we use spend as a proxy, except for when we receive actual emissions data from vendors. Our business travel emissions are calculated based on travel distances and country hotel emissions factors. FY22 was a unique year because we included Auth0, a company that we acquired in May 2021, in our GHG inventory. We updated our FY20 and FY21 inventories to include Auth0.

¹ The GHG Protocol requires that companies use two methods for scope 2 reporting. The location-based method reflects the average emissions intensity of grids on which energy consumption occurs (mostly grid-average emission factor data). The market-based method reflects emissions from the electricity that companies have purposefully chosen. Location-based emissions are not shown as a percentage of Okta's total emissions as the total is market-based.

² Total emissions include scope 1, scope 2 – market-based, and scope 3.

³ Only 11% of our purchased goods and services emissions are based on supplier-specific data for FY22. The rest are estimated from spend data.

⁴ Market-based emissions

⁵ Both Anthesis and Watershed remote workforce methodologies are allowed in the Employee Commute optional remote workforce category of the GHG Protocol. Watershed collects employee count by location, and using office-specific work from home policies, determines the total number of days per month where employees commuted or worked from home. Work from home electricity usage is calculated by applying incremental energy usage assumptions to home office spaces. Learn more about the Watershed methodology with their online calculator. The Anthesis methodology, used for FY20 and FY21 inventories, assumes a baseline residential energy intensity in each region (12.50 kWh per person/day of electricity and 14.05 kWh/person/day of natural gas in AMER, refer to the whitepaper for other regions) and then apply an incremental increase from the baseline (63% increase in electricity and 38% increase in natural gas consumption in AMER).

⁶ The Washington DC office was open for a portion of FY21