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About this Report

This ESG report covers Zscaler’s global operations for Fiscal Year 2022 (from August 1, 2021 to July 31, 2022), unless otherwise specified. In line with our commitment to transparency, we intend to publish an ESG report annually, providing data and context about trends in our business, the industry, operational impacts, and our progress.

This inaugural report builds on our company’s legacy of strong business ethics and values, which have guided our approach since its founding. We are excited to continue our ESG journey by communicating more actively with our stakeholders through this report and other channels.

For more information, please visit our website.
A Letter from our CEO

At Zscaler, we are passionate about delivering meaningful change for our customers, our business, and the planet. Our vision of creating a world in which the exchange of information is always secure and seamless has never been more important. The rise of hybrid work and the need for secure digital transformation are causing companies to rethink, rebuild, and revolutionize their operations.

In the 15 years since we started Zscaler, we’ve secured thousands of organizations through our modern Zero Trust approach, helping them accelerate their business transformation, navigate complex challenges, and thrive in today’s fast-paced world.

As a critical partner to over 6,700 global organizations, Zscaler is in a privileged position to help make companies safer and the world a better place. How we run our business matters. As builders of the world’s largest security cloud, we’re always striving to exceed the expectations of our customers, investors, and employees.

As Zscaler continues to grow at a rapid pace, we’re doing so with integrity and taking into account key ESG priorities. Earning and maintaining trust is the foundation of everything we do, and we have built our company to give customers the security and confidence to turn today’s brightest ideas into tomorrow’s boldest innovations.

We aim to do what’s right for people and the planet. Our journey started by embedding resource efficiency into the design of our solution. By adopting Zscaler, our customers benefit from a resilient and efficient platform that not only offers better security but also drastically reduces the amount of hardware and power required compared with legacy security approaches. We are also accelerating the reduction of our own climate impacts. Since achieving 100% renewable energy in 2021, we are proud to be carbon neutral as of 2022, and we are working toward further reductions with a new goal of reaching net zero carbon emissions by 2025.

Our success is a direct result of the hard work and ingenuity of our employees. It’s a testament to this team that Zscaler is significantly growing our customer base while maintaining a Net Promoter Score of over 70. I am proud of the culture—one of open communication, teamwork, and humility—that inspires people to be and do their best, support each other, serve our customers, and innovate.

I am humbled by the work we do, the customers we serve, and the people I work alongside who share the Zscaler vision and whose collective contributions will have an indelible impact on our company, the technology industry, and, ultimately, the world.

It is my great pleasure to share Zscaler’s inaugural ESG report. I look forward to your feedback and partnership.

Together, we can secure a world of possibility.

Jay Chaudhry
CEO, Chairman and Founder
Zscaler Highlights

**OUR IMPACT**
- 6,700+ customers and over 34 million users protected
- 150 million+ threats blocked daily
- 40% of the Fortune 500 rely on our platform

**ENVIRONMENTAL**
- 100% renewable energy for global data center and offices
- Carbon Neutral status in 2022
- Net Zero carbon emissions by 2025 goal

**SOCIAL**
- 87% of employees are highly engaged
- >50% growth in number of employees in FY2022
- 55% of employees based outside of the United States

**GOVERNANCE**
- ESG oversight by Board Committee
- Security & Privacy oversight by Board Committee
- Certified to international security and privacy standards
About Zscaler

Company Vision

Zscaler envisions a world in which the exchange of information is always secure and seamless.

We founded our company in 2007 with the idea that the internet would be the new corporate network and that security would empower people to work and live in a hyperconnected, mobile, and cloud-enabled world.

It is our vision to create a world in which the exchange of information is always secure and seamless. Secure digital transformation has never been more important, and we believe that the internet should be safe for businesses and that the user experience should be enjoyable for everyone. It’s our mission to anticipate, secure, and simplify the experience of doing business for our customers, transforming today and tomorrow.

We built a revolutionary platform from the ground up to securely connect individual users, devices, and applications. Today, the Zscaler Zero Trust Exchange™—the world’s largest security cloud—provides organizations with the flexibility and agility to do their best work, whether it’s a hospital caring for patients, a school district protecting students, or a company inventing tomorrow’s technology.

We are excited to continue leading this transformation, guided by our strong ESG vision to secure a world of possibility.
Zscaler Zero Trust Exchange: A Transformative Experience

Digital transformation, where applications are moving to the cloud and users are increasingly mobile, is ushering in immense change that impacts how organizations function, compete, and deliver. We built the Zscaler Zero Trust Exchange to help companies accelerate their application, network, and security transformations. Our platform makes doing business and navigating change a simpler, more productive experience.

We believe that security is more than a solution that stops threats. When executed effectively, security is an enabling experience for organizations and the people that they serve. When enterprises adopt the right tools to defend against cyberthreats, they become more agile, are empowered to push forward, and realize their potential faster. Through Zscaler, our customers can experience their world, secured.

To power a modern workplace, it’s necessary to put people first. This requires flexibility, allowing users to contribute no matter where they work or which devices they use. The Zscaler Zero Trust Exchange prioritizes speed, reliability, and user experience.

How the Zero Trust Exchange serves customer needs

Defends against cyberthreats and protects data: As companies shift their critical assets to the cloud, zero trust security is the way forward in today’s digital world. Our cloud-based architecture securely connects users, devices, and applications over any network and replaces the obsolete “castle and moat” legacy systems. Our approach is a fundamental shift that brings security to our customers, enabling them to run their businesses wherever they are with speed, agility, and mobility.

Enables secure digital transformation: We partner with customers to transform their technology, replacing inefficient and costly legacy infrastructure with an approach that is more flexible and environmentally sustainable. We work with our customers every step of the way so that they can realize the potential of digital transformation.

Enables the modern workplace: Modernizing the workplace is a business strategy that focuses on people: employees, partners, and customers. This inclusive approach is based on creating the right technological, physical, and psychological conditions to help people thrive. Zscaler helps companies meet the needs of a distributed, global, remote workforce.
How Our Platform Works

The Zscaler Zero Trust Exchange is built using an innovative, cloud-based architecture with in-line traffic inspection and advanced threat protection to improve the privacy and security posture of companies. The streamlined, multitenant platform eliminates the need for costly investments in security hardware, supporting business resilience and environmental sustainability.

Every day, our platform secures hundreds of billions of transactions, allowing organizations to compete at the speed of today’s business. Through our platform, users can expect seamless functionality that provides cyber and data protection, zero trust connectivity, and a better user experience.

Our approach upends the traditional model, in which security is an element of control based on a centralized data center and network perimeter. Our zero trust architecture operates like a modern switchboard by intelligently connecting thousands of businesses and millions of users to their applications based on credentials and policy with data privacy in mind.

To support a work-from-anywhere world, the Zscaler Zero Trust Exchange, spanning over 150 data centers, provides the highest levels of security for our users, regardless of their location.

For more information about zero trust, please visit our [website](#).
Our Approach to ESG

“Our products secure businesses, protect privacy, enable modern workplaces, and reduce environmental impact—all of which are important ESG topics for our customers. Through the ESG lens, we are able to strengthen our own business practices, which supports our growth and creates value for our stakeholders.”

~ Bill Choi, Senior Vice President, Strategic Finance and Investor Relations

Our ambition is to build an iconic technology company. We know that a deliberate, well-thought-out ESG approach that combines clear priorities, effective governance, and broad implementation delivers benefits to our customers, employees, investors, and the communities we reach.

At Zscaler, ESG begins with security—the core of our business—and extends through our values, people-oriented culture, ethical business practices, and environmentally sustainable technology platform. We are intentional about our ESG journey, focusing on programs that will create lasting value for our business and customers, with a commitment to reporting on our ESG progress. In 2021, we continued to formalize our ESG strategy, team, and programs to further drive Zscaler’s innovation and growth.

We’re committed to delivering an unparalleled platform that secures what our customers do today and the possibilities they dream of doing tomorrow. As we continue our ESG journey, we are excited about pushing forward, together, toward a world of possibility.
Zscaler ESG Focus Areas

GOVERNANCE: Securing Trust

We have built effective governance structures, management, and ethical business practices to create the foundation for trust and foster a culture of integrity, excellence, and innovation. Our customers rely on us to protect their business, and our employees, investors, and partners need to know that we have the processes, certifications, frameworks, and accountability structures in place to deliver consistent performance. It is important that we uphold these practices throughout our organization and particularly in the areas of information security and data privacy. Good governance is also central to our efforts to ensure social and environmental performance.

ENVIRONMENT: Embedding Environmental Efficiency

Efficiency has been at the heart of our business from the start, when we created the cloud-native Zscaler Zero Trust Exchange. It eliminates the need for expensive and inefficient legacy architecture. Instead, our global platform, powered with 100% renewable energy, is inherently more resource efficient and uses significantly fewer resources per comparable unit of functionality when compared to on-premises solutions. In 2022, we achieved carbon neutrality for relevant greenhouse gas emissions categories, and we have set our ambitions to further reduce our impacts on the environment through a goal to reach net zero carbon emissions by 2025.

SOCIAL: Enabling Possibility for People

We are passionate about protecting the internet because digital security is the foundation for a more inclusive, connected, and empowered world. Too often, cyber risks and outdated security approaches limit business, restricting where and how employees work. Our platform is a business enabler, giving people the freedom to live and work on their own terms.

Our greatest asset is our people. We have grown our global team while maintaining a culture that has contributed to our success. We give our employees the opportunity to grow with us, advance their careers, learn and build new things, and achieve their professional dreams at a company that is building a legacy of excellence. Our giving-back program supports community engagement efforts that are meaningful to our employees.
We secure trust through effective governance structures, management, and ethical business practices that foster a culture of integrity, excellence, and innovation.

- Corporate and ESG Governance
- Risk Management
- Information Security and Privacy
Securing Trust

As a provider of critical security services, we must earn the trust of our customers every day. We build that trust through the quality of our solutions and by operating our business with the highest levels of integrity.

Our leaders recognize the importance of upholding our values and ethics as our operating environment evolves. We demonstrate this through our governance structures, ethical business practices and policies, risk management, and relentless focus on our core business of ensuring data privacy and information security.

Corporate and ESG Governance

Our corporate governance framework provides the controls and structure necessary to guide our rapidly growing business. Operationally, internal teams manage risk and provide updates to management and our Board of Directors to ensure corporate responsibility.

Our Board’s Audit Committee oversees risk, including those related to privacy and cybersecurity, among other responsibilities. Our Internal Audit Team continuously reviews company practices and policies to provide reasonable assurance that they are in line with best practices and that they are followed throughout our organization. The Internal Audit Team provides regular updates to the Audit Committee.

Our Board’s Nominating and Corporate Governance Committee oversees and evaluates our ESG policies, programs, and progress to support the sustainable growth of our business. Our dedicated ESG Team works with teams across our organization to set strategies and goals, build and embed programs into operations, and track progress.

Our corporate policies define our principles and expectations for all employees. The cornerstone of our ethics program, Zscaler’s Code of Conduct, describes what we stand for. Code of Conduct training, which emphasizes respecting others, acting with integrity, and accountability, is mandatory for all employees. Other policies and programs that help support our ethical business practices include our privacy, anti–corruption, insider trading, and whistleblower policies.
Risk Management

Trust is the foundation of everything we do, and we earn that trust through a robust approach to identifying, managing, and mitigating risk to our business and operations. Our risk–management processes are based on adhering to rigorous security, availability, and privacy standards so that our customers can adopt our services with confidence. We manage risks in critical areas of our enterprise through robust procedures and controls and through internal audits and assessments, including escalation to management and the Board level as appropriate.

We consider and regularly review a wide range of potential threats that could affect normal business processes. Our Facilities Team has developed emergency response plans for our global offices and employees. As described in our Business Continuity and Disaster Recovery Plan, our Cloud Operations Team ensures that our Zero Trust Exchange is resilient in the face of natural or human–caused disasters or other unplanned emergencies. We regularly conduct drills and leverage actual incidents to test our systems and improve the way we manage our platform. We build in fault tolerance and redundancy in key areas of our infrastructure. We operate in more than 150 data centers globally to provide both intra–data center and inter–data center redundancy for our production cloud. These measures allow us to commit to 99.999% availability in our service–level agreements, with additional commitments on latency and security.

Our approach to managing risk in our business includes certifying our solutions to internationally recognized commercial and government standards. These standards help guide our approach to reducing various types of risk in our operations, including our ability to deliver services to our customers.

For more information on our climate risk approach, see the Climate Risk and Opportunity section (page 21).
Information Security and Privacy

We do not compromise on the security and privacy of our customers. We believe that privacy is a fundamental human right and that it is critical to how we build and maintain customer trust. We operate the world’s largest security cloud and understand the importance of security by design and privacy by default.

Every day, our platform protects millions of people at thousands of enterprises and government organizations against cyberattacks and data breaches. We invest in the people, processes, and technologies that support the security, privacy, and resilience our customers rely on us for.

Cybersecurity Approach

We built the Zscaler platform leveraging guidance from leading industry frameworks to effectively manage and reduce cybersecurity risk. Rigorous risk management processes ensure the highest levels of confidentiality, integrity, and availability for our customers. We constantly evaluate our performance and strengthen the security of our products to anticipate the evolving threat landscape. We engage with customers, external experts, and industry groups with diverse perspectives so that we can continue to deliver innovative solutions.

Security, Privacy, and Trust

Security: Our Zero Trust Exchange is based on the principle of least privilege, where every entity is assumed hostile. Trust is established through context, such as a user’s location, their device’s security posture, the content being exchanged, and the application being requested. Customer transaction content is not cached or written to disk; inspections take place in memory. Once inspection is complete, data flow continues unimpeded, with no record of the source data preserved beyond tokenized audit logs of the transaction.

Privacy: By default, Zscaler products set privacy settings to maximum confidentiality. As a data processor, we only process personal data on behalf of our customers, the data controller, and on written authorization from the data controller. We contractually uphold this responsibility through our Data Processing Agreement. When possible, customers can choose to have logs stored exclusively in the U.S. or the EU/Switzerland, regardless of where their users are located.

Trust: Customers can trust that their data is safe with us. Our platform is certified to stringent standards. Our Board’s Audit Committee oversees privacy risks and cybersecurity threats, embedding accountability at the highest levels of our organization. Our Trust Portal gives customers visibility into the real-time statuses of our operations.
Zscaler’s Cyber Risk Management Group identifies and prioritizes protective measures across our products and enterprise while continuously driving improvements to our security approach as the threats evolve. The group comprises key functional leaders across the company who share critical information and use data-driven strategies to manage cyber risks. The group meets regularly, provides updates to the Audit Committee quarterly, and apprises the full Board as needed.

Our in-house global threat research team, Zscaler ThreatLabz, has a mission to protect our customers from advanced cyberthreats. Armed with insights from over 300 trillion daily signals from the Zscaler Zero Trust Exchange, this team of more than 100 security experts collectively operates 24/7 to identify and prevent emerging threats using malware reverse engineering, behavior analytics, and data science. In addition to improving Zscaler's products, the team shares its research with the wider industry to promote a safer internet. We implement security checks and reviews throughout our development lifecycle, and our internal security teams and external auditors continuously evaluate our products. In addition, we perform regular vulnerability scans, risk assessments, and penetration tests to maintain the highest standards of security.

Our cloud platform is monitored in real time, and we provide publicly available insights into the performance and health of our services. Our Trust Portal displays real-time statuses and advisories, thereby providing transparency to maintain the trust of our customers.

Privacy Policy and Approach

Our detailed policies—covering employees, customers, and third parties—govern our data management and use practices.

Keeping our customers’ data secure and private while providing seamless and continuous service is fundamental to our business. In line with our commitment to helping our customers comply with local privacy laws, we implement technical and organizational measures for customer data that pass through our Zero Trust Exchange.

Our privacy policy respects our users’ right to access, correct, and delete personal data. We require our vendors to abide by these same practices. We conduct due diligence to ensure that our vendors’ security and privacy practices are appropriate to their level of data access and the scope of the services they provide.

When possible, customers can choose to have logs stored exclusively in the U.S. or the EU/Switzerland, regardless of where their users are located. Additionally, we provide our customers with the ability to configure which of our global data center locations processes their data according to their compliance needs.

With respect to our corporate website, we collect personal data only for specific, explicit, and legitimate business purposes, and we store that data only for the period necessary to achieve the purpose of the storage, or as permitted by law.
Environmental

Embedding Environmental Efficiency

Our efficient cloud platform is powered by renewable energy, enabling our customers to securely accelerate digital transformation while reaching their environmental objectives. We have achieved carbon neutrality and are working toward achieving net zero carbon emissions by 2025.

- Delivering Environmental Benefits to our Customers
- Lowering our Carbon Footprint
- Climate Risk and Opportunity
Embedding Environmental Efficiency

We are committed to minimizing our impact on the planet and supporting our customers to reach their environmental goals by providing a security cloud that is significantly less emissions-intensive than on-premises solutions.

As a software company, our most significant carbon impact comes from the electricity used to power our cloud-based services. We have taken steps to address this impact throughout our offering—from the architecture and optimized processing to the data centers we use and renewable energy that powers our cloud.

Our platform and global offices have been powered with 100% renewable energy since 2021. We decided to reduce our immediate emission impacts in additional areas through high-quality offsets for 2022. We believe that further reductions are necessary, and we have set a goal to reach net zero carbon emissions by 2025.

Delivering Environmental Benefits to our Customers

When customers entrust their cybersecurity to our cloud, they can securely accelerate their digital transformation while reaching key environmental objectives:

- **Minimize IT waste**: Our solution eliminates stacks of security appliances and other on-premises hardware as well as the resources required for their transportation, installation, and maintenance.

- **Lower energy consumption**: We deliver better security using less energy per comparable unit of functionality with a purpose-built multitenant cloud security solution.

- **Reduce carbon footprint**: We help customers lower their greenhouse gas (GHG) emissions associated with their security program through our zero trust platform, which is powered by 100% renewable energy.

- **Enable a hybrid workplace**: By supporting a secure work-from-anywhere experience, we help customers reduce everyday emissions from employee commutes and business travel.

The Zero Trust Exchange platform requires fewer hardware resources and uses dramatically less power per user than legacy solutions.
Life Cycle Assessment of Environmental Impact: Zscaler vs. On-Premises Cybersecurity Solutions

As part of our effort to understand and address Zscaler’s holistic environmental impacts and benefits, we worked with a third-party environmental expert to conduct a life cycle assessment (LCA) following ISO principles. The LCA study compared the resources required for one year of use of Zscaler Internet Access (ZIA) and Zscaler Private Access (ZPA) products with those required for comparable on-premises solutions providing similar cybersecurity functionality for a specified number of users.

With a cradle-to-grave focus on carbon intensity, the analysis examined phases of the value chain, including raw materials, upstream production processes, hardware manufacturing, distribution, customer use, and hardware end-of-life.

Product Life Cycle – Cybersecurity Solutions

<table>
<thead>
<tr>
<th>Hardware</th>
<th>Use Phase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw Materials + Manufacturing + Distribution</td>
<td>Customer Use</td>
</tr>
<tr>
<td>Zscaler Approach</td>
<td>Zscaler Approach</td>
</tr>
</tbody>
</table>

**Raw Materials + Manufacturing + Distribution**
The carbon footprint of security hardware includes impacts from the extraction and processing of raw materials, product manufacturing, assembly, and distribution to site locations.

**Customer Use**
Energy is required to power hardware for processing and scanning user traffic related to security services. It is also used to provide cooling for server rooms and data centers.

**Zscaler Approach**
Our purpose-built multitenant security cloud relies on networking and server hardware customized from high-performance, off-the-shelf components.

**Zscaler Approach**
Our cloud, which is run in 150 data centers around the world, has been powered by 100% renewable energy since 2021.

**End-of-Life**
IT hardware is retired and disposed of at its end-of-life as newer hardware and technologies are introduced.

**Zscaler Approach**
To the extent possible, we reuse or recycle our retired IT equipment after the destruction of sensitive components, thereby reducing the amount of hardware going to landfills.
Life Cycle Assessment Results

The result of the analysis shows that the Zscaler cloud platform can deliver significant hardware reduction and energy efficiency over legacy on-premises solutions:

**Emissions Sources**
Energy usage is the largest source of emissions

**Emissions by product lifecycle stage (MTCO2e)**

<table>
<thead>
<tr>
<th>Source</th>
<th>On-premises Solution</th>
<th>Zscaler (ZIA + ZPA Product)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer use</td>
<td>6.2</td>
<td>4.3</td>
</tr>
<tr>
<td>Raw materials + manufacturing</td>
<td>0.6</td>
<td>0.1</td>
</tr>
<tr>
<td>Distribution</td>
<td>0.001</td>
<td>0.001</td>
</tr>
<tr>
<td>End-of-life</td>
<td>0.03</td>
<td>0.01</td>
</tr>
</tbody>
</table>

**Up to 93% Less Energy Usage**
Security cloud running at scale results in improved energy efficiency

**Energy consumption for 1 year of cybersecurity (kWh)**
Case for Organization of 3,000 Users

<table>
<thead>
<tr>
<th>Scenario</th>
<th>kWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-premises Approach</td>
<td>129,957</td>
</tr>
<tr>
<td>Zscaler Heavy Usage Customer**</td>
<td>-80%</td>
</tr>
<tr>
<td>Zscaler Average Customer</td>
<td>8,962</td>
</tr>
<tr>
<td>Zscaler ZIA + ZPA Product</td>
<td>26,385</td>
</tr>
</tbody>
</table>

**15X Lower Emissions**
Zscaler solution is significantly less emission-intensive than on-premises solutions *

**Greenhouse gas emissions for 1 year of cybersecurity (MTCO2e)**

<table>
<thead>
<tr>
<th>Scenario</th>
<th>MTCO2e</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-premises Solution</td>
<td>69.6</td>
</tr>
<tr>
<td>Zscaler ZIA + ZPA Product</td>
<td>4.4</td>
</tr>
</tbody>
</table>

*Comparison between equivalent and appropriately sized on-premises hardware (next-generation firewall, secure web gateway, load balancer, and VPN appliances) and actual Zscaler usage for ZIA and ZPA products to support an organization with 3,000 users. Additional details on the LCA study can be found in the Appendix (Page 35)
**Heavy Zscaler usage represented by the top quartile of Zscaler customers by bytes of traffic.
Lowering Our Carbon Footprint

Greenhouse Gas Commitments and Targets

We are committed to addressing our own climate impacts with urgency and creating meaningful change for our customers and the planet.

We are building on our milestone of achieving 100% renewable energy for our global offices and data centers and have broadened our attention to reducing emissions in additional business areas, including our Scope 1 and Scope 3 emissions. We have taken immediate steps to eliminate our projected emissions for Calendar Year 2022 through the use of high-quality, Verra-certified carbon offsets that are additional and permanent to achieve carbon neutrality for our offices, data centers, business travel, and procurement along with customer and public cloud usage.

We recognize that carbon neutrality is not the end goal and that deeper reductions and optimizations are necessary. That is why we are working toward a new goal to reach net zero carbon emissions by 2025, joining many of our customers in a collective effort to transition to a lower-carbon economy.

We are developing a path to net zero GHG emissions by implementing policies and practices, such as increased supplier engagement, lowering power needs, and using data to identify additional areas for improvements. This will reduce our operational impact as our business grows. We will continue to share our progress so that our customers have the confidence that they are working with a partner aligned with their carbon-reduction goals.

Zscaler achieved carbon neutrality in 2022, and we set a goal to achieve net zero by 2025.
Efficient Platform Architecture by Design

Zscaler’s Zero Trust Exchange is built on a cloud-native architecture that is designed to be more efficient than legacy on-premises customer-hosted solutions and virtualized solutions on public clouds.

Through our differentiated architecture, we are able to efficiently process more than 250 billion transactions per day. The following architecture features assist in lowering energy consumption and associated carbon emissions:

- By building a true multitenant solution from the ground up using specialized hardware, we are able to better use resources based on our customers’ locations and optimize our capacity globally. This reduces idling hardware and wasted resources.

- Efficiency is necessary when designing a solution to process billions of transactions. This required us to rethink and reinvent traditional ways of doing things in order to accelerate efficiency and deliver this type of in-line solution with a better user experience.

- Innovations such as our Single-Scan Multiple Action (SSMA) drastically reduce the number of compute cycles compared to the service chaining approach of legacy platforms, which require workloads to be passed along multiple appliances for the same level of protection.

- Optimizations to our platform have resulted in 12x increased throughput since 2013, leading to better traffic density per unit of hardware and improving performance while reducing hardware and energy needs.

- Deploying our own service edge allows for less computational overhead and faster processing compared to a virtual security appliance approach.

Reducing the Carbon Impact of Cloud Operations

Since the energy used to power our cloud platform is our largest source of GHG emissions, we focus on reducing our environmental footprint through a strategic approach to renewable energy.

We built the Zero Trust Exchange by choosing data centers that are exceptionally connected with the highest level of security, are close to users, and are operationally reliable. In 2021, we updated our data center procurement processes to integrate sustainability considerations into facility selection and renewal criteria. Where possible, we prioritize data center providers that use renewable energy, have their own climate goals, and achieve efficiency through implementing other practices, such as motion-activated LED lights, automated controls, and recycled water for cooling. We push improvements and monitor progress during regular business reviews with our data center providers, and we hold our partners accountable during renewal periods.

As an edge service provider, our footprint is not concentrated in any one location but spread across many global locations. Through the efforts of our data center providers, by November 2021, more than 75% of the energy used in the data centers came from renewable sources. To make up for the non-renewable difference, we purchase high-quality renewable energy credits (RECs) from country-specific wind and solar projects. This allows us to reach 100% renewable energy for our data centers and global offices.
Climate Risk and Opportunity

We are using a comprehensive approach to assessing climate risk across the key areas of our business to understand where our operations may need to adapt.

We examine several areas of our business—including products, data centers, customers, employees, office locations, and more—against different types of climate risk, per the Task Force on Climate Related Financial Disclosures (TCFD) framework. This helps us understand our risk levels and exposure and informs our risk-management approach, which is overseen by our Board’s Audit and Nominating and Governance committees.

The results of our climate risk assessment conducted in 2022 revealed that our cloud is resilient against climate risk through a highly redundant system of data centers deployed worldwide. If any region or data center experiences an outage, we have the capacity to process user traffic in other parts of the cloud, thereby minimizing business disruption. Additionally, our largest sites are located in areas with relatively low physical climate risk. More information can be found in our CDP response.

As climate change continues to create chronic events, such as prolonged heat waves, storms, and fires, this may increase the need for more businesses to move to the cloud and adopt hybrid work environments. We are hopeful these organizations will turn to Zscaler to accelerate their digital transformation, so that together we might build a climate–resilient world.

<table>
<thead>
<tr>
<th>CY2021 GREENHOUSE GAS (GHG) INVENTORY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Verified emissions for Calendar Year 2021 (from January 1 to December 31, 2021) by scope are as follows:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SCOPE</th>
<th>EMISSIONS (MTCO2e)</th>
<th>INCLUSIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1 (direct)</td>
<td>362</td>
<td>Natural gas used to heat offices</td>
</tr>
<tr>
<td>Scope 2 (indirect, location-based)</td>
<td>25,096</td>
<td>Indirect emissions associated with purchased electricity in offices and co-located data centers</td>
</tr>
<tr>
<td>Scope 2 (indirect, market-based)</td>
<td>0</td>
<td>Market-based includes purchased environmental attribute certificates (EACs) and renewable energy credits (RECs)</td>
</tr>
<tr>
<td>Scope 3 (indirect)</td>
<td>4,564</td>
<td>Purchased goods and services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Business travel</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Use of product</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Public cloud usage</td>
</tr>
<tr>
<td>Total 1 + 2 + 3 (location-based)</td>
<td>30,022</td>
<td></td>
</tr>
</tbody>
</table>

Note: We have purchased renewable energy certificates to match the projected CY2022 energy use from non-renewable sources to address Scope 2 emissions and have offset our projected CY2022 Scope 1 and Scope 3 emissions to reach carbon neutral.

For more details, please see our greenhouse gas verification statement.
Enabling Possibility for People

Our cloud-based digital security platform fosters a more inclusive, connected, and empowered world. We invest in our global team of employees and provide them with opportunities to grow with us, advance their careers, and achieve their professional dreams.

• Talent Attraction and Retention
• Talent Development
• Employee Wellbeing
• Diversity, Equity, and Inclusion
• Community
Enabling Possibility for People

The Zscaler difference comes from a global team that is technically skilled, forward-thinking, and aligned to our mission. We deliver this technology through the dedication and ingenuity of our people, who are passionate about creating a safer future.

We strive to create a positive and inspiring workplace built on a culture of excellence, innovation, and strong values. We are focused on enabling the employees who power our business and invest in training as well as on providing opportunities for our employees to grow with us at every level.

We are also passionate about connecting with our communities and supporting our team in contributing to causes that are meaningful to them. Through Zscaler’s giving-back efforts and other community engagement programs, we help others secure their own futures.

30+ office locations
5,000+ employees
55% based outside of the U.S.
Talent Attraction and Retention

Zscaler is a destination for top cybersecurity talent looking to innovate at a mission-driven company revolutionizing the world’s approach to security. As we continue to grow, we have created a talent-attraction strategy based on the following principles:

- Building and recruiting from diverse talent pipelines
- Cultivating a positive, inclusive culture that creates opportunities for our people to succeed alongside Zscaler
- Providing a competitive compensation and benefits package

We have been named a “Best Place to Work” by Glassdoor for two years in a row.

Zscaler Culture

The Zscaler values form the pillars of our culture and drive our success, supporting our high-performing, can-do culture, and high rates of employee satisfaction.

In the past two years, Zscaler has doubled in size. We had close to 5,000 employees as of the end of our 2022 fiscal year. As we continue our growth, we recognize that maintaining our values and culture, sustaining and improving the employee experience, and never compromising excellent performance will be critical to our ongoing success. In 2022, our new Chief People Officer joined Zscaler and will continue to strengthen the practices and programs that support our people.

We use our annual employee engagement survey and periodic pulse surveys to gauge employee sentiment. These surveys give us a broad view of the employee experience, keep our leaders informed of areas for improvement, and help us understand the nuances across different demographics and geographies. We are proud to have an engaged and motivated workforce that exceeds the survey benchmark for companies in our industry, and we are determined to remain humble and open to constructive feedback and new ideas.

We have been named a “Best Place to Work” by Glassdoor for two years in a row.

94% of employees are aligned with our strategic mission

87% of responding employees are highly engaged
**Recruiting Quality Talent**

We operate in a competitive hiring environment, where industry experts estimate there are approximately 3 million cybersecurity job openings. Our recruiting strategy is focused on hiring the best talent and building the next generation of cybersecurity and go-to-market leaders.

Our efforts to build a high-quality talent pipeline include the following:

- Employee referral programs that provide a monetary bonus for employees who recommend people we hire.
- University recruiting and internship programs that provide students and recent graduates direct work experience through projects that have a tangible impact on our business.
- Executive recruiting outreach to passive candidates to build our pipeline and fill our leadership roles.
- U.S. Department of Defense (DOD) Skillbridge program that provides U.S. service members opportunities to empower, encourage, and explore taking the next steps as they transition into civilian careers.

These programs have contributed to our recruiting success and our ability to double our workforce in the past two years.

**Compensation and Benefits**

We value not just what our team accomplishes professionally but also what they need personally for their families and their future.

In addition to base pay, employees may be eligible for annual bonuses that are tied to our financial results and long-term equity incentives that vest subject to continued service and performance metrics. Our employee stock purchase plan allows employees to contribute a percentage of their wages to purchase Zscaler stock at a discount.

Our competitive benefits packages include:

- Comprehensive health plans
- Wellbeing support
- Retirement programs
- On-demand learning and development
- Global tuition assistance program
- Paid time off
- Supportive parental leave (including 18 weeks of fully paid maternity leave and 8 weeks of paternity leave for eligible employees)

“Creating a workplace that supports the needs of employees—so they, in turn, can provide the best service to our customers—is critical. Zscaler is investing in the People & Culture team to ensure that we can scale our programs, policies and benefits to support our growing workforce while strengthening our ‘Humble with Hustle’ culture.”

— Brendan Castle, Chief People Officer
Talent Development

We’re committed to engaging and developing employees at every stage of their careers. We make substantial investments in talent development, and we pride ourselves on giving employees unparalleled opportunities to build their careers and do their best work. We know that our approach is working when great employees are retained and advance in their careers. In 2022, our promotion rate was 22% for employees who had been in their roles for at least two years.

Training, Development, and Sponsorship

Employees who are set up for success and fulfilled in their work do more to delight our customers and deliver positive results for our company. That’s why we provide ample opportunities and resources for employees to achieve career growth.

Our Succeeding at Z toolkit offers a suite of training and development programs that support the needs of our business and meet people where they are in their career journey. It helps employees clarify their professional ambitions and tap into development experiences to meet their goals, including job-specific training. We offer a variety of tools, including structured sales training for internal certifications, tech talks on cybersecurity trends and best practices, and resources on management best practices.

We also offer development and education opportunities, including curated content from Skillsoft–Percipio, ExecOnline, and BTS Rapid Learning. This includes coursework from academic institutions, micro-learnings and targeted audio books, and vignettes. Additionally, eligible employees may receive tuition reimbursement to help them further their skills, knowledge, and job effectiveness.

We also believe in the value of learning from each other: Everyone has something to give and something to learn. Mentoring at Zscaler connects more than 450 mentors and mentees at the company to help accelerate learning and foster our culture.

Leadership Development

Leaders help set the tone for our company culture, modeling Zscaler values and cultivating a positive employee experience.

Our Leading at Z program helps people managers unlock the potential of their teams and themselves. Through comprehensive resources that focus on our “10 Leadership Principles and Pillars,” Leading at Z defines how Zscaler leaders are expected to live and lead. This program also enables measurement and feedback, and supports individual development based on where leaders are in their leadership journey.

Newly hired and promoted managers are required to complete live and virtual new manager coursework, which enables their success from day one. All managers have access to tools, resources, and timely live programming that helps them embody our leadership principles. Leaders identified as top talent have expanded access to development, including one–on–one leadership, executive coaching, and advanced education.

Based on our biannual manager effectiveness survey, our investment in leadership development is having a positive impact: 91% of employees who responded to the survey said that their managers are effective at building great teams, driving results, demonstrating ownership, and role–modeling Zscaler values.
Employee Wellbeing

Through periodic surveys and direct feedback, we have learned that wellbeing is important for Zscaler employees. Our investments in employee wellbeing are helping us build a more agile and inclusive company.

Wellbeing at Z is a holistic program that supports employees across four pillars:

- **Physical**: We offer preventative health programs and benefits focused on physical activity, nutrition, and self-care.

- **Emotional**: We provide an enhanced employee assistance program that encourages employees to care for their mental health and provides resources to manage stress and anxiety.

- **Social**: We help employees build relationships and cultivate a sense of belonging through our community programs, employee resource groups, and mentoring opportunities.

- **Financial**: We provide the education, tools, and benefits that help our people understand and plan for their financial future. We offer these programs globally and tailor them to local and group-specific needs.

COVID-19 and our Hybrid Work Strategy

The COVID-19 pandemic disrupted businesses everywhere and illustrated the importance of a flexible work approach that keeps people safe and supports employees’ unique life needs.

Now, more than ever, we recognize that employers who want to attract and retain top talent must balance the needs of the business with the needs of a changing workforce. Building on the lessons learned and the changes we made during the pandemic, we have embraced a hybrid work strategy in line with local and regional practices. We are promoting productivity by creating flexible ways of working that balance collaboration, innovation, and connectivity with employees’ personal preferences and needs. This supports our employees to do their best work and aligns with Zscaler’s product offerings, which enable people to connect seamlessly and work securely from anywhere.

Zscaler Combats Cyberbullying to Support Student Wellbeing

In response to our education customers’ concerns about the uptick in cyberbullying, Zscaler launched a new feature in our Zero Trust Exchange for K–12 schools. This feature weaves together cyber threat and data loss prevention with online student safety, giving schools the ability to catch harmful activity early.

With AI–powered detection that includes a comprehensive dictionary of keywords and phrases, and using our cloud–native proxy—which sits between students, the internet, and online applications—our platform identifies harmful interactions or searches so that schools can prevent the content from being sent, loaded, and/or received. Schools can also proactively select and manage the applications and websites that students can access.

This innovation allows school IT administrators, teachers, and counselors to get the information they need to act swiftly and keep students safe.
Diversity, Equity, and Inclusion

At Zscaler, security means more than protection from threats. It means creating a culture of belonging and inclusion where everyone feels empowered to use their voice.

Our investments in diversity, equity, and inclusion (DEI) constitute a business imperative: we strive to create a work environment where people feel safe, included, and supported. We also know that when we attract, engage, and develop people from a wealth of unique backgrounds, experiences, and thinking, we can create a high-performing and customer-obsessed team.

We are a truly international company, with employees in 26 countries. When our global teams are representative of the customers and communities we serve, we’re able to better anticipate customer needs, empathize with their experiences, and create solutions to cybersecurity threats.

DEI Approach

Our DEI approach is guided by our DEI Committee composed of leaders from across our organization and focuses on the following objectives:

- **Attract the best diverse cybersecurity talent**: Expand our employment marketing reach; ensure representative candidate slates; and eliminate bias in the marketing, selection, and decision processes.
- **Build inclusion awareness and engagement**: Educate leaders and employees on inclusion and bias, support and enable a community of employee resource groups, and celebrate our differences.
- **Develop diverse talent**: Advocate for underrepresented populations, enable career development, and achieve parity in rewards and remuneration.
- **Support a diversity of team needs**: Measure and improve the experience of underrepresented populations and design benefits programs that meet our teams’ needs.

Increasing diverse representation is a challenge in the technology sector, and while we have room to improve, we remain committed to attracting and supporting a diverse workforce. When seeking external candidates for open positions, our recruiting teams strive to build a talent pipeline that is diverse at the top of the hiring funnel, connecting with candidates from under-represented groups.

As our employee base grows, we are investing in programs and structures that foster inclusion and belonging. We have created a Head of Diversity, Equity, and Inclusion position to work alongside leaders across the company to accelerate these efforts. Looking ahead, one of our key priorities is to develop a holistic DEI strategy that covers the talent pipeline, recruitment and hiring practices, pay and benefits, promotion, retention, and overall employee experience.
Employee Resource Groups

Zscaler supports six employee resource groups (ERGs). Each ERG provides space for underrepresented groups to feel supported and encouraged to advance in their careers. At the time of publication, 20% of Zscaler employees participate in at least one of our ERGs.

Our ERGs support our DEI approach by engaging their members as well as the larger Zscaler population through education, events, and giving-back opportunities. In 2022, a highlight included a Juneteenth Town Hall led by the Black Employees at Zscaler (B@Z) ERG, in which information was shared about a community-giving effort that supported three STEM-focused nonprofits with company grants for each organization. Our ERGs also led events to celebrate Pride Month, the Martin Luther King Jr. Day of Service, women in tech leadership, and more.

DEI Education, Training, and Programming

We offer courses for diversity awareness and training on topics such as managing bias. In addition, we offer tailored training for leaders that emphasizes the role of diversity in building high-performing teams.

Our Women in Zscaler Engage (WIZE) ERG has developed extensive programming, including the following:

- **Zscaler Women Breaking the Mold**: A speaker series in which female employees share their experiences
- **Onwards and Upwards**: A discussion forum about life hacks and career advice
- **Inspirational Career Stories**: Speaker series featuring leaders across the industry

In 2022, we held a 16-week pilot leadership training program that matched high-potential women with a senior executive sponsor and career coach. Based on overwhelmingly positive feedback from the participants, we are extending the program to another cohort of women leaders.
Community

We believe in leveraging our skills, passion, wisdom, time, and resources to support organizations and communities in creating a better and safer world.

We invest in the community in two ways: bringing together the technology community that is shaping digital transformation and giving back to the local communities where we operate.

In the technology community, we’ve built the CXO Revolutionaries platform, where thought leaders dedicated to building a safer digital future can connect and share insights. This platform also champions diversity through inclusive programs, such as the Women in IT Executive Circle.

Giving Back with Zcares

Our giving-back efforts are guided by a desire to make a positive difference in the communities in which we operate. We do this by supporting nonprofit organizations that our employees are passionate about.

In 2022, we formed a Zcares Giving Back Committee to develop a formal strategy, solicit feedback from employees, and manage the implementation of volunteer programs and donation campaigns.

Zscaler has a legacy of philanthropy that reflects our commitment to supporting those in need.

Recent highlights of our Zcares community engagement include:

COVID-19 relief in India: India, home to nearly a third of the Zscaler workforce, experienced an acute pandemic crisis in the spring of 2021. Employee donations totaling more than $100,000 were 2-to-1 matched by Zscaler, giving a total of over $300,000 to the American India Foundation’s COVID-19 relief efforts.

Z-Forestation tree-planting: In partnership with Forests by Heartfulness, our employees planted 15,000 trees in Hyderabad, Bangalore, Pune, and Mohali—where our offices are located in India. With the volunteer support of more than 600 Zscaler employees and their families, this project aims to enhance biodiversity, water systems, and carbon sequestration to benefit local communities.

Ukraine support: We supported a number of causes in 2022 related to humanitarian efforts in Ukraine, including a $100,000 employee donation matched 100% by Zscaler to the International Committee of the Red Cross, Global Giving, and UNICEF. We also partnered with Okta and TechSoup to support cybersecurity-related awareness and education among nonprofits operating in the region.

Community engagement in the U.S.: Through other giving and volunteer efforts, we supported Second Harvest Food Bank of Silicon Valley, Habitat for Humanity, Feeding America, David’s Harp Foundation, Together We Rise, and other organizations.

“Z-Forestation was a first-of-a-kind initiative for us to plant 15,000 saplings to create mini forests in four cities in India. The overwhelming response we saw from our employees, their families, and friends made this event a true celebration of 15 years of excellence at Zscaler while making our tiny contribution toward a greener and sustainable future.”

— Vishal Gautam, Senior Director of Engineering & Site Managing Director, Zscaler
Appendix
The SASB Standards identify the subset of environmental, social, and governance (ESG) issues most relevant to financial performance in 77 industries. The responsibility for managing these standards is with the IFRS Foundation, a not-for-profit public interest organization established to develop high-quality, understandable, enforceable, and globally accepted accounting and sustainability disclosure standards. Zscaler performs reporting according to the SASB standard for the Software and Information Technology Services Industry.

### Zscaler SASB Index Table – FY2022

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>ACCOUNTING METRIC</th>
<th>CATEGORY</th>
<th>UNIT OF MEASURE</th>
<th>CODE</th>
<th>DATA / REFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Footprint of Hardware Infrastructure</td>
<td>(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable</td>
<td>Quantitative</td>
<td>Gigajoules (GJ), Percentage (%)</td>
<td>TC-SI-130a.1</td>
<td>(1) Total energy consumed: 236,394 GJ (2) and (3) We work with data center providers that draw electricity from the grid and support renewable energy through the purchase of RECs and VPPAs. Through these providers, our hardware infrastructure energy usage is over 75% renewable. Zscaler matched the remaining non-renewable energy usage with additional REC purchases, resulting in 100% renewable energy for our cloud. Note: Data covers the January 1, 2021–December 31, 2021 reporting period.</td>
</tr>
<tr>
<td></td>
<td>(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress</td>
<td>Quantitative</td>
<td></td>
<td>TC-SI-130a.2</td>
<td>Zscaler works with data center providers to host our cloud solution. Water consumption data is not currently available.</td>
</tr>
<tr>
<td></td>
<td>Discussion of the integration of environmental considerations into strategic planning for data center needs</td>
<td>Discussion and Analysis</td>
<td></td>
<td>TC-SI-130a.3</td>
<td>• 2022 ESG Report – Environment (Page 15) • Environment Page</td>
</tr>
<tr>
<td>TOPIC</td>
<td>ACCOUNTING METRIC</td>
<td>CATEGORY</td>
<td>UNIT OF MEASURE</td>
<td>CODE</td>
<td>DATA / REFERENCE</td>
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<td>--------------------------------------------</td>
<td>------------------------------------------------------------------------------------</td>
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<td>-----------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Data Privacy &amp; Freedom of Expression</td>
<td>Description of policies and practices relating to behavioral advertising and user privacy</td>
<td>Discussion and Analysis</td>
<td></td>
<td>TC-SI-220a.1</td>
<td>• 2022 ESG Report – Privacy (Page 13) • Privacy Page</td>
</tr>
<tr>
<td></td>
<td>Number of users whose information is used for secondary purposes</td>
<td>Quantitative</td>
<td>Number</td>
<td>TC-SI-220a.2</td>
<td>None. Zscaler does not use user information for any purpose other than those stated in our Data Processing Agreement. Zscaler stores only a limited amount of personal data (e.g., IP addresses, URLs, user IDs, and user groups) used to deliver our service</td>
</tr>
<tr>
<td></td>
<td>Total amount of monetary losses as a result of legal proceedings associated with user privacy</td>
<td>Quantitative</td>
<td>Reporting currency</td>
<td>TC-SI-220a.3</td>
<td>Zscaler did not incur any monetary losses as a result of legal proceedings associated with user privacy. Material legal proceedings are disclosed in Zscaler’s public filings.</td>
</tr>
<tr>
<td></td>
<td>(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure</td>
<td>Quantitative</td>
<td>Number, Percentage (%)</td>
<td>TC-SI-220a.4</td>
<td>Zscaler is a B2B service provider, and such requests for user information are forwarded to our customers who manage their users’ information. Zscaler stores only a limited amount of personal data (e.g., IP addresses, URLs, user IDs, and user groups) and does not retain user content information.</td>
</tr>
<tr>
<td></td>
<td>List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring</td>
<td>Discussion and Analysis</td>
<td></td>
<td>TC-SI-220a.5</td>
<td>Zscaler’s customers include large multinational organizations with operations throughout the world. Our Zero Trust Exchange sits inline between the user and the content they are trying to reach. Zscaler follows all U.S. government regulations concerning embargoed countries.</td>
</tr>
</tbody>
</table>
## ZSCALER SASB INDEX TABLE – FY2022

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>ACCOUNTING METRIC</th>
<th>CATEGORY</th>
<th>UNIT OF MEASURE</th>
<th>CODE</th>
<th>DATA / REFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Security</td>
<td>(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected</td>
<td>Quantitative</td>
<td>Number, Percentage (%)</td>
<td>TC-SI-230a.1</td>
<td>We did not experience any material data breaches in FY22. Material breaches, if any, will be announced on our <a href="https://www.zscaler.com">Trust Portal</a> and disclosed in Zscaler's public filings.</td>
</tr>
<tr>
<td></td>
<td>Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards</td>
<td>Discussion and Analysis</td>
<td></td>
<td>TC-SI-230a.2</td>
<td></td>
</tr>
<tr>
<td>Recruiting &amp; Managing a Global, Diverse &amp; Skilled Workforce</td>
<td>Percentage of employees that are located offshore</td>
<td>Quantitative</td>
<td>Percentage (%)</td>
<td>TC-SI-330a.1</td>
<td>55.0% of our employees are located outside of the U.S.</td>
</tr>
<tr>
<td></td>
<td>Employee engagement as a percentage</td>
<td>Quantitative</td>
<td>Percentage (%)</td>
<td>TC-SI-330a.2</td>
<td>Based on an employee survey conducted in August 2022, 87% of our employees are highly engaged</td>
</tr>
<tr>
<td>Intellectual Property Protection &amp; Competitive Behavior</td>
<td>Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations</td>
<td>Quantitative</td>
<td>Reporting currency</td>
<td>TC-SI-520a.1</td>
<td>Zscaler did not incur any monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations. Material legal proceedings are disclosed in Zscaler’s public filings.</td>
</tr>
<tr>
<td>Managing Systemic Risks from Technology Disruptions</td>
<td>Number of (1) performance issues and (2) service disruptions; (3) total customer downtime</td>
<td>Quantitative</td>
<td>Number, Days</td>
<td>TC-SI-550a.1</td>
<td>We are able to meet the 99.999% availability target, as stated in our Service Level Agreement. Performance issues and disruptions to our service are announced on our <a href="https://www.zscaler.com">Trust Portal</a></td>
</tr>
<tr>
<td></td>
<td>Description of business continuity risks related to disruptions of operations</td>
<td>Discussion and Analysis</td>
<td></td>
<td>TC-SI-550a.2</td>
<td></td>
</tr>
</tbody>
</table>
# Life Cycle Assessment Details

## APPROACH TO LCA COMPARISON

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>ON-PREMISES SOLUTION</th>
<th>ZSCALER</th>
<th>APPROACH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Functional Unit of</td>
<td>Resources required for providing 1 year of cybersecurity for organizations</td>
<td>Cloud hardware is calculated based on the percentage of total bytes of</td>
<td>Services include: cyber threat protection, access control, data loss</td>
</tr>
<tr>
<td>Comparison</td>
<td>with 3,000 and 25,000 users.</td>
<td>traffic processed per customer at each data center. The impact of the</td>
<td>protection, network access, and load balancing.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>actual Zscaler total hardware is allocated using these percentages.</td>
<td></td>
</tr>
<tr>
<td>Hardware</td>
<td>Appropriately sized next-generation firewall, load balancer, VPN, and secure web</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>gateway appliances to support users across data centers and business locations</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>The environmental impact of hardware was calculated at the hardware</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>component level using emissions factors from other published LCAs and</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>life cycle inventory databases</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Impacts for all hardware were amortized over a 5–year lifetime. The</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>study modeled the recycling of hardware at end–of–life.</td>
<td></td>
</tr>
<tr>
<td>Customer Use</td>
<td>Energy use per security appliance type is based on typical power consumption in</td>
<td>Energy use is calculated based on the percentage of total bytes of</td>
<td>For comparability, the electricity emissions factor is assumed to be the</td>
</tr>
<tr>
<td></td>
<td>product specifications, PSU wattage, or thermal rating, adjusted for time of day</td>
<td>traffic processed per customer at each data center. The impact of the</td>
<td>same, using the global average from the International Energy Agency.</td>
</tr>
<tr>
<td></td>
<td>load. Power Usage Effectiveness ratio (PUE) is assumed to be 1.6 average in the model.</td>
<td>actual Zscaler energy consumption is allocated using these percentages.</td>
<td></td>
</tr>
</tbody>
</table>

The Life Cycle Assessment (LCA) study applies ISO 14040, 14044, and 14067 principles, but has not yet undergone a peer review with an additional third party per the standards. Additional impacts, such as travel for server installation, maintenance, and client software, were not included in this study. The study assumes full replacement of on–premises security appliances—the actual impact may vary depending on a number of factors, including customer implementation, number of locations, and types of hardware.
## LCA RESULTS DETAILS
GHG Emissions by life cycle stage for 1 Year of security for on-premises versus Zscaler solutions (MTCO2e)

<table>
<thead>
<tr>
<th>LIFE CYCLE STAGE</th>
<th>ON-PREMISES SOLUTION: 3,000 USERS ACROSS 20 FACILITIES</th>
<th>ZSCALER SOLUTION: 3,000 USERS</th>
<th>ON-PREMISES SOLUTION: 25,000 USERS ACROSS 200 FACILITIES</th>
<th>ZSCALER SOLUTION: 25,000 USERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw Materials + Manufacturing</td>
<td>6.82</td>
<td>0.139</td>
<td>53.76</td>
<td>1.270</td>
</tr>
<tr>
<td>Distribution</td>
<td>0.22</td>
<td>0.001</td>
<td>1.71</td>
<td>0.013</td>
</tr>
<tr>
<td>Customer Use</td>
<td>62.56</td>
<td>4.273</td>
<td>461.83</td>
<td>36.127</td>
</tr>
<tr>
<td>End-of-Life</td>
<td>0.03</td>
<td>0.001</td>
<td>0.26</td>
<td>0.006</td>
</tr>
<tr>
<td>Total</td>
<td>69.63</td>
<td>4.41</td>
<td>517.55</td>
<td>37.42</td>
</tr>
</tbody>
</table>
Forward-looking Statements

This report contains forward-looking statements. All statements other than statements of historical fact, including statements regarding our planned products and upgrades, business strategy and plans, and objectives of management for future operations of Zscaler, are forward-looking statements. These statements involve known and a significant number of unknown risks, uncertainties, assumptions, and other factors that could cause results to differ materially from statements made in this message, including any performance or achievements expressed or implied by the forward-looking statements. Moreover, we operate in a very competitive and rapidly changing environment, and new risks may emerge from time to time. It is not possible for us to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results or outcomes to differ materially from those contained in any forward-looking statements we may make. Additional risks and uncertainties that could affect our financial and operating results are included in our most recent filings with the Securities and Exchange Commission. You can locate these reports through our website at http://ir.zscaler.com or on the SEC website at www.sec.gov.

In some cases, you can identify forward-looking statements by terms such as "anticipate," "believe," "continue," "contemplate," "could," "estimate," "expect," "explore," "intend," "likely," "may," "plan," "potential," "predict," "project," "should," "target," "goal," "will," or "would," or the negative of these terms or other similar words. Zscaler based these forward-looking statements largely on its current expectations and projections about future events that it believes may affect its business. Actual outcomes and results may differ materially from those contemplated by these forward-looking statements. All forward-looking statements in this document are based on information available to us as of the date hereof, and we do not assume any obligation to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made.