



Sustainability Report 2023

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Introduction from our CEO



At Kinaxis, we care about supply chain, people and the planet. We deliver unparalleled supply chain agility and resilience to some of the world's largest and most complex supply chains. We combine human intelligence with artificial intelligence and concurrency to help companies prepare for any future, monitor risks and opportunities and respond to the rapid pace of change. Our industry-proven applications and extensible, cloud-based RapidResponse platform empowers supply chain professionals and business leaders to know sooner, act faster and remove waste so they can make the best decisions for their business, their customers and our planet. Kinaxis takes this obligation

seriously and, as one of five pillars of our corporate strategy, remains committed to doing its part to create a sustainable and socially responsible future. We hope this sustainability report helps our stakeholders understand our ongoing progress and the work ahead of us.

Acting with integrity

In anticipation of evolving regulatory requirements in Canada, we have realigned our reporting cycle on environmental, social, and governance (ESG) matters to coincide with our annual financial reporting and disclosures. As such, we are updating our September 2023 report to include a complete representation of year-end data.

Previous work has seen us create a governance structure that ensures our opportunities and impacts around environmental, social and governance-related considerations are both accountable at the highest level of our organization, the Kinaxis Board of Directors, and influenced at every level through feedback from every business unit across Kinaxis. We remain committed to the United Nations Global Compact and its ten principles, which address areas of human rights, labor, environment and anti-corruption, to advance broader societal goals and address the world's critical challenges.

As we handle and process data for many Fortune 500 global leaders and other major companies, building trust through the highest levels of innovation, data security, and privacy are foundational elements of our business.

We are aligned to key global data privacy and security standards. To protect our valuable intellectual property, as of December 31, 2023, we have been issued 42 patents globally and have over 150 patents pending in various jurisdictions. We also went live with Microsoft Azure and Google Cloud as part of our shift to a public cloud infrastructure.

Our people

Creating an environment where our diverse team feels welcomed, safe and free to bring its talent and creativity is paramount to us as a software company.

We continue to prioritize diversity, equity and inclusion (DEI) in our business. We introduced DEI



targets and objectives for the first time in 2021 which laid the foundation for our journey. In 2023 our targets focused on driving gender equality, improving measurement and transparency, and driving DEI globally while implementing locally.

Our annual engagement survey continues to maintain a strong participation rate (89%), with a better-than-benchmark overall engagement index score of 84% in 2023. Of key importance to our DEI plans, 92% of our participants feel that their manager respects and is committed to diversity and inclusion.

Our communities

One of our core values recognizes that we are global citizens, so taking care of our own people alone isn't enough. In 2023, we refocused our corporate giving program on key areas that better align with our core values and where we can maximize our positive impact on communities for generations to come. As such, we have engaged with Women Who Code, a global non-profit organization empowering diverse women to excel in technology careers. We have also signed a multi-year agreement with the Ellen MacArthur Foundation, an organization committed to creating a circular economy designed to eliminate waste and pollution, circulate products and materials and regenerate nature.

Our environment

RapidResponse helps our customers reduce wasted supply components, avoid expired products, reduce excessive (and often discarded) end-product inventory, and ensure critical goods like pharmaceuticals are available when and where needed. Sustainability is a key part of our business model and remains integral to what we do.

At our annual customer community conference Kinexions in June 2023, we unveiled our new Sustainable Supply Chain solution, which allows companies to embed emissions factors (including Scope 3 emissions) directly into RapidResponse to design scenarios that will estimate, and simulate supply chain-related CO₂e in real time.

We continue to anticipate and stay ahead of ever-increasing emission disclosure requirements. On an ongoing basis, we update our disclosures under the Task Force on Climate-Related Financial Disclosures recommendations and enhance our GHG emissions inventory with greater detail and accuracy where possible. We are once again offsetting the full balance of our Scope 1, 2, and 3 emissions through EcoLogo-certified Renewable Energy Certificates and third-party verified carbon offsets.



John Sicard, President and Chief Executive Officer,
Kinaxis Inc



Kinaxis' ESG performance is being recognized by key rating agencies and the investment community.

Kinaxis has received top marks from several key ESG rating agencies, including our recent Triple A designation from MSCI, and our inclusion in Sustainalytics' 2023 Industry and Regional Top-Rated ESG Companies list, in the software category. Kinaxis also received the award for Best ESG Program in the Technology, Media and Telecommunications sector from Institutional Investor.

A leader in supply chain planning

Everyday volatility and uncertainty demand quick action. Kinaxis® (TSX:KXS) is the global leader in modern supply chain management. We serve supply chains and the people who manage them in service of humanity. Our software is trusted by renowned global brands to provide the agility and predictability needed to navigate today's volatility and disruption. We combine our patented concurrency technique with a human-centered approach to AI to empower businesses of all sizes to orchestrate their end-to-end supply chain network, from multi-year strategic planning through down-to-the-second execution and last-mile delivery.



About Kinaxis

We power the world's supply chains to help preserve the planet's resources and enrich the human experience.

Kinaxis® (TSX:KXS) is a global leader in modern supply chain management. We serve supply chains and the people who manage them for the greater good of humanity and the planet. Our software is trusted by renowned global brands to provide the agility and predictability needed to navigate today's volatility and disruption. We combine our patented concurrency technique with a human-centered approach to AI to empower businesses of all sizes to orchestrate their end-to-end supply chain network, from multi-year strategic planning through down-to-the-second execution and last-mile delivery. For more news and information, please visit kinaxis.com or follow us on [LinkedIn](#).

01 Community

Full of passionate, like-minded customers, partners, influencers, academia, and dedicated Kinaxis experts, our community is creating the future of supply chain management – together.

02 Technique

Ensuring data, processes, and people are always in sync, our concurrency technique keeps everyone across the supply chain fully connected and informed.

03 Platform

Extensible and scalable, our platform and industry-proven applications are purpose-built to deliver the functional capabilities you need to navigate today's complex supply chain challenges.

Acting with integrity

Kinaxis has tightly integrated sustainability into our governance structures and our corporate strategy. Corporate governance ultimately rests with the Kinaxis Board of Directors. The Board works to ensure that Kinaxis conducts business in an ethical, sustainable, and safe manner. In performing its functions, the board considers the legitimate interests that stakeholders, such as employees, customers, communities, and the environment, may have in our business. Management is responsible for the day-to-day conduct of the business. One of Kinaxis' five core strategic pillars relates to **committing to a sustainable, socially responsible future.**

Key resources

Aspects of our corporate governance and key policies are discussed comprehensively in several documents, which include:

[Management Information Circular](#)

The primary document to inform shareholders about our governance practices so they can vote in an informed way at our annual shareholder meeting. Among other topics, it discusses our directors and their backgrounds, our board committee structure, Kinaxis' approach to governance, and executive compensation.

[Code of Conduct](#)

Sets out the high standards of ethical behavior we expect of everyone at Kinaxis. The code applies to directors, officers, and employees and is a core document to help the team apply our values to every business transaction and every business relationship to help Kinaxis grow rapidly in an ethical, sustainable, and safe manner.

Helping world-class customers help you



MillerKnoll



Honeywell

DIAGEO



Our ESG governance structure

Nominating and governance
committee of the board



Executive leadership team



Chief Legal Officer

[Anti-Bribery and Anti-Corruption Policy](#)

Sets out Kinaxis' commitment to full compliance by its officers, directors, employees, consultants, contractors, agents, and third-party service providers with Canada's Corruption of Foreign Public Officials Act and any local anti-bribery or anti-corruption laws that may be applicable. The policy complements our Code of Conduct and Whistleblower Policy.

[Whistleblower Policy](#)

Outlines the procedures in the event of any complaints or concerns of employees regarding accounting and auditing matters, violations of Kinaxis' Code of Conduct, or any applicable law, rule, or regulation. Complaints or concerns can be made anonymously, if desired, and retaliation by the board, management, or any other person or group, directly or indirectly, is strictly prohibited.

[Vendor Code of Conduct](#)

Summarizes Kinaxis' expectations of third parties providing products or services to Kinaxis (including vendors, partners, consultants, and contractors) and reflects Kinaxis' concern for all individuals, including its vendors' workers. Local customs and laws vary by country, but the importance of human rights is universal, and this code is intended to reflect that importance.

Insider Trading Policy

Outlines the requirement for all directors, senior officers, employees, consultants, and others to follow all applicable laws, rules, and regulations pertaining to the purchase and sale of shares of Kinaxis, including those of Canadian securities legislation and the policies of the Toronto Stock Exchange. The policy discusses the significance of material information, trading blackout periods, insider filings, prohibition of tipping, and other critical information.

Kinaxis Health and Safety Policy

Establishes our interest in and responsibilities related to the health and safety of our employees.

In these key documents and policies, and others, we address important corporate governance matters and how to speak up when we think there may have been a violation of policy:

Respecting each other

- Diversity, equity, and inclusion
- Harassment and discrimination
- Health and safety

Doing what's right

- Anti-bribery and anti-corruption
- Relationships with suppliers
- Fair competition
- Gifts, entertainment, and hospitality

Protecting our company

- Privacy and confidential information
- Safeguarding physical and electronic assets
- Accurate recordkeeping
- Conflicts of interest
- Inside information and trading
- Responsible communications

Being good neighbors

- Human rights
- Community involvement and sustainability
- Political activities

At Kinaxis, we don't allow any form of retaliation (such as firing, salary reduction, or other negative job actions) by anyone against those who speak up in good faith.

Sustainability and social responsibility embedded in corporate strategy

Our corporate strategy, which guides the objectives, decisions, and efforts of every Kinaxis team member, includes five core elements. One of those is committing to a sustainable and socially responsible future.



Kinaxis is part of the UN Global Compact

With a network of more than 20,000 companies and 3,800 non-business signatories in over 160 countries, the United Nations Global Compact is the largest corporate sustainability initiative in the world. Its Ten Principles address areas of human rights, labor, environment, and anti-corruption and represent the fundamental values that businesses can and should embed in their daily strategies and operations to advance broader societal goals such as the UN Sustainable Development Goals and the 2030 Agenda to address the world's critical challenges.

ESG governance and risks

Governance structure

Our accountability structure for ESG starts with the Kinaxis Board and filters through every aspect of our organization. ESG is led by our risk management leader who reports to our Chief Legal Officer. The Chief Legal Officer in turn brings ESG matters to the full executive team and regularly reports findings and recommendations back to the nominating and governance committee of the board.

Six of our seven independent directors self-assessed as having experience in, or understanding of, internal risk controls, risk assessment, risk management, and/or risk reporting, including risks related to environmental and social issues. The same number self-assessed as having experience in, or understanding of, sustainability and ESG matters.

ESG risks

ESG is fully integrated with and has its own distinct category within our comprehensive enterprise risk management (ERM) program, which harmonizes risk management procedures and practices across the organization. To date, we've focused on various aspects of enterprise risk, including risk identification, risk prioritization, risk assessment and treatment, risk monitoring, and reviewing our risk governance structure annually. Our ERM program establishes clear risk oversight, drives accountability, and integrates risk management into our day-to-day operations and decision-making. Working with the executive leadership team, our Chief Legal Officer is responsible for facilitating and overseeing the ERM program and reports reports on key enterprise risks regularly to the audit committee of the board as well as the full board. ESG risks are reported on regularly to the nominating and governance committee of the board.





As part of our ERM work, we have identified 12 specific ESG topics in our enterprise risk universe, which have been assessed against a materiality matrix and categorized as tier one through three based on our interpretation of their impact to our business and importance to our stakeholders. While all 12 are important and require some degree of monitoring and management, we deem only two of them as rising to the level of a key enterprise risk: (1) privacy and data security and (2) talent management. Under the ERM program, these two key enterprise risks are closely monitored and reported on quarterly by the risk management team. The remaining ten ESG risks are addressed through our ESG program.

In 2024 we will initiate the first phase of climate-related scenario analysis, in alignment with TCFD, to model and evaluate climate-related risks and opportunities that may impact Kinaxis under different climate scenarios, including a 2-degree Celsius or lower scenario. We will leverage the collective expertise of stakeholders across the business to map physical and transitional risks, evaluate their potential implications, and explore opportunities for innovation and market leadership.

ESG reporting standards

Disclosures in this report are informed by the Sustainability Accounting Standards Board (SASB) framework for software and IT services companies (see Appendix 1 for related metrics). Although we currently don't assess any climate-related issues as a key corporate risk, we have also initiated disclosures under the Task Force on Climate-Related Financials Disclosures framework, which can be found in Appendix 2.

In anticipation of evolving regulatory requirements in Canada, we have realigned our reporting cycle on environmental, social, and governance (ESG) matters to coincide with our annual financial reporting and disclosures. As such, we are updating our September 2023 report to include a complete representation of year-end data.

Our GHG inventory calculations (see Our environment section) were made with the assistance of our environmental consultant, Carbonzero, and in accordance with the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard, which is the leading corporate guide for emissions measurement and reporting. Carbonzero also advises on our purchases of third-party verified carbon offsets and Renewable Energy Credits.

ESG commitments

We have made four core commitments that drive our ESG strategy:

1. **Protecting our planet by doing what we do best.** Creating a sustainable future is not only a key aspect of how we run our own business, but by combining human intelligence with AI and concurrent planning, we also empower our customers to make the best possible decisions for their businesses and sustainability of their supply chains.
2. **Taking care of employees.** "People matter here" is the foundation of our culture. Our teams are spread across the world, and each one is just as important to us as the next. We take great care in cultivating a socially conscious culture where we are all empowered.
3. **Giving back.** We know we are all global citizens. We support our communities and the causes where we can make the most impact.
4. **Building trust through integrity.** We believe in our responsibility to build trust with all our internal and external stakeholders – through openness, transparency, and accountability, including the protection of all our stakeholders' data.

Consistent with these statements, Kinaxis has committed to focus on contributions towards six key United Nations Sustainable Development Goals.

3 GOOD HEALTH
AND WELL-BEING



5 GENDER
EQUALITY



8 DECENT WORK AND
ECONOMIC GROWTH



10 REDUCED
INEQUALITIES



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION





Security, privacy and intellectual property

Our platform processes the supply chain data of innovative companies of all sizes, including globally recognized, Fortune 500 leaders and other major companies, and we have established several key processes to earn and keep the trust of these market leaders, including intellectual property protection and data security and privacy features. While protection of all data is critical, the most material impact to our business relates to how we manage data security and privacy for customers.

RapidResponse is a cloud-based SaaS offering delivered from both private and public cloud infrastructures. Under the private cloud model, we co-locate our infrastructure in enterprise-grade third-party data centre facilities, primarily with Equinix and Vantage Data Centers, and currently have partnerships with Google Cloud Platform and Microsoft Azure for public cloud deliveries.

We pride ourselves on using some of the most highly advanced technologies available to keep supply chain data safe, secure, and accessible to only those who legitimately need it. We adhere to global standards and best practices and acquire third-party verification of our processes to ensure compliance.

Key resources

An overview of our data security and privacy practices can be found in our [Data Security brochure](#) and [Privacy Policy](#). Our [GDPR with RapidResponse brochure](#) describes how RapidResponse can be used to comply with GDPR requests and individual rights. Our 2023 Annual Information Form describes our approach to intellectual property protection in detail and includes details of our issued patents.

Network access and security

We strive to meet or exceed industry best practices and standards for data security. Administrative, technical and physical security controls are in place and enforced to deliver RapidResponse and are externally audited annually under the System and Organization Controls (SOC 1 and SOC 2) frameworks. We are also the first Canadian company to receive the BSI-C5:2020 Type II Attestation. Information we process on behalf of our customers is protected at rest and in transit over the internet using sophisticated encryption and transport protocols to help prevent unauthorized access and tampering.

We regularly test our infrastructure technical security controls by using automated vulnerability scanning tools and manual processes and test RapidResponse through application security vulnerability assessments. Other security services include 24/7/365 Security Operation Center monitoring performed using Security Incident and Event Management (SIEM) technologies paired with automated intrusion prevention, hardened firewalls, and centrally controlled antivirus/malware enforcement to help detect malicious activities and counter attacks.

Cybersecurity and data privacy leadership.

Our leadership team includes key roles related to data security and privacy.

Our Chief Legal Officer is also our Data Protection Officer, ensuring that we always process the personal information of our staff, customers, providers or any other individuals in compliance with the applicable data protection rules. Our Vice President, Security Strategy and Compliance sets related strategies, policies and approaches for Kinaxis to follow. Our Chief Technology Officer operationalizes those strategies to safeguard the data we process for all internal and external stakeholders.

Key security features at Kinaxis

- SOC 1 Type II audited
- SOC 2 Type II audited
- BSI C5:2020 Type II audited
- Dedicated RapidResponse instances
- 100% AES256-bit “in-transit” and “at-rest” encryption
- Disaster recovery time objective and recovery point objective of no more than 24 hours
- Advanced security operations center (SOC) monitoring 24x7x365
- Standard industry practices for physical security

Physical servers hosting Kinaxis customer data are secured through 24/7/365 monitoring using CCTV systems integrated with physical access controls and alarm systems. Multi-level safeguards, including biometric access controls, are in place to restrict physical infrastructure components to authorized personnel.

We are also increasingly taking advantage of delivering RapidResponse via public cloud providers that offer best-in-class security measures. In March 2022, we went live with [Microsoft Azure](#) as part of our shift to the public cloud. In addition to Microsoft, we have established a strategic partnership with Google Cloud Platform to help us extend our hosted offerings. We went live on the [Google Cloud Platform](#) in 2023.

Data privacy

At Kinaxis, we recognize the importance of protecting individuals' personal information and their right to privacy and are committed to it.

Privacy policy

We have implemented a corporate-wide privacy policy, to ensure that the personal information of our employees, customers, service providers and business partners, website visitors or users and of any other individuals we interact with is properly protected and handled in accordance with all applicable data privacy laws globally.

Individuals' rights. Where applicable, we obtain individuals' consent prior to collecting and further processing their personal information. We also provide a clear and easily accessible way for individuals to exercise their data privacy related rights, such as obtaining access to information about how their data is being processed or revoking or further tailoring their consent.

Customer data

Limited data processing. Kinaxis processes customer data solely for the purpose of providing our SaaS solution and only in accordance with the terms and conditions of the agreements between us and our customers (including individual customer instructions) and the applicable data privacy laws.

Customer control. Our customers keep full control over the type of data – e.g., contact data, enterprise resource planning data, personally identifiable information (PII), etc. – that is processed in our SaaS solution, as well as the purposes for which Kinaxis may process such data. Customers can access and extract their data at all times, as well as modify or delete it as it may be required for them to meet their obligations under applicable data privacy laws, such as to respond to individuals' requests.

No data sold. Customer data is shared with third parties only with customers' consent, and to the extent we are required to do so for the provision of our services, and only after agreements with third parties are in place to ensure they will abide by all applicable data security and privacy obligations.

Technical alignment. Kinaxis' policies and practices include organizational, technical, and operational measures to ensure the confidentiality, integrity, and availability of customer data, following recognized industry standards and in alignment with applicable data privacy laws. We also perform regular reviews and updates of our measures, to ensure they reflect the latest technology developments, industry standards and legal requirements.

Global privacy standards compliance

Kinaxis ensures compliance with applicable data privacy laws, including:

- General Data Protection Regulation (GDPR) 2016/679
- Canadian Personal Information Protection and Electronic Documents Act 2000 (PIPEDA)
- U.S. Federal Trade Commission Privacy Act 1974
- Japan Act on the Protection of Personal Information Law. No.57/2003
- Australian Federal Privacy Act 1988
- All other regional, federal, or state data privacy laws that apply to our operations



Data breaches. Should Kinaxis ever experience a data breach, we would notify affected customers without undue delay, investigate the data breach and its root cause, promptly take the necessary steps to mitigate its impact and avoid a re-occurrence, and support our customers in complying with any legal or regulatory notification requirement and any subsequent investigations.

Data disclosures. Should Kinaxis ever be required to provide customer data in connection with a legally binding request for disclosure by a law enforcement or supervisory authority, Kinaxis would promptly notify the customer, as permitted. Unless legally required to do so, Kinaxis does not respond to such requests directly or without the customer's consent and involvement.

Cooperation and assistance. We acknowledge that our customers must follow strict legal and regulatory requirements related to how their data is handled. Accordingly, we always cooperate with our customers and provide them with the assistance they need to be able to meet their own obligations, e.g. assistance with privacy-related impact assessments, supervisory audits, individuals' requests, etc.

Intellectual property

In accordance with industry practice, we protect our proprietary products and technology through a combination of patents, copyrights, trademarks, trade secrets and contractual provisions, with customers, partners, employees and others. To date, we have been issued 42 patents globally pertaining to key, differentiating aspects of the RapidResponse platform, and currently have over 150 patents pending worldwide.

Our people

Taking care of our team

One thing that remains a constant at Kinaxis is that "people matter here". These are the three words we use every day to describe our culture – and that will never change. It's in our DNA.

Key resources

We have codified our people-matter-here culture in a number of key, publicly available documents, including our [Code of Conduct](#), as described earlier. This important document clarifies our stand against human rights abuses, including forced labor, human trafficking, child labor, and many others, and also to recognize employees' right to freedom of association. Other critical policies also play an important role in determining how we show up.

Our [Positive Workplace Policy](#) lays out our commitment to treat every employee with dignity and respect and to have zero tolerance for discrimination, harassment, sexual harassment, and violence. It establishes our commitment to fair treatment of employees, upholding human rights, and paying fair wages. The policy lays out clear steps to follow should anyone be concerned about workplace behavior.

Our [Vendor Code of Conduct](#) summarizes Kinaxis' expectations of its vendors and reflects Kinaxis' concern for all individuals, including its vendors' workers. Local customs and laws vary by country, but consistent with our membership in the United Nations Global Compact, we support the importance of human rights as universal, and this code is intended to reflect that importance.

Our [Management Diversity Policy](#) sets out the importance of diversity by gender, age, disability, sexual orientation, geographic representation, Indigenous status and ethnicity, and executive leadership of Kinaxis takes these characteristics into consideration when hiring and promoting individuals to management.

Our [Human Rights Policy](#) outlines Kinaxis' commitment to respecting and promoting human rights, both internally and in business relationships with third parties. We are proactive in our objective to prevent or mitigate adverse human rights impacts from our own operations and where we are directly linked to human rights impacts through our business relationships, we will seek ways to positively influence the human rights actions of our business partners, including our vendors.



Solidarity through adversity

Kinaxis employees and contractors in Chennai, India were heavily impacted by cyclone Michaung, in early December 2023. Recognizing the significant danger, we immediately mobilized an emergency response team to implement measures that could alleviate distress and ensure the safety and wellbeing of those impacted. From personal assistance to the provision of emergency accommodation, dozens of employees worked tirelessly to provide aid to those in need.



Demonstrating courage and leadership, Archna Usha, Regional HR Advisor (left) and Sriram Rengarajan, Facilities Manager (right), worked on the front line of the Kinaxis emergency response team in Chennai along with many other colleagues. While directly being affected by the cyclone themselves, Archna and Sriram worked to make sure that Kinaxis employees and their families had access to food, water, showers and basic medical assistance.

Core values

As Kinaxis continues to experience rapid growth and global expansion, we work to ensure that our values are relevant today and will remain so into the future. At Kinaxis, we look for and celebrate six core values in our team: be real, be empowered, stronger together, laugh often, be customer centric, and be a global citizen.

To continue to attract and retain the very best people, we leverage our core values to make three fundamental promises to our team – our employee value proposition:

- **Challenging work.** Team members are encouraged to embrace and empower their own unique ingenuity and innovation and apply them to the very complex problems that Kinaxis solves. We offer opportunities for personal growth and learning, as well as for contributions to the growth and scale of Kinaxis.
- **Great people.** We are authentic and human, caring for and supporting one another, inside and outside work. This creates high trust within the team, approachable leaders, and the collaboration across functional boundaries that is a big part of delivering value to our customers.
- **Global impact.** We are a global team, spanning boundaries, locations, and languages, and are active in our myriad local communities. We are also a part of the larger global community that celebrates individual differences and diverse cultures.

Our core values



We are real

Everything we do is rooted in authenticity and aligns with our commitment to integrity.



We are empowered

We are a unique group of problem-solvers, thinkers and doers.



We are stronger together

We champion collaboration, insist on inclusivity, and harness the collective strength of diverse individuals.



We laugh often

The work we do is hard, and to do it well, we have to have fun and celebrate our progress.



We are customer centric

Our relationships with our customers are a source of great pride and continuous inspiration, driving us to work hard on their behalf.



We are global citizens

Our perspective extends beyond borders. We always consider the broader implications of our actions on our communities, society, and the environment.



EMPLOYEE RESOURCE GROUP HIGHLIGHT

Women in India

Employee Resource Groups (ERGs) are invaluable assets within Kinaxis, serving as vibrant networks that enhance the workplace experience. The mission of Women in India is to empower the women of Kinaxis in India and to promote a women-friendly culture and better work-life balance.

Our cross-functional, global Culture Ambassador Group plays an important role in bringing our culture to life within our teams. Our 20 culture ambassadors meet monthly to identify and plan ways to promote, drive, and shape culture throughout the organization. The group's goals include:

- Ensuring Kinaxis culture is strong across borders and functions
- Supporting business strategy and goals
- Increasing employee engagement and satisfaction
- Ensuring our culture is inclusive and reflects diversity

Diversity, equity, and inclusion (DEI)

Because all people matter here, diversity, equity, and inclusion (DEI) are more than just words to us. They are the guiding principles for building a company culture that celebrates each other's differences, strives for equality, and recognizes that inclusion makes us stronger as individuals, as a company, and as global citizens. We are committed to removing barriers at all stages of both candidate and employee lifecycles.

Our annual company-wide engagement survey includes key questions related to DEI. With a strong response rate of 89%, the survey demonstrated positive sentiment with respect to the team's impressions about diversity, equity, and inclusion at Kinaxis. Overall, we received an impressive 85% favourable DEI sentiment score, with some very encouraging results on key measures:

- 93% feel we treat each other with respect, regardless of background or identity
- 93% feel they are an accepted member of their team
- 92% feel that their manager respects and is committed to inclusion and diversity

Workforce composition

In Appendix 1, we report on Sustainability Accounting Standards Board (SASB) metrics for software and IT services companies, including those relating to workforce composition. At a summary level, across the globe, 29% of our workforce identify as women and 3% as people with disabilities. In Canada, 42% of our employees identify as visible minorities and <1% as a member of an Indigenous group. Of our team in North America and Europe, 5% identify as LGBTQIA+.

Over the last year, representation of women increased by 1%, representation of visible minorities increased by 2%, representation of LGBTQIA+ increased by 1%. Representation of women at senior leadership levels has been improving over time. The proportion of women at the director level globally increased to 27% in 2023, up from 26% in 2022 and 21% in 2021. The proportion of women at the executive level globally increased to 36% in 2023, up from 25% in 2022.

	Global						Canada						North America and EU		
	Women			Employees with disabilities			Visible minorities			Indigenous groups			LGBTQIA+		
	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
All employees	29%	28%	27%	3%	3%	2%	42%	40%	38%	<1%	<1%	<1%	5%	4%	3%
Management (team lead or above)	36%	36%	37%	4%	2%	3%	40%	36%	29%	1%	1%	2%	<1%	<1%	0%
Senior management (directors and above)	27%	26%	21%	4%	1%	1%	17%	16%	17%	0%	0%	0%	4%	5%	5%
Executive team	36%	25%	18%	7%	0%	0%	0%	0%	13%	0%	0%	0%	0%	0%	0%

Yearly data gathered in November 2023, November 2022 and September 2021

2023 DEI targets and goals

DEI targets and objectives apply to all members of the executive leadership team. We introduced diversity, equity and inclusion (DEI) targets and objectives for the first time in 2021 which laid a key foundation for our DEI journey. We continued to build on this work and set the following targets and objectives for 2023: drive gender equality, improve measurement and transparency, and drive DEI globally and implement it locally. Some of our accomplishments against these goals have been highlighted below.

Objective #1

Drive gender equality:

- To reduce bias in the performance management and promotion process we provided a consistent framework for the organization and embedded DEI best practices. The perception of access to promotion opportunities being fair and equitable improved by 5% for all Kinaxis since 2020 and by 9% for women since 2020.
- 38% of our Board of Directors are Women and 36% of executives are women.
- Our DEI Sentiment Score¹ on our Annual Employee Engagement Survey remained high at 85% - 3 points higher than 75th percentile global norm.
- We partnered with PowerToFly to enhance awareness of the company among a diverse pool of candidates and generate applications. The collaborative efforts of the team have yielded multiple successful hires of individuals from various historically marginalized groups. Notably, these hires include leadership roles and roles within teams at Kinaxis that have been most homogenous.
- To detect and address any potential bias in our hiring process, we aimed to maintain a candidate pass rate² difference by gender of under 5%. Across all hiring stages and locations, we managed to meet this target in 83% of cases.

Objective #2

Improve measurement and transparency:

We strengthened the demographic data on employees to identify structural barriers, understand diverse needs, and better measure progress against objectives. Given the inherent diversity of our global team, the process aimed to both align with Kinaxis' high-level mission and values, and leave room to thoughtfully tailor data collecting approaches to the local contexts where our employees reside. In 2023, we reviewed self-identification questions and improved completeness of our DEI data from 81% to 88%. We also added new DEI metrics to our strategic KPIs: attrition by gender and promotion rates by gender.

1 *DEI Sentiment Score represents an average score based on response across eleven DEI specific questions in the Annual Engagement Survey*

2 *Pass rate represents the rate at which candidates from different groups advance from one step of the hiring process to the next*



Objective #3

Drive DEI globally and implement it locally:

We collaborated with a local DEI solutions provider in India to assess the current state of DEI in this region through employee survey, focus groups and interviews with leaders. The engagement aimed to identify areas for improvement and establish a strategic roadmap for the future.

The initiative has been highly successful, garnering significant interest and engagement from employees. As part of the ongoing commitment to DEI, we conducted a DEI immersion workshop specifically tailored for all people leaders in India. Additionally, the establishment of an Employee Resource Group (ERG) named "Women in India" showcases a dedicated effort to drive various initiatives aimed at fostering gender diversity and inclusion within the organization.

DEI pillars and key initiatives

We have several DEI initiatives in place, structured across four key pillars that guide the execution of our work:

Promote employee training and awareness

Building DEI competence with a multifaceted approach involving training, events and communications year-round continues to be a core pillar of our work.

DEI training. All new employees are enrolled in training courses for diversity and inclusion fundamentals and unconscious bias. We also offer a variety of learning opportunities throughout the year such as workshops and webinars. In 2023 we honored Black History Month by engaging an external partner to deliver Anti-Racism training and we hosted a DEI immersion workshop for all people leaders in India.

Events. In partnership with ERGs and teams across the business, we organized events to promote and build DEI and cultural awareness. To name a few - we hosted Indigenous artists and storytellers at HQ in celebration of National Indigenous Peoples Day, we delivered an educational event to honor Islamic History Month and organized the 3rd annual TransTech event to promote awareness on International Trans Day of Visibility.

Communication. DEI and Culture communications continue to have among the highest readership on Kinect – our internal communications platform. In 2023 we delivered dozens of communications across internal channels and published quarterly Culture Newsletters in partnership with the Culture Ambassador Group to bring awareness to global cultural events throughout the year.

Give employees a voice

Employee resource groups (ERGs).

ERGs are invaluable assets within an organization, serving as vibrant communities that enhance the workplace experience. These groups provide a space for employees with shared characteristics or experiences to connect, fostering a sense of belonging and inclusion. ERGs play a pivotal role in promoting diversity, offering opportunities for professional development, mentorship, and networking. Beyond individual growth, ERGs contribute to a more inclusive organizational culture, facilitating cross-cultural understanding and collaboration. They serve as advocates for diversity and equity, providing insights that shape policies and initiatives, ultimately enhancing employee engagement, retention, and overall satisfaction.

Our key employee resource groups include:

- **Women in Kinaxis (WIK).** The mission of WIK is to support women, promote our organization to prospective female candidates, promote STEM careers to girls and women and help provide an environment that enables women to be successful.
- **RainbowResponse.** The mission of RainbowResponse is to make LGBTQIA+ feel increasingly safe to be themselves at work.
- **Indigenous Allies.** Our Indigenous Allies group creates a safe space for Indigenous employees and their allies to discuss their issues of concern and bring positive change.

- **Women in India.** The mission of Women in India is to empower the women of Kinaxis in India and to promote a women-friendly culture and better work-life balance.
- **Parents.** The main purpose of the Parents ERG is to provide an informal group for community and support to parents at Kinaxis.
- **Divergent Minds.** A new Employee Resource Group named "Divergent Minds" was established at the end of 2023. Key goals of this ERG include creating a community of support, educating and raising awareness within Kinaxis of neurodiversity to remove stigma and misconceptions, working with the DEI team and Facilities to create work-spaces that are more accommodating for neurodiverse employees, as well as implementing training for managers.

Provide inclusive and equitable programs

Systemic change. Our processes and policies are designed to remove systemic barriers. First, we have an organization-wide standardized performance management process which is based on DEI good practices and employee feedback. A consistent performance management process minimizes biases and ensures equal feedback, career conversations and goal setting for all employees. Second, we have aligned roles to a consistent leveling framework as teams evolve and new roles are added. Job profiles are created or reviewed as part of this ongoing process. Additionally, we closely monitor promotion rates, analyze advancements into leadership roles, and assess the average time spent in a role before promotion, with a particular focus on gender data (our most complete data set). Actively engaging and monitoring participation in mentorship programs further contributes to equity by providing guidance and support to all employees. This data-driven approach has allowed us to identify and address disparities systematically, fostering a more inclusive promotion environment.



Carole Woodstock, Kinaxis Fitness and Nutrition Specialist



Gender pay equity. We perform an annual gender pay equity analysis, which considers the compa-ratio (annual salary/range mid-point) between team members identifying as men and those identifying as women in the same job category and report results to the board. Globally in 2023, the compa-ratio was 2.6% higher for men compared to women, which was addressed on an individual basis, as appropriate.

Diversity, Equity, and Inclusion (DEI) Committee. The DEI Committee includes 32 members from different parts of the world, departments and marginalized groups that lend their perspectives to interview questions, talent assessment, and leadership and team training materials, as well as other key initiatives. Their mandate is to provide feedback and ensure our programs are aligned with the Kinaxis strategy and meet the needs of our diverse workforce.

Autism@Work. Kinaxis has implemented the "Autism at Work" program, partnering with Specialisterne, a recognized non-profit, to tap into the talents of individuals on the autism spectrum. Successful in meeting our goal of having 1% of the workforce represented by individuals on the spectrum, we are now broadening our focus to include a wider range of neurodivergent individuals. A new Employee Resource Group (ERG) named "Divergent Minds" was created and we incorporated a new dimension of diversity, neurodivergence, into our data collection process, ensuring a holistic approach to future Diversity, Equity, and Inclusion (DEI) programming. This strategic expansion showcases our dedication to fostering an inclusive workplace that embraces diverse talents and perspectives.

Inclusive facilities. We offer inclusive facilities with multi-faith/multi-purpose rooms, gender neutral washrooms, a low sensory room and a lactation room.

A great place to work!

We are proud to be recognized as a top employer and a great company. These accolades are a testament to the exceptional workplace we strive to create.

In 2023, Kinaxis India was named Great Place to Work-Certified™ for a third consecutive year! The Great Place to Work® Assessment is considered a 'Gold Standard' in workplace culture assessment and no jury or individual can influence the results of the assessment. Since 1992, they have surveyed more than 100 million employees worldwide and used those deep insights to define what makes a great workplace: trust.

We were recognized as one of the National Capital Region's Top Employers, a Best Place to Work in IT for 2024 by Computerworld and also received the Muse Vibe Awards in the following categories:

- Best Companies for Vacation and Time Off Benefits
- Best Companies for Professional Development Benefits
- Best Companies for Parental Benefits





Create meaningful partnerships

Indigenous Allies. Our understanding of Canada's troubling history with Indigenous peoples and the residential school system continues to deepen. The Truth and Reconciliation Commission's report lists 94 calls to action, including how Canadian business can support reconciliation, through building respectful relationships, providing equitable access to jobs, training, and education, and providing education on the history of Indigenous peoples to corporate management and staff. Our Indigenous Allies group creates a safe space for Indigenous employees and their allies to discuss their issues of concern and bring positive change. Members of this group have led a land-acknowledgement ceremony at the opening of our new Headquarters in Ottawa, Ontario; led Robotics Workshops for Indigenous youth in partnership with IndigeSTEAM; facilitated our engagement with Indigenous consultants and experts; and organized events by Indigenous performers and educators.

Broad partnership network. We continue to partner with the Canadian Center for Diversity and Inclusion and remain a member of Indigenous Works' Leadership Circle. We participate in Target Gender Equality through UN Global Compact Network Canada. We have also partnered with Power To Fly to reach a more diverse candidate pool and with Avatar, a DEI solutions provider in India, to implement our global DEI strategy with cultural sensitivity. Through our industry outreach initiatives, we take part in events and podcasts encouraging women to participate in data science and the growing supply chain craft.

Developing our team

The challenging work we offer, the quality of people we hire, and our rapid growth drive the need for ongoing team training and development and result in a highly engaged team that is looking to make a difference.

Programs

Our structured onboarding process includes a digital curriculum that walks new team members through the information they need to become effective in their role as quickly as possible. We offer a number of ongoing learning and development opportunities to assist with career growth.

Dedicated quarterly development time. Each quarter, employees in various departments are asked to dedicate time to prioritize their training and development using internal and external resources best suited to their needs. The goal is to proactively promote ongoing team development in a schedule that allows for significant flexibility.

Mentorship. All team members across the globe are invited to take part in our ever-growing mentorship program, which now includes 175 pairs across 14 countries. Anyone who feels they have something to offer can be a mentor, and anyone can ask for mentorship. Enrollment is open throughout the year. The program is designed to enhance networking, encourage knowledge sharing, support professional development, and foster guidance between colleagues across the business and around the world.

Leadership training. Our constantly developing leadership program provides emerging and existing leaders guidance on enabling performance and being a role model coach to best support a highly productive team. Our program includes interactive instructor-led and self-led learning experiences that allow leaders to guide their professional development and network with their leadership peers.

LinkedIn Learning. Team members have access to LinkedIn Learning, an online training platform that allows users to refine and develop professional skills, learn about new tools and technologies, and explore other areas of interest in support of individual growth through a highly personalized and engaging learning experience.

Professional development. We pay for memberships in professional associations and for fees related to relevant conferences and events to ensure our team stays at the forefront of their professions. In all, we allocate 1.5% of salaries to a training and development budget to support professional growth, develop or enhance new skills, or continuing education towards a new degree.

Compensation and benefits

We annually benchmark pay against four different salary surveys, globally and relevant to our industry. Using a third-party advisor, we benchmark our global benefits plans annually to ensure we are providing highly competitive regional coverage we can for our employees.

To help ensure fair, non-discriminatory pay, our job accountability framework requires job descriptions for all roles and that each role be assigned to a job category associated with a pay level. We perform annual gender pay equity analysis, as described above.

Our compensation packages can include the following components:

- **Short- and long-term incentives.** Annual bonuses, tied to individual and corporate performance, all tied to high-level strategic objectives, and long-term equity-based incentives, including performance share units, restricted share units, deferred share units, and stock options.
- **Retirement.** In North America, India, and Japan, offering matching, capped contributions to retirement savings plans. Implementing supplemental and flexible offerings above statutory requirements where possible, i.e., Romania and Mexico.
- **Share purchase plan.** Employees can voluntarily direct up to 10% of their base salary to purchase shares, and Kinaxis will match 20% of employee contributions.
- **Maternity/parental leave top-up.** Pays all new biological and adoptive parents for 12 weeks to top up their base salary to 100% in lieu of, or in addition to any statutory benefits available to them.
- **Comprehensive insurance.** Covers disability, life, accident, and health insurance, including gender affirmation coverage and expanded mental health coverage.
- **Flexible vacation policy.** No fixed limit on annual vacation.
- **Kinaxis Days.** The last Friday of every month is a day off for all employees, globally, to take a shared mental health break. Kinaxis employees also enjoy a winter recess where our offices are closed between Christmas Day and New Year's Day. We encourage employees to follow these dates but allow flexibility to observe local celebrations.
- **Health and well-being.** Our global Employee Assistance Program provides access to various health and financial wellness resources. Additionally, Kinaxis provides an annual wellness allowance to employees where wellness related benefits are not already a part of an employee's overall benefits package. The team also enjoys access to events and programs that feed the mind, body, and soul. Our own internal fitness and nutrition programs offer options that support everyone's health and well-being. Activities include meditation exercises, nutrition advice, injury prevention, learn-to-run webinars, fitness challenges, virtual races, and weekly yoga classes. We run annual, company-wide hackathons to allow team members to think outside of their own corporate box and employee showcases to let our people demonstrate their own unique skills and interests.

All team members located near one of our primary offices continue to have the opportunity to work part of their week from home. This flexibility is core to our people-matter-here culture.



Engagement

Our annual engagement survey for 2023, which is fully anonymous and implemented by an independent third party, continues to demonstrate a highly engaged team. With an impressive survey participation rate of 89%, significantly surpassing industry standards, the results take on added significance. Despite our substantial growth, our focus on fostering engagement and commitment to our company culture remains unwavering.

The survey looks at several aspects of working at Kinaxis: our culture, work environment, leadership, career growth, learning and development opportunities, teamwork, and more. The results are benchmarked against 66 technology and professional services facilities around the world and 160,000 individual survey responses. Our overall engagement index score remained exceptionally high at 84%, with a slight 3% decline from the previous year. It continues to be significantly higher than the industry benchmark. Encouragingly, there were no significant differences in this overall score across gender, age, and generations. We also continue to score extremely well against key criteria, including:

- 88% would recommend Kinaxis to a good friend
- 93% feel that they are an accepted member of their team
- 94% feel that their values align with Kinaxis core values

This high level of employee engagement points to our strengths predominantly stemming from our culture and collaborative pursuit of shared goals within a respectful environment. These aspects continue to be a crucial focus for attracting, developing, and retaining talent for Kinaxis.

Executive compensation

We compare our executive compensation to that of a group of 17 similar public companies. At our 2023 annual meeting of shareholders, Kinaxis held its latest advisory “say on pay” vote, wherein shareholders voted over 96% in favor of our approach to executive compensation. Full details on the approach to management and board compensation can be found in our [Management Information Circular](#).

Our communities

Giving back

One of our corporate values recognizes that we are all global citizens. As part of that commitment, Kinaxis makes corporate donations to several worthy causes and offers our expertise to students and academics in the supply chain field, to help continue to move the practice forward for generations ahead.

Key resources

Our community involvement guidelines direct us in our support of charitable events and causes, including providing clarity on the types of organizations to which Kinaxis will not donate. For example, donations will not be made to any organizations that discriminate against any protected group under the UN's Universal Declaration of Human Rights. Also, we will not fund organizations for the purpose of promoting particular religious beliefs or organizations operated primarily for the purposes of directly or indirectly influencing the outcome of any political process.

Corporate giving

In 2023, we established a more focused corporate giving strategy that better aligns with our core business and selected UN Sustainable Development Goals. We also increased our annual budget for corporate giving to a minimum of \$250,000, beginning in 2024.

In 2023, we supported over 50 organizations and our charitable contributions totaled over \$150,000. We provide charitable contributions in support of team engagement in the community and when employees and communities are impacted by significant world events. Some of the organizations we supported in 2023 include the Red Cross for their crucial help to individuals impacted by the



MEALS THAT HEAL

Neil Butts

Kinaxis' very own Director of Culinary Programs exemplifies our values of community engagement and empathy through his ongoing leadership in support of our local community. In addition to ensuring that Kinaxis employees benefit from balanced, health conscious and affordable food choices, Neil has led countless initiatives to provide meals to those in need. Among other initiatives, Neil led the establishment of monthly Kinaxis dinner nights at the Ronald McDonald House in Ottawa, Canada. Through this initiative, various employee groups across Kinaxis prepared delicious meals for families of children staying at the RMH. Neil also oversees the donation of any unsold, fresh and pre-packaged food surplus to local shelters.



earthquake in Syria and Türkiye; the Maui Strong Hawaii Community Foundation for the assistance to communities impacted by the devastating forest fires that struck the island; the Bhoomika Trust for the front line help they provided to individuals impacted by cyclone Michaung in the Chennai region of India; and QuickStart for their assistance to children with autism,

We also signed key partnerships with two prominent non-profit organizations to advance our social and environmental impact:

We have engaged with Women Who Code, a global non-profit organization empowering diverse women to excel in technology careers. They offer resources, communities, and support for over 360,000 diverse technologists around the world. Women Who Code supports engineers, developers, data scientists, architects, designers and other technologists with the resources and community to stay in tech and level up. Through active engagement, mentoring, and active recruitment through Women Who Code, Kinaxis aims to enable diverse women with the tools, resources and opportunities to succeed in their tech careers. This partnership is built on our desire to contribute to women's empowerment and growth in STEM fields.

In 2023, we also became a Network Member of the Ellen MacArthur Foundation, an organization committed to creating a circular economy designed to eliminate waste and pollution, circulate products and materials and regenerate nature. Recent geopolitical shocks and economic uncertainties have highlighted the need for resilient supply chains. As we move away from a take, make, waste linear model, the circular economy offers businesses the opportunity to redesign their supply chains to meet these needs, as well as reduce costs and cut greenhouse gas emissions. We look forward to collaborating with the Ellen MacArthur Foundation and its extensive network of subject matter experts to advance circular practices in the industry.



Music at Kinaxis

Creating community through music and the arts

The Kinaxis culture is anchored in the simple phrase, “people matter here,” which extends to the communities in which we live, work, and play. One core tenant of our culture is our love for music because of its unique ability to bring people together – across teams, industries, and borders. It also helps us and those who work with us embrace creativity, which we believe is vital for business. We believe that businesses could be better – and do better – with more creativity.



Aysanbee



Mia Kelly



The Bookends

Kinaxis InConcert



In partnership with the Ottawa Music Industry Coalition (OMIC), we host 'Kinaxis InConcert: Live from the Hive', a concert series where local, touring, and emerging artists from a wide variety of genres perform at Kinaxis' HQ in Ottawa.



Avery Raquel performs at Billy Bishop Airport at the Music On The Fly concert series powered by the Kinaxis Catapult Collaboration

Catapult

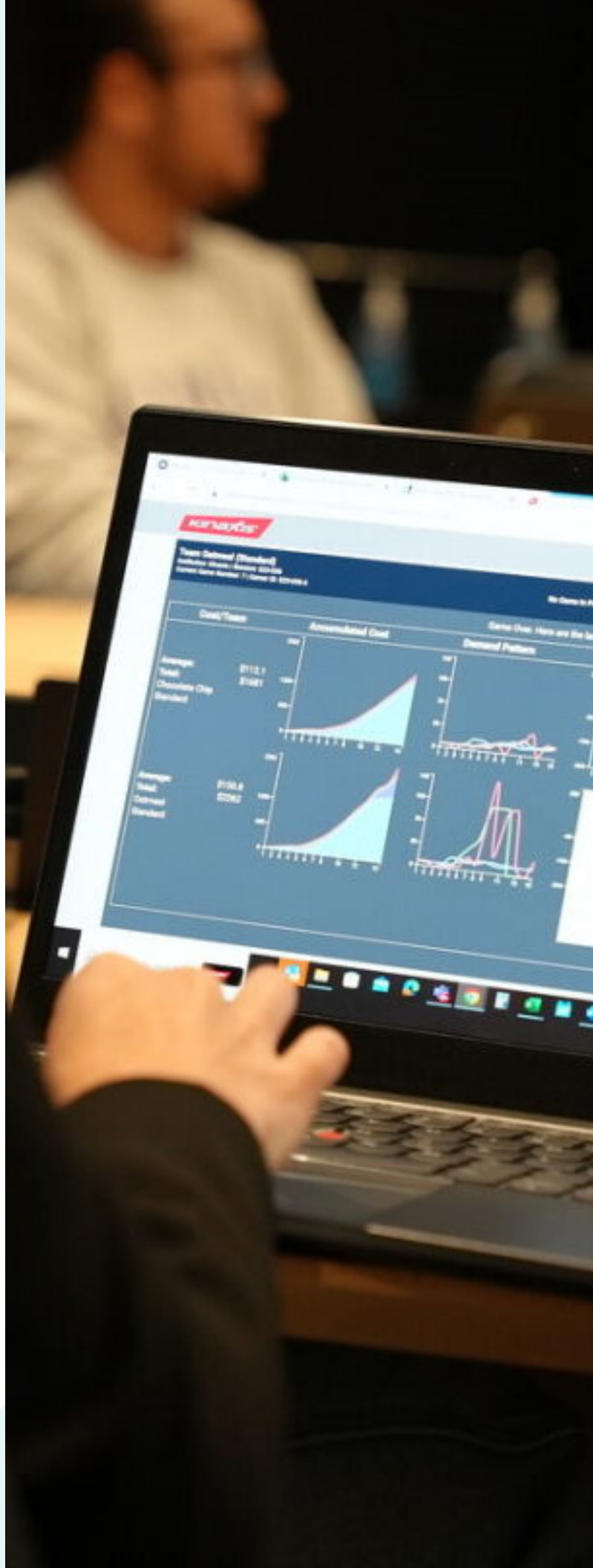


We believe in the power of creativity to transform lives, so we've partnered with ArtHaus to form The Catapult Collaboration, a music initiative designed to propel emerging artists into the spotlight and to share their stories. From putting on airport performances to supporting artists in the studio, Catapult takes us into the lives and journeys of musicians from “starting out” to stardom, with interviews, advice, and life lessons we can all absorb and apply.

Kinaxis Academic Program

Through the Kinaxis Academic Program, Kinaxis reached over 5,000 students at leading universities in 2023 and more than 12,000 since the inception of the program in 2020. Kinaxis recognizes the critical role that higher education plays in ensuring we have the ideas, innovation, and skills necessary to propel the modern supply chain forward. We partner with supply chain, business, analytics, engineering, operation research, and other programs at leading academic institutions to inspire the next generation through initiatives such as guest lectures, case studies, case competitions, and certifications that invite students to engage on a continuous learning journey.

Additionally in 2023, we introduced the Kinaxis Supply Chain Game, a live simulation demonstrating the complexities and challenges facing supply chain planners. The Kinaxis Supply Chain Game has been played across various learning environments from 7th graders to Executive MBA. More about the Kinaxis Academic Program can be found [here](#).



Our environment

Protecting the planet by doing what we do best

Kinaxis recognizes the urgency of the global climate change crisis and is committed to improving our management practices around climate risks and opportunities. We have integrated our climate risk assessment within our existing enterprise risk management program to build a more holistic approach to our processes. Climate change is a systemic and accelerating challenge requiring a concerted global effort, and while Kinaxis does not currently deem any climate-related risks to be material to the company, we have identified several that could impact our business over time. We will continue to actively manage and monitor the climate-related risks and opportunities and support the aims of the Task Force on Climate-Related Financial Disclosures (TCFD) to bring transparency around climate risks into corporate reporting.

Key resources

See Appendix 2 to this report for our current disclosures under the TCFD framework.

GHG emissions

Since 2019 and with the help of environmental consultants Carbonzero, Kinaxis measures and discloses its impact on the environment by identifying our direct and indirect greenhouse gas sources, covering Scope 1, 2 and 3 activities. Direct and energy indirect emissions (Scope 1 and 2) make up 4.4% of our total emissions, while other indirect emissions (Scope 3) comprise 95.6%.

In Scope 3, our main sources of emissions, by far, are business travel (83% of total emissions) and electricity usage from our data servers (7% of total emissions). With the pandemic winding down throughout 2022 and 2023, our travel patterns have normalized. In 2023, Kinaxis' GHG emissions are generated from the following sources, with details provided below.

Notable Scope 1 and 2 and GHG- generating activities

Operationally-controlled real estate. Our largest offices include our headquarters in Ottawa and those in Chennai, Toronto, and Tokyo, where we are deemed to have operational control over the facilities and its utilities. Utility metering improvements have allowed for Kinaxis' office in Tokyo to be moved into the Scope 1 & 2 boundary by way of having Kinaxis-metered data from January 1, 2021 onwards (Note that these offices utilities are reported in Scope 3 - Leased Assets for 2019 - 2021, and only brought into the Scope 1 & 2 control boundary when their metered data specific to Kinaxis became available.).

Kinaxis purchases EcoLogo certified Renewable Energy Certificates (RECs) to match 100% of grid electricity consumption at Ottawa HQ. In the absence of this program, Scope 2 electricity emissions at Ottawa HQ would have amounted to 48.52 tCO_{2e}, while total Scope 2 GHG emissions for the entire controlled portfolio in 2023 would have amounted to 419.60 tCO_{2e}, under the location-based accounting method.

Emissions-generating activities	Tonnes CO ₂ -equivalent (tCO ₂ e)				
	2023	2022	2021	% of 2023 tCO ₂ e	2023 v 2022
Scope 1 GHG Emissions – Direct GHG Emissions	252.23	252.56	37.00	1.8%	-0.1%
Stationary combustion – Fuels ¹	252.23	252.56 ²	37.00	1.8%	-0.1%
Scope 2 GHG Emissions – Energy Indirect GHG Emissions	371.08	289.37	68.32	2.6%	28.2%
Purchased electricity (Market-based) ^{3 4}	371.08	289.37 ²	68.32	2.6%	28.2%
Scope 3 GHG Emissions – Other Indirect GHG Emissions	13,413.59	5,206.80	3,595.95	95.6%	157.6%
Leased assets	42.96	41.60	39.86	0.3%	3.3%
Data servers	990.85	728.97 ⁵	3,226.22	7.1%	35.9%
Business travel – Air	9,453.21	3,997.89	191.63	67.3%	136.5%
Business travel – Hotel stays	1,836.57	211.99	45.54	13.1%	766.3%
Vehicle mileage and car rentals	344.46	124.94	43.11	2.5%	175.7%
Business travel – Rail & bus	16.20	10.63	3.05	0.1%	52.3%
Commuting ⁶	625.78	n/a	n/a	4.5%	n/a
Remote work ⁷	88.34	90.77	46.53	0.6%	-2.7%
Waste generated in operations ⁶	15.23	n/a	n/a	0.1%	n/a
GHG Inventory Total	14,036.90	5,748.74	3,701.26	100%	144.2%

- 1 As a result of a limited amount of diesel use being discovered at Kinaxis' India-based office, approximately 5 tCO₂e has been added to 2022 Scope 1 GHGs, which has also been also included in 2023.
- 2 Significant increases to our Scope 1 and 2 emissions in 2022 are directly related to:
 - a. The opening of Ottawa HQ, our new, significantly larger head office in Ottawa, Ontario, and its related natural gas use.
 - b. Transitioning Kinaxis' India-based offices into the Scope 1 and 2 control boundary (previously Scope 3).
- 3 As a result of metered electricity data becoming available, Kinaxis' Japan office for which emissions were previously reported in Scope 3 have been recalculated and included in Scope 2 for 2021-2023.
- 4 Location Based Scope 2 GHGs are calculated as 419.60 tCO₂e in 2023. The difference between market-based Scope 2 totals and location-based Scope 2 totals are inclusive of Kinaxis' purchase of Renewable Energy Credits covering 100% of Ottawa HQ grid electricity use.
- 5 In 2022, one of Kinaxis' prominent cloud server service providers changed its methodology regarding how server electricity use is calculated and reported to customers, which produced a significant reduction in the related GHG emissions.
- 6 Estimates related to landfill, recycling and organics GHG emissions, as well as employee commuting GHG emissions, have been reported on in 2023 for the first time. Both emissions categories reflect emissions generated from relevant activities from within the company's Scope 1 & 2 control boundary (i.e. at Ottawa, Toronto, Tokyo, and India offices), representing more than 95% of total office space.
- 7 Remote work emissions estimates have been re-stated for 2021 and 2022 due to a methodology change in which only employee working hours, as opposed to 24-hour working days, are included.



Notable Scope 3 GHG-generating activities

Data centers. We deliver RapidResponse as a software as a service (SaaS) offering from our servers, which are primarily hosted at global colocation facilities operated by Equinix, a company broadly recognized for its ESG initiatives. As a first step in its climate change reduction strategy, Equinix established a 100% renewable energy target in 2015. It has since achieved 95%. In 2021, it expanded the scope of its commitments to include both a science-based target and climate neutrality, furthering its alignment with the aims of the 2015 Paris Climate Agreement.

Equinix purchased renewable energy certificates (RECs) for 100% of the estimated 1,856 MWh of electricity used to support Kinaxis' business across all its colocation facilities in 2023 – in the United States, Japan, and the Netherlands. We report related GHG emissions in the purchased goods and services Scope 3 category using location-based emission factors, prior to the application of Equinix's purchased RECs. Note that Kinaxis does not offset emissions from Equinix's data centres as those emissions are already mitigated through purchased RECs and other renewable energy sourcing measures.

In 2022, a data center vendor changed its methodology regarding how server electricity use and related GHG emissions was calculated which produced a significant GHG reduction in 2022 onward for purchased server-related services. The change in methodology results in more accurate energy and related GHG emissions data being provided by producing actual metered electricity consumption results, as opposed to estimated consumption amounts based on a maximum potential demand. GHG emissions totals using the new methodology are only available starting in 2022, and historical periods have not been re-stated due to the data not being available at the time of report publication.

For other data center needs, we also use Vantage Data Centers in the province of Quebec, which uses nearly 100% renewable hydroelectricity, and a separate data center operator for our internal IT requirements, located in Ontario, which primarily uses hydroelectricity and nuclear energy for its electricity demand.

Across 2022 and 2023, we have gone live on both Microsoft Azure and Google Cloud to deliver RapidResponse in a public cloud environment. The transition to a public cloud environment has added an additional 338 tCO₂e to our data center emissions in 2023, partially offset by a 76 tCO₂e reduction due to reduced usage of our private data centers. Across 2023, 34% of our data center emissions were driven by public cloud use.

Business travel. Business travel represents more than 83% of Kinaxis's total greenhouse gas emissions. In 2023, we have seen significant increases in air travel and hotel stays. These increases were driven by the resumption of regular post-pandemic air travel and the continued growth of our business.

We are continually working on strategies to limit the increase in business travel-related emissions. With this in mind, we launched a new travel policy in 2023 along with sustainable travel tips for employees and will continue exploring opportunities to reduce our environmental footprint.

Offsetting our GHG emissions

While Kinaxis' focus ahead is to identify GHG reduction opportunities across the organization and decarbonize where possible, we have also committed to fully offsetting our remaining GHG emissions. To accomplish that, we invest in high-quality third-party verified carbon offsets sourced through reputable providers from Canadian and International projects.

To offset our remaining 2023 GHG emissions of 13,390 tCO₂e (14,037 tCO₂e total, less 647 tCO₂e already mitigated by third-party data center vendor REC purchases), we invested in the following third-party verified projects:

Niagara East Landfill Gas Capture and Utilization Project, Canada

- Location: Niagara, Ontario, Canada
- Standard: ISO-14064-2
- Type: Landfill Gas Capture & Utilization

This project collects, captures and recovers landfill gas originating at Niagara, Ontario's East Quarry Landfill, and processes it into a useable fuel source for distribution via pipeline to a nearby recycled paper mill. Previously, a significant amount of landfill gas (methane and carbon dioxide) was released into the atmosphere where greenhouse gases contribute to the negative effects of climate change.

Dairy Biogas Program, India

- Location: Uttar Pradesh, Maharashtra, Rajasthan, Assam, and Karnataka, India
- Standard: Gold Standard
- Type: Biogas-Heat

The India Dairy Biogas Project provides innovative biodigester technology to farmers, tackling key issues like poverty and climate change by transforming waste into renewable energy and organic fertilizer, thus promoting sustainable agriculture. The project specifically assists smallholder dairy farmers in India, aiding their shift from traditional energy sources to biodigesters, which leads to reduced carbon emissions and enhanced farm productivity.

A-Gas Refrigerant Reclamation Project, USA.

- Location: Ohio and Texas
- Standard: American Carbon Registry (ACR)
- Type: Certified Reclaimed Hydrofluorocarbon (HFC) Refrigerants

The A-Gas Refrigerant Reclamation Project involves the recovery, reclamation, resale and use of certified HFC refrigerants that recharge existing and newly manufactured refrigeration and air conditioning equipment in the United States. Project activities avoid the future production of virgin HFCs, which are associated with high Global Warming Potentials (GWPs) that contribute to climate change.

Additionally, Kinaxis further partnered with Carbonzero to measure the carbon footprint of Kinexions 2023, our user conference in Nashville, Tennessee, and purchased third-party verified carbon offsets to help mitigate the footprint of the event. Carbonzero worked closely with event organizers to determine the greenhouse gas emissions from all attendee travel, venue utilities, hotel stays, and event-related landfill waste.

Approach to carbon offsets

A carbon offset is a verified reduction of greenhouse gas emissions, developed to compensate or “offset” an equivalent greenhouse gas emission from another source that cannot be easily eliminated. As a result, climate change is mitigated by providing financial incentives for pollution reduction and investment in new technologies and ecological processes.

For our carbon offset investments to have the most environmental and social impact, we consider projects that meet the following criteria:



Quantifiable

The tonnes of CO₂ equivalent emissions reduced, removed, or avoided by the project must be measured precisely.



Additional

Projects must go beyond “business as usual” to generate offsets.



Permanent

The beneficial action of an offset to the atmosphere must be durable and lasting.



Verifiable

Projects must be audited by accredited third parties.



Social

Our goal is to maximize value associated with socially responsible projects that can directly benefit local communities.



Local

We seek to align our investments within the geography of our emissions-producing activities.



UN SDGs

Our investments in carbon offsets to date support several United Nation Sustainable Development Goals, including two of the six we have chosen to focus on: SDG 8, Decent work and economic growth, and SDG 13, Climate action.

Our office programs

Our largest offices, in order of size, are in Ottawa, Chennai, Toronto, Rotterdam and Tokyo. In Chennai, we moved into a new LEED-certified building in late 2022. All offices are included in our GHG inventory and our carbon offsetting program and feature other environmentally friendly programs.

Renewable Energy Certificates. Kinaxis purchases EcoLogo certified Renewable Energy Certificates (RECs) to match 100% of grid electricity consumption at Ottawa HQ.

Lighting and HVAC. LED lighting is used in our Ottawa, Toronto and Chennai offices. In our new HQ, blinds and shades are on sensors, to harvest daylight and optimize lighting; the building HVAC system is turned off at night, when the building is typically unoccupied; and we run a high-efficiency HVAC.

Furniture. When available, older furniture is auctioned to employees, with funds going to various charities, and any remaining pieces are sent for recycling. New furniture, such as workstations, laminate tops, and chairs, is built from low volatile organic compounds, which have little or no off-gassing and meet LEED certification. We reused 100% of workstations from our old HQ.

Recycling and composting. We have four-stream recycling programs throughout our offices in Ottawa, Chennai and in Tokyo. Recycling consists of organics, plastics, metals and glass, and paper/cardboard, and we provide battery recycling containers throughout the building. We also ensure that all food waste is composted at Head Office. We no longer print and mail materials for our Annual General Meeting, relying on digital distribution, as permitted by the relevant securities administrators.

In 2023, our property manager engaged RecycleSmart Solutions to perform a waste and recycling audit to measure the waste and recycling material produced during a typical day of operations, based on a sample generated during a 24-hour period. Based on the sample data reviewed, our Head Office generated approximately 32 tonnes of waste and recycling annually, and it was observed that a waste diversion rate of 58% and capture rate of 73% were achieved during the audit day.

Several specialized opportunities for improvement and recommendations to expand our waste diversion program were noted as a result of the audit, and will be taken into account for implementation, where appropriate.

IT asset recycling. To maximize our IT asset life, we replace laptops and workstations on a break-fix model, where hardware is replaced only as truly warranted, rather than using a fixed replacement cycle. Older hardware that has been found to no longer be usable in our corporate environment is donated and re-purposed. Any remaining or unusable computers are dismantled for parts or are picked up by an electronics company and recycled responsibly.

Planning for a more sustainable future

While we are always looking for ways to improve the sustainability of our operations, our software solution, RapidResponse, also makes significant contributions to helping our customers reduce waste in its many forms every day.

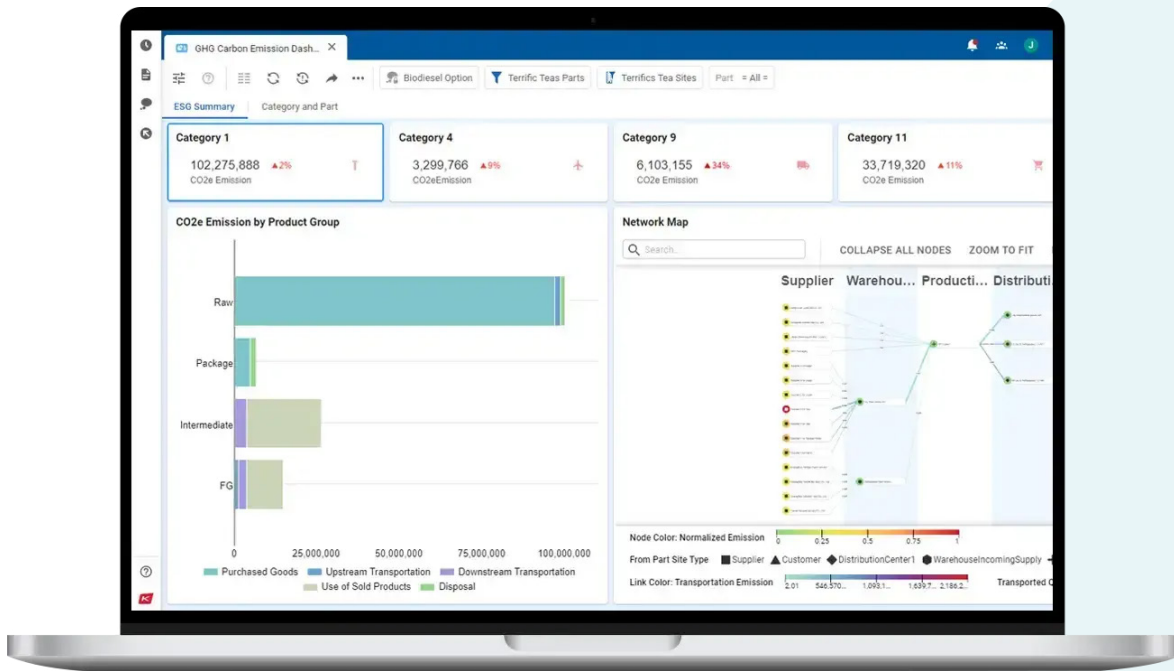
Sustainable Supply Chain application

At our annual customer community conference Kinexions, we unveiled new product innovations spanning the end-to-end supply chain that empower businesses with the transparency, control, and agility they need to navigate today's volatile business landscape.

One of the new innovations, Sustainable Supply Chain, is a solution that allows companies to embed emissions data (including Scope 3 emissions) directly into RapidResponse to design scenarios that will estimate, project and simulate supply chain related CO₂e in real time. Not only does Sustainable Supply Chain create visibility into emissions data, but it also empowers planners to understand its impact in seconds.

Scope 3 emissions often account for the majority of a company's carbon footprint, so failure to understand the environmental impact of supply chain decisions is a major barrier to a more sustainable future.

Planners can now seamlessly blend timely and accurate emissions data to weigh environmental factors alongside economic and service indicators to optimally balance the triple bottom line.



Sustainable Supply Chain application



tree-nation

tree-nation.com/profile/kinaxis



27141

Trees planted



22.01

Hectares reforested



7608.53

Tonnes CO₂ captured

Other RapidResponse sustainability benefits

Beyond the capabilities of the Sustainable Supply Chain, RapidResponse helps customers mitigate their environmental footprint and reduce waste in its many forms every day.

Reducing wasted product

By enhancing end-to-end supply chain planning, RapidResponse typically helps our customers lower their physical inventory levels. Excess inventory may never find a home and, instead, can find its way into landfills. Some inventory has firm expiry dates beyond which product is entirely wasted, never finding its way to customers in need and creating a disposal problem.

Delivering critical goods

Many of our customers offer products that are critical to society and must always be available – stockouts simply can't happen.

Life sciences and pharmaceutical companies represent one of our largest markets. One major customer in this market, which offers life-saving oncology drugs, has a corporate mission to never stockout. That same customer has credited Kinaxis as a significant contributor to achieving that goal while simultaneously significantly reducing days-in-inventory.

Consumer products is a large and rapidly growing market for Kinaxis, and we help companies ensure that their critical products are available during emergencies. A [Forbes article](#) discusses how our customer, Procter & Gamble, managed their supply chain to move critical goods out of the path of Hurricane Irma to ensure that they could supply consumers with what they needed most during the emergency.

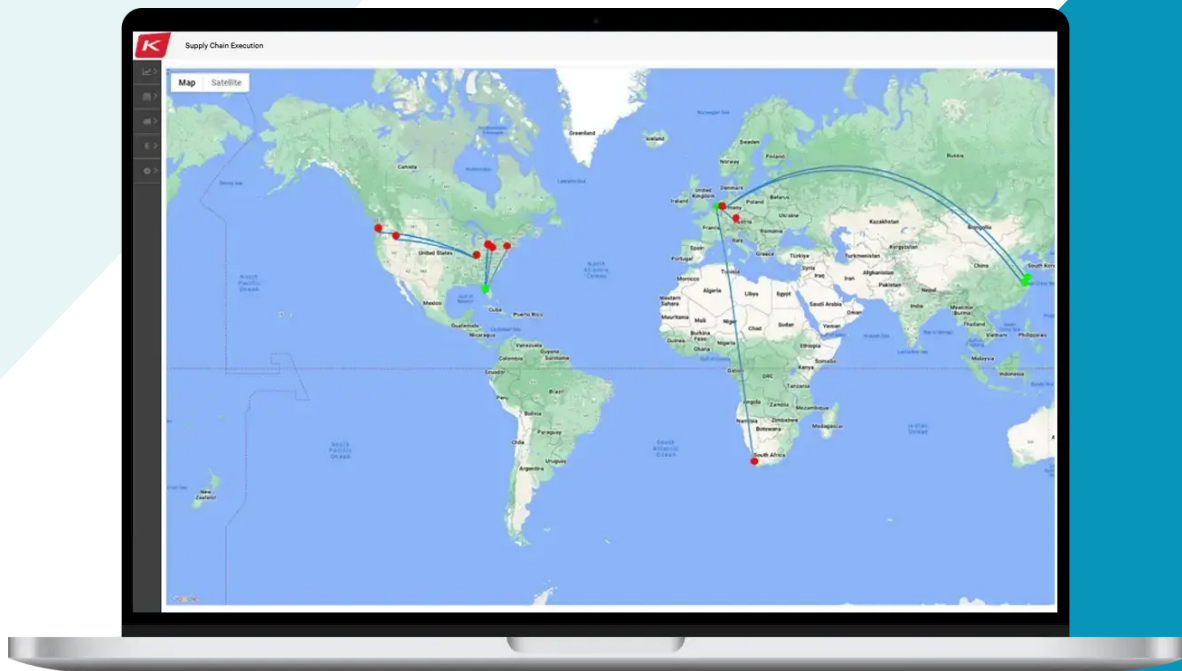
Reducing carbon output

Poor planning frequently leads to expensive, wasteful last-minute expediting of goods within global supply chain networks. Frequently, the goods are expedited via high-carbon-footprint air courier. Kinaxis customers have experienced decreases in expediting activity – all through better planning. Kinaxis has also helped a car manufacturer plan its portfolio of vehicle packages so that they met tougher emissions requirements in the European Union and avoided costly penalties.

Our Supply Chain Execution product capabilities offer customers advanced transportation management and load optimization capabilities. These solutions help optimize shipping plans and freight spend and increase capacity utilization by creating fuller, more efficient loads, resulting in reduced CO₂ emissions.

Enabling recycling

With our partner, Ocyo Consulting, Kinaxis offers solutions that directly help companies plan and monitor recycling flows of incoming and outgoing products, internally and across a partner network, to improve supply chain efficiency, sustainability, and compliance.



Supply Chain Execution

Appendix 1 – SASB Metrics

	FY2023	FY2022	Code
Environmental Footprint of Hardware Infrastructure			
Total Energy Consumed (gigajoules)	14,773.09	15,599.2	TC-SI-130a.1
Percentage grid electricity	67.24%	69.36%	TC-SI-130a.1
Percentage renewable	41.54%	33.90%	TC-SI-130a.1
Total water withdrawn	Deemed immaterial to operations		TC-SI-130a.2
Total water consumed, percentage of each in regions with high or extremely high baseline water stress	Deemed immaterial to operations		TC-SI-130a.2
Discussion of the integration of environmental considerations into strategic planning for data center needs	See Strategy commentary in Appendix 2 –Alignment with Task Force on Climate-Related Financial Disclosures		TC-SI-130a.2
Data Privacy & Freedom of Expression			
Description of policies and practices relating to behavioural advertising and user privacy	Do not engage in behavioural advertising		TC-SI-220a.1
Number of users whose information is used for secondary purposes	0	0	TC-SI-220a.2
Total amount of monetary losses as a result of legal proceedings associated with user privacy	\$0	\$0	TC-SI-220a.3
Number of law enforcement requests for user information	0	0	TC-SI-220a.4
Number of users whose information was requested	0	0	TC-SI-220a.4
Percentage resulting in disclosure	0	0	TC-SI-220a.4
List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	None	None	TC-SI-220a.5

Data Security

Number of data breaches	No breaches requiring customer/user notification have occurred	TC-SI-230a.1
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Percentage involving personally identifiable information (PII)	N/A	TC-SI-230a.1
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Number of users affected	N/A	TC-SI-230a.1
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Description of approach to identifying and addressing data security risks, including use of third-party cyber security standards	See pages 14-16 herein	TC-SI-230a.2
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Recruiting & Managing a Global, Diverse & Skilled Workforce

Foreign nationals (in Canada)	16%	13%	TC-SI-330a.1
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Located in Canada	48%	50%	TC-SI-330a.1
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Located in North America	63%	66%	TC-SI-330a.1
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Located offshore	52%	50%	TC-SI-330a.1
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Employee engagement as a percentage	84%	87%	TC-SI-330a.2
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Gender identity, total employees

Man	61%	64%	TC-SI-330a.3
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Woman	29%	28%	TC-SI-330a.3
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Non-binary, other, and prefer not to say	10%	7%	TC-SI-330a.3
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Gender identity, technical employees (Canada)

Man	60%	66%	TC-SI-330a.3
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Woman	24%	24%	TC-SI-330a.3
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Non-binary, other, and prefer not to say	16%	10%	TC-SI-330a.3
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Gender identity, exec. Team/director+/people manager/individual contributor

Man	57%/62%/54%/62%	67%/60%/57%/65%	TC-SI-330a.3
Woman	36%/27%/36%/28%	25%/26%/36%/28%	TC-SI-330a.3
Non-binary, other, and prefer not to say	7%/11%/9%/10%	8%/14%/8%/7%	TC-SI-330a.3

Racial/ethnic identity, total employees (Canada)

Indigenous	1%	1%	TC-SI-330a.3
Arab	5%	2%	TC-SI-330a.3
Asian	28%	28%	TC-SI-330a.3
Black	2%	2%	TC-SI-330a.3
Latin American	2%	2%	TC-SI-330a.3
White	42%	45%	TC-SI-330a.3
Two or more races, other, and prefer not to say	21%	20%	TC-SI-330a.3

Racial/ethnic identity, technical employees (Canada)

Indigenous	<1%	<1%	
Arab	7%	4%	TC-SI-330a.3
Asian	32%	31%	TC-SI-330a.3
Black	1%	1%	TC-SI-330a.3
Latin American	2%	2%	TC-SI-330a.3
White	34%	36%	TC-SI-330a.3
Two or more races, other, and prefer not to say	23%	26%	TC-SI-330a.3

Racial/ethnic identity, exec. Team/director+/people manager/contributor (Canada)

Indigenous	0%/0%/1%/1%	0%/0%/1%/1%	TC-SI-330a.3
Arab	0%/2%/4%/5%	0%/0%/2%/2%	TC-SI-330a.3
Asian	0%/10%/23%/31%	0%/12%/26%/31%	TC-SI-330a.3
Black	0%/0%/2%/3%	0%/0%/1%/2%	TC-SI-330a.3
Latin American	0%/0%/1%/2%	0%/0%/1%/2%	TC-SI-330a.3
White	89%/71%/46%/38%	89%/67%/52%/41%	TC-SI-330a.3
Two or more races, other, and prefer not to say	11%/18%/22%/20%	11%/21%/17%/21%	TC-SI-330a.3

Intellectual Property Protection & Competitive Behavior

Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	\$0	\$0	TC-SI-520a.1
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Managing Systemic Risks from Technology Disruptions

Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	Exceeded or achieved our target of a minimum 99.5% uptime		TCOSI-550a.1
Description of business continuity risks related to disruptions of operations	See pages 30-45 of our Annual Information Form, most notably pages 38-42 for operational risks	See pages 30-45 of our Annual Information Form, most notably pages 38-42 for operational risks	TCOSI-550a.2



Appendix 2 – Alignment with Task Force on Climate-Related Financial Disclosures

Kinaxis recognizes the urgency of the global climate change crisis and is committed to improving and elevating our climate risk management practices. In 2021, we initiated a risk analysis aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations and integrated it with our existing enterprise risk management program to build a more holistic approach to our processes. Our initial identification and assessment activities indicated that climate-related risks and opportunities are not currently financially material to our business. However, we believe climate change is a systemic and accelerating challenge requiring a concerted global effort. Therefore, we have continued to actively manage and monitor our most significant climate-related risks and opportunities. Kinaxis supports the aims of the TCFD to bring transparency around climate-risks into financial reporting, and we intend to continue to build out our strategy and reporting under this framework.

Governance

Describe the board's oversight of climate-related risks and opportunities

Board of Directors

Kinaxis' Board of Directors has ultimate oversight responsibility for risk management activities and programs and ensures that adequate systems are in place to identify, manage, monitor, and report on principal risks affecting corporate objectives. Through their oversight role, the board members satisfy themselves that:

- risk management policies and procedures are aligned with the overall business strategy
- these policies and procedures are operating as intended; and
- a strong risk culture is maintained across the business.

Nominating and Governance Committee

The nominating and governance committee has been delegated primary oversight responsibility for all ESG matters, including strategies, policies, performance and reporting of climate-related risks and opportunities. On a semi-annual basis, the Chief Legal Officer and risk and sustainability lead submit to the nominating and governance committee a climate-risk report, which includes:

- a summary risk dashboard, including a description of prioritized climate-related risks and semi-annual trends;
- the status of ongoing and completed mitigation strategies for prioritized climate-related risks and overdue items; and
- additional monitoring metrics and/or other information, as necessary.

Describe management's role in assessing and managing climate-related risks and opportunities

Kinaxis recognizes that management of climate-related matters requires broad collaboration and cross-functional involvement. Accordingly, we have established an integrated approach and accountability structure for identifying, assessing, and managing climate-related risks and opportunities, which engages our Chief Legal Officer, full executive team, cross-functional collaboration across business units, and other relevant stakeholders, as needed.

Our Chief Legal Officer is the executive sponsor of both risk and sustainability related matters and is accountable for delegated oversight of processes surrounding ESG matters, including climate-related risks and opportunities. Priority ESG matters are brought to the full executive team, and findings and recommendations are regularly reported back to the nominating and governance committee of the board.

Our risk and sustainability leader, who reports to the Chief Legal Officer, engages internal stakeholders representing each functional area of the company on an annual basis to review, refresh and prioritize key ESG topics. These priority ESG matters are then validated with both the executive leadership team and the nominating and governance committee of the board. A deeper risk and opportunity assessment is then conducted on each of the priority ESG topics to further develop incremental mitigation strategies, which are then integrated into the broader ESG and corporate strategy.

Strategy

Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

Kinaxis identifies, prioritizes and assesses climate-related risks and opportunities across a range of time horizons (short-term: before 2030; medium-term: 2030–2050; long-term: beyond 2050) and potential impacts to the business, including financial, legal, operational, reputational, and safety considerations. In our assessments, we consider both acute and chronic physical risks, such as increases in the frequency and severity of extreme weather events, as well as risks associated with the transition to a low-carbon economy, including current and emerging regulation, market risks, and new technology.

In addition to risks, we also considered that although our own global carbon footprint is minimal given the nature of our industry as a SaaS provider, our greatest opportunity to combat climate change is to enable our customers on their journeys towards net reduction efforts by powering their supply chains to help preserve the planet's resources.

Although not currently deemed to be material, we recognize that these climate-related risks and opportunities could impact our business in future and will continue to monitor and report on them within our enterprise risk program as a distinct climate-risk profile:

Risk Category	Description	Time Frame
Physical and Transition Risks		
Physical – Acute	Increase in frequency and/or severity of extreme weather events, such as wildfires, floods or tornados, which may result in the disruption of our operations or in the loss or damage of our assets.	Medium to Long
Transition – Legal & Policy	Rapidly evolving global regulatory landscape in relation to mandatory climate disclosures which may result in increased administrative costs or penalties in the event of non-compliance, as well as adverse reputational impact.	Short to Medium
Transition – Technology, Market	Uncertainty around changes to customer preferences in their shift towards low-carbon operations and the technological innovations to support the transition to a circular economy.	Medium
Transition – Reputation	Uncertain and changing expectations and perceptions of Kinaxis' contribution and commitment to the transition to a low-carbon economy.	Short to Medium
Opportunities		
Products & Services	The shift of customer preferences towards robust supply chain planning and management, given the prevalence and impact of scope 3 emissions, and in enhancing overall supply chain resiliency.	Short to Medium

Describe the impact of climate-related risks and opportunities on the organization's business, strategy and financial planning

A key outcome of performing climate risk assessments includes defining incremental mitigation activities to manage the physical and transition risks of climate change. Although our assessments to date indicate that these risks of climate change are not currently material to our business, we have chosen to actively evaluate, monitor and report on these mitigation efforts.

At Kinaxis, we treat risk management as an iterative process and will continue to build on and actively identify further opportunities to integrate the management of the impacts of climate change. Below is a summary of the key mitigation efforts we have identified to date to manage the impact of climate-related risks and opportunities on our business, strategy and financial planning:

Area

Impacts and Mitigations

Products & Services

Opportunities to develop new and invest in existing products / services to help customers to reduce their own carbon footprint and plan for climate resilience and business continuity are influencing our strategy through 2030. One of the most substantial strategic decisions we have made influenced by these opportunities is the first release of Kinaxis Sustainable Supply Chain:

- In June 2023, we released a new solution that allows companies to embed emissions factors (including Scope 3 emissions) directly into RapidResponse to design scenarios that will estimate, project and simulate supply chain related CO₂e in real time.
- This first release tracks Scope 3 emissions from five categories, including emissions from purchased goods and services, and upstream and downstream distribution and transportation.
- This not only creates visibility into emissions data, but also empowers planners to understand its impact in seconds.

Investment in R&D

- We invest in R&D for new solutions that help us contribute to climate resilience through technology innovation while helping increase our operating efficiency, meet growing demand for lower-emission products and services, and establish a stronger competitive position.
- While Kinaxis' own carbon footprint remains minimal, we recognize the most substantial impact our business can have in the fight against climate change is to enable our customers to manage their own Scope 3 emissions in their supply chains.
- We are committed to further developing and enhancing ESG capabilities within our products to address a spectrum of priority ESG issues.

Supply Chain

- The impact of climate-related risks and opportunities on our supply chain is primarily the prioritization of suppliers that provide more energy efficient, lower-emission products and services. As a SaaS provider, emissions in our supply chain are minimal however we have opportunities to reduce energy consumption from our operations (e.g., moving towards more efficient building design / operations) and procurement, and to deliver low emission goods and services.
- In 2023, we have taken steps to begin designing a risk-based approach to identifying, prioritizing and working with our suppliers, vendors and other 3rd parties to transform how we select and collaborate with them by incorporating climate performance into the business awards outcomes and providing incentives and training to build supplier capabilities.

Operations

- Energy usage in our data centres and business travel are our primary sources of carbon emissions. As a result of climate change, emerging regulations related to greenhouse gas emissions in the form of taxes or fees could increase Kinaxis' operational costs.
- As part of our strategy to mitigate the impact of energy costs, we are shifting towards a public cloud infrastructure and are now live on both Microsoft Azure and Google Cloud. The public cloud impact on our carbon emissions will be reported beginning in our next Sustainability Report.

Further details on the impacts of climate change to our financial planning will be provided in our next report.

Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2-degree Celsius or lower scenario.

With the help of an independent firm, in 2024 we will initiate the first phase of climate-related scenario analysis work to model and evaluate risks and opportunities.

The objective of our work will be to identify climate-related risks and opportunities that may impact Kinaxis under different climate scenarios, including a 2-degree Celsius or lower scenario. We will leverage the collective expertise of stakeholders across the business to map physical and transitional risks, evaluate their potential implications, and explore opportunities for innovation and market leadership.

Risk Management

Describe the organization's processes for identifying and assessing climate-related risks

While business units are accountable for the identification and management of risks across the organization, the risk management function is accountable to set, oversee, and facilitate the coordination of ERM processes – including providing guidance on the management of risks across the business, working with the executive team, and risk owners to provide effective challenge and ensure that key decisions are made with consideration of the risks involved.

To continuously identify new, emerging, and changing risks that may impact achievement of corporate objectives, the risk management team employs an iterative process, including interviews and/or workshops to engage stakeholders at all levels across the business to identify and document Kinaxis' comprehensive risk universe. ESG is fully integrated with and has its own distinct category within our risk universe.

The risk management team prioritizes climate-related risks and opportunities with input from key stakeholders, and presents and validates the outputs with the executive team and the nominating and governance committee of the board. Each of the most significant climate-related risks and opportunities is assigned an executive risk owner, who is designated with primary responsibility of the management of that risk to ensure effective strategies for mitigation are in place and to make recommendations to further manage risks.

Describe the organization's processes for managing climate-related risks.

Following the identification and prioritization of climate-related risks and opportunities, the risk owner is responsible for performing a detailed risk assessment, with input and guidance from the risk management team. The risk owner is also responsible to ensure that appropriate mitigation/treatment strategies are in place and that mitigation actions are identified to bring risks to an acceptable level.

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

ESG is fully integrated with and has its own distinct category within our comprehensive risk management program, which harmonizes risk management practices and procedures across the business. Both the ESG and ERM process follow a five-step cycle, from identification to monitoring and reporting of material risks or ESG matters, including climate-related risks and opportunities.

Strategic, ESG, financial, regulatory, and operational risks are assessed at the enterprise level through the ERM process. The ERM process includes an annual refresh cycle of risk identification through workshops and/or interviews, in-depth risk assessments of top risks including the evaluation of risk mitigation capabilities, and then periodic monitoring and reporting back to the Board of Directors.

Finally, as part of the annual ERM refresh, management and the board review the appropriateness of the overall risk governance structure, defined roles and responsibilities, and oversight responsibilities.

Metrics and targets

Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

We have not yet defined metrics to assess climate-related risks and opportunities. In 2023, we have initiated the first phase of defining metrics in line with our strategy and risk management processes.

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks

GHG emissions are disclosed in the Protecting the planet section of this report.

Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets

We have not yet defined targets to manage climate-related risks and opportunities. In 2023, we have initiated the first phase of defining targets and our performance against those targets.

