

**REPORT** 

## Cloudflare Emissions Inventory – 2022

September 19, 2023

## **Emissions Inventory**

The following represents Cloudflare's comprehensive global greenhouse gas (GHG) emissions inventory for the calendar year 2022.

Cloudflare's calculations were prepared in accordance with the GHG Protocol Corporate Standard, Greenhouse Gas Scope 2 Guidance, as well as ISO 14064. The following inventory results were independently reviewed and verified by Shift Advantage.

Emissions Category		Carbon Dioxide Equivalent (CO2e) in Metric Tons (MT)	Percent of Calculated Total
Scope 1		137	100%
Scope 2 (Location-based) <sup>1</sup>		20,982	100%
	Facilities	865	4%
	Network	20,117	96%
Scope 2 (Market-based) <sup>2</sup>		0	100%
Total (Market-based) <sup>3</sup>		0	100%

<sup>1.</sup> Location-based emissions reflect the average emissions intensity of grids on which energy consumption occurs.

Market-based emissions reflect emissions from electricity that an organization has purposefully chosen.
 For more information on Cloudflare's renewable energy purchases, see Renewable Energy and Offset Purchases.

<sup>3.</sup> Total (Market-based) emissions include Cloudflare's 2022 verified offsets and renewable energy purchases.

## Methodology

Cloudflare defined its organizational boundaries using the control approach, and included all of its global operations. Cloudflare Scope 1 emissions resulted from certain Cloudflare facilities that use combustion fuels for heating purposes. For those facilities, Cloudflare estimated its emissions using the average intensity method based on energy use intensity (EUI) factors provided by the <a href="US Energy Information">US Energy Information</a> Administration.

Cloudflare's Scope 2 emissions are derived from its purchased electricity. Cloudflare elected to subdivide its Scope 2 location-based reporting into its facilities and its network to further aid in transparency and comparability.

Activity data for the Cloudflare global network was collected on a monthly basis from each of the points of presence (PoPs), which are located in more than 300 cities in 100 countries around the world.<sup>5</sup>

Activity data at Cloudflare facilities was measured in two ways.<sup>6</sup> All facilities for which Cloudflare had access to electrical utility information reported actual usage. For facilities that did not have access to actual usage data, Cloudflare used the average intensity method based on energy use intensity (EUI) factors provided by the US Energy Information Administration.

All activity data was converted into emissions via grid average emissions factors. Emissions factor sources included the US Environmental Protection Agency, UK DEFRA, and the International Energy Agency (IEA).

<sup>4.</sup> Cloudflare's organizational boundaries do not include Cloudflare's China network partners, which are not under Cloudflare's operational control.

<sup>5.</sup> Cloudflare's network energy data includes compute and networking hardware under Cloudflare's operational control. The calculations do not include energy used to power data center facilities (which house PoPs) not owned or controlled by Cloudflare, nor any other equipment colocated in such a facility. Cloudflare's approach is based on guidance provided by BSR and the Future of Internet Power.

<sup>6.</sup> Cloudflare facilities refers to Cloudflare-controlled office space.

## Renewable Energy and Offset Purchases<sup>7</sup>

Cloudflare's market-based Scope 2 emissions are zero for 2022 as a result of the company's renewable energy and offset purchases. Cloudflare purchased renewable energy attribute certificates (I-RECs, RECs, REGO, and others), through its partner <a href="mailto:3Degrees">3Degrees</a>, equivalent to Cloudflare's global facilities and network energy usage.

Cloudflare's purchasing methodology is based on RE100's technical and geographic criteria. To that end, in 2022, Cloudflare generally purchased renewable energy in the same locality as it consumed in its operations, including in the United States, Canada, the United Kingdom, the European Union, Brazil, Chile, India, Colombia, Costa Rica, Honduras, Mexico, Malaysia, Thailand, Turkey, Vietnam, Morocco, Singapore, Nigeria, Uganda, and South Africa.

In certain cases, in part due to the geographically distributed nature of the Cloudflare network, the company purchased equivalent renewable energy products in the same region, or in the case of certain island nations, Verra-certified offsets. Cloudflare also procured Verra-certified offsets to account for its Scope 1 emissions.

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6/6/2023

Dear Patrick,

Shift Advantage is pleased to provide consulting and advisory services to Cloudflare to support the calculation of Cloudflare's 2022 greenhouse gas emissions. Shift Advantage conducted this independent and impartial limited level of assurance verification (Verification) in accordance with ISO 14064-part 3 2nd Edition, 2019-04, Annex A. This letter is to clarify matters set out in the assurance report. It is not an assurance report and is not a substitute for the assurance report. This letter and the assurance report, including the opinion(s), are solely for Cloudflare's benefit. Shift Advantage consents to the release of this letter but without accepting or assuming any liability on Shift Advantage's part to any other party who has access to this letter or assurance report.

The assurance report covers Cloudflare's 2022 calendar year operations. For Cloudflare's GHG emissions report Cloudflare uses an operational control approach that includes global offices and data centers. Cloudflare's emissions report covers Scope 1 and Scope 2 emissions. Scope 3 emissions are excluded. The Verification has confirmed the accuracy and completeness of the information provided to substantiate Cloudflare's 2022 GHG emissions reporting. Cloudflare's total reported emissions are 21,119 MT CO2e. Verified emissions by scope are as follows:

- Scope 1 Emissions: Direct emissions associated with natural gas used to heat offices 137 MT CO2e
- Scope 2 Emissions: Indirect emissions associated with purchased electricity in offices and colocated data centers – 20,982 MT CO2e (location based)

Shift Advantage has found no evidence that Cloudflare's 2022 GHG emissions reports or data were incorrect, as everything was found to be presented fairly and in accordance with stated criteria in line with the GHG Protocol Corporate Accounting and Reporting Standard and the ISO 14064 Standard.

Eric Brody – Principal
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