



INSTRUCTURE

# ESG REPORT

Environmental, Social, Governance (ESG) report 2023

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## About this Report

Unless stated otherwise, the scope of this first ESG report covers Instructure's global operations and consolidated subsidiaries, and the reporting period is January 1st to September 30th 2023. The report has been developed in accordance with the Global Reporting Initiative's (GRI) guidelines and the Sustainability Accounting Standards Board's (SASB) Software & IT Services Industry requirements. All units of measure use the SI metric system.

Materiality in this ESG Report is not being used as that term is used under the securities or other laws of the U.S. or any other jurisdiction, or as they are used in the context of financial statements and financial reporting.

Please contact [info@instructure.com](mailto:info@instructure.com) to request additional information or to provide feedback.

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# MESSAGE FROM THE CEO

**STEVE DALY**

As we navigate through the dynamic landscape of the global business environment, it is paramount that we recognize and prioritize our responsibility towards Environmental, Social, and Governance (ESG) principles.

At Instructure, we understand the role that businesses play in shaping a sustainable future. Our commitment to ESG is not just a strategic imperative; it is part of our corporate DNA. We believe that the success of our company is intrinsically linked to our ability to create long-term value for all our stakeholders, while simultaneously contributing to the well-being of our planet and society.

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## Mission & Vision

At Instructure, we believe that education has the power to transform lives and create positive change in the world. Our vision is to enable every individual, regardless of their age or station in life, to unlock their full potential through learning.

We strive to remove barriers to opportunities and provide a vehicle for personal growth and development, so that everyone can reach their human potential. We recognize that learning is a lifelong journey, and we are committed to creating constant opportunities for growth and evolution at all stages of life.

Our technology is designed to inspire self-actualization and help individuals see themselves in a new light, empowering them to achieve their dreams and make a difference in their communities. We believe that access to quality education is a fundamental human right, and we are dedicated to advancing humanity through the power of learning. We are dedicated to creating a world where everyone has the opportunity to learn and thrive, and where education is the key to unlocking a brighter future for us all.

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## Environmental Stewardship

We know that education is both impacted by, and has a role in, helping to address climate change. Instructure is dedicated to minimizing our environmental footprint through our utilization of energy through different servers and working with climate change forward organizations that invest in green technology. By upholding sustainable practices, we aim not only to meet regulatory requirements but to exceed them, ensuring a healthier planet for generations to come. We are not a resource-intensive organization but we want to continue to encourage a brighter future for those that will continue to inhabit the planet past our time.

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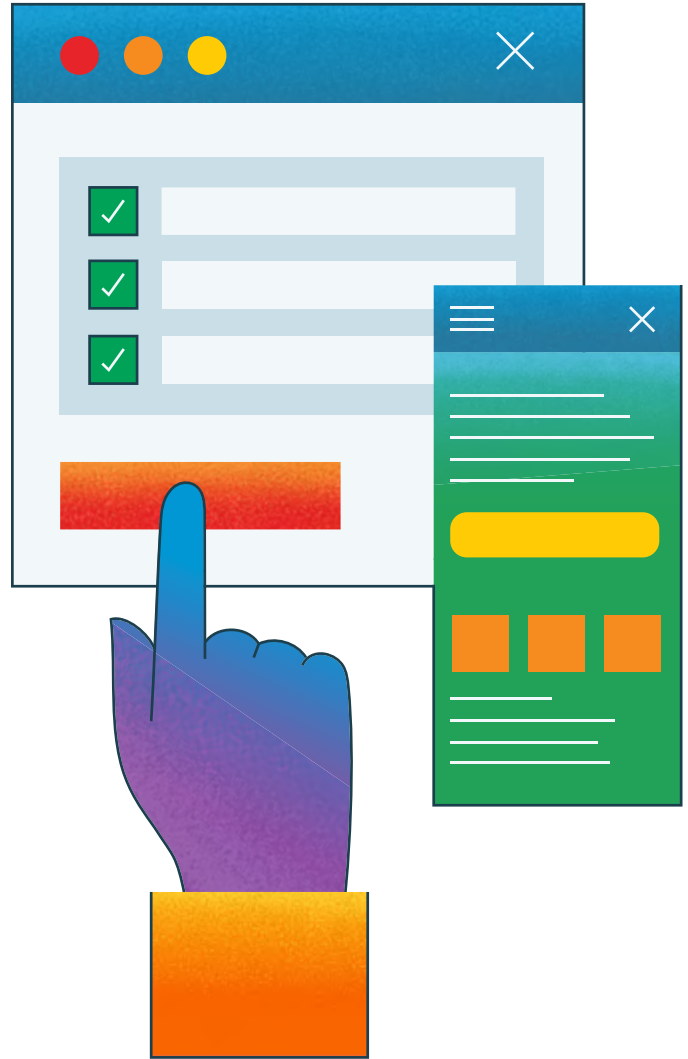
## Social Responsibility

Our commitment to social responsibility extends beyond our products and services. Instructure strives to create a diverse and inclusive workplace where every individual is valued and empowered. We actively engage with our local communities, supporting initiatives that foster education, innovation, and social well-being. By nurturing a culture of empathy and collaboration, we believe we can make a positive impact on the lives of those we touch.

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## Governance Excellence

Instructure is unwavering in its commitment to upholding the highest standards of governance. We believe that transparent and ethical business practices are the foundation of long-term success. Our governance framework is designed to promote accountability, integrity, and fairness in our operations, safeguarding the interests of our shareholders and stakeholders alike.



As we forge ahead, we recognize that the journey towards comprehensive ESG practices is ongoing. We are dedicated to continuous improvement and invite you, our valued stakeholders, to join us on this journey. Together, we can shape a future where Instructure not only delivers outstanding educational solutions but also sets the benchmark for responsible and sustainable business practices.

Thank you for your ongoing support and partnership as we strive to make a positive impact on the world through the intersection of education, technology, and ESG principles.



# 2023

## BUSINESS AND ESG HIGHLIGHTS

Q3 2023 results once again demonstrated the growth and leverage of our business, including best-in-class margin performance and record cash flow and free cash flow.

### 2023 STEVIE® AWARDS

- Silver Virtual Technology Sales Enablement and Pre-sales Team of the Year
- Silver Customer Service Department of the Year - Consumer Products & Services
- Bronze Women in Business - Melissa Loble

“

*The power of Instructure is in its people and their dedication to delivering powerful solutions for our customers that drive the type of financial results our investors expect.*

**8,000+**  
global customers

**900+**  
partners

**99.98%**  
system uptime

**6M+**  
concurrent users—  
without a hiccup  
over

**90%**  
best-in-class customer  
satisfaction score

Data as of Dec. 31, 2023.



# INTRODUCTION TO INSTRUCTURE

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## What We Do

Instructure is an education technology company dedicated to helping everyone learn together. We amplify the power of teaching and elevate the learning process, leading to improved student outcomes.

Our learning platform delivers the elements that leaders, teachers, and learners need – a next-generation Learning Management System (LMS). The LMS provides robust assessments for learning, actionable analytics, and engaging, dynamic course content. Schools standardize on Instructure's solutions as the core of their learning platform because we bring together all the tools that students, teachers, parents, and administrators need to create an accessible, engaging and modern learning environment. Our platform is cloud-native, built on open technologies, and scalable across thousands of institutions and tens of millions of users worldwide.

We are the LMS market share leader in both Higher Education and paid K-12, with more than 8,000 global customers, as of December 31, 2023, representing Higher Education institutions and K-12 districts and schools in over 100 countries. We are passionately focused on our customers and enhancing the teaching and learning experience. As such, we continuously innovate to grow the functionality and capabilities of our platform, including through our various acquisitions to add additional online capabilities.

Instructure has adopted a hybrid work approach allowing employees to work in-office or remotely. This approach has allowed us to lessen our physical footprints leading to a more optimal usage of office space. Our corporate headquarters are in Salt Lake City, Utah, USA, where we lease office space in a single building for our executive, research and development, sales, marketing and administrative purposes. We have additional lease offices across the United States and in several international locations including London, England (our international headquarters), and Budapest, Hungary.



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## Our Values

Lots of companies have “values.” But ours exist outside the company handbook—they’re present in everything we do, from the way we aspire to treat our customers and coworkers to the way we build our products.

**OPENNESS:** We’re open to new people, new ideas, and new opportunities. We strive to be collaborative in our projects, transparent about our intentions, and curious about how things work and how to make them better. Open minds open doors.

**RELATIONSHIPS:** We’re all about building meaningful relationships based on trust, respect, and mutual success, whether they’re peer-peer, teacher-student, manager-employee, or company-customer. People come first.

**EQUALITY:** We aspire to offer an inclusive and welcoming culture, and we believe people deserve equal access to opportunities and resources. You can’t have equality without equity.

**OWNERSHIP:** We’re all accountable for excellence in our work and our actions, and we stand behind our products and services. Say. Do. Repeat.

**SIMPLICITY:** Our software makes lifelong learning easier. We strive for clarity and ease of use across the board, from product design to communication to customer experience. Simpler is smarter.



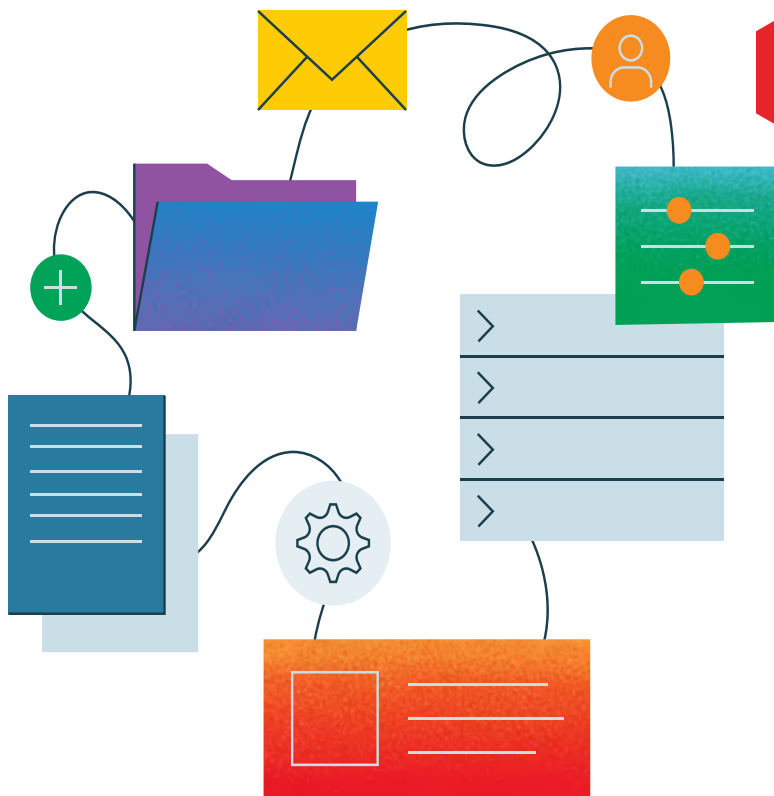
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## Mission

We’re an education technology company with a mission to elevate student success, amplify the power of teaching, and inspire everyone to learn together.

## Institutional Structure

During March 2020, we were acquired in an all-cash Take-Private Transaction by Thoma Bravo. In July 2021, the Company completed an Initial Public Offering. Our common stock began trading on the New York Stock Exchange under the symbol “INST” on July 22, 2021.



## Business Strategy

We generate revenue from two primary sources:

1

subscription and support revenue, which is comprised of software-as-a-service (“SaaS”) fees from customers accessing our learning platform and from customers purchasing additional support beyond the standard support that is included in the basic SaaS fees; and

2

related professional services revenue, which is comprised of training, implementation services and other types of professional services.

The majority of our academic customers implement Canvas, our prosperity LMS, within their institutions and across school districts, where applicable. We define a customer as an entity with an active subscription contract. In situations where there is a single contract that applies to an entity with multiple subsidiaries or divisions, universities, or schools, only the entity that has contracted for our platform is counted as a customer. For example, a contracting school district is counted as a single customer even though the school district encompasses multiple schools. In 2023, no single customer represented more than **10%** of our revenue.

We have a history of attracting new customers and generally increasing their annual spend with us over time. In Higher Education, the depth of our solution and demonstrated scalability allow us to sell to a single institution or university and then deploy extensively across schools (i.e., medical, law, business, undergraduate), departments (i.e., economics, math, art), or entire state systems, and reach students beyond the walls of the classroom by extending into Continuing Education and online learning. In 2022, revenue derived from outside of the U.S. increased **24%** on a year-on-year basis, driven primarily by increases in demand across Western European, Asia-Pacific, and Latin American markets.



## Financial Performance

Our financial performance is accounted and reported in accordance to U.S. generally accepted accounting principles. The highlights from Q3 2023 are:

**GAAP Revenue of**

**\$134.9M**

(an increase of 10.2% year over year)

**Operating income of**

**\$4.6M**

or 3.4% of revenue, compared with a loss of \$2.4 million in the third quarter of 2022

**Non-GAAP operating income\* of**

**\$57.0M**

or 42.3% of revenue, up 23.5% compared with the third quarter of 2022.

More information is available on our Investor Relations web page, accessible at: <https://ir.instructure.com/overview/default.aspx>

## The Edtech Collective: Instructure's Partner Ecosystem

The EdTech Collective, Instructure's partner program, has become an essential resource for customers by connecting them to hundreds of edtech providers who help them make an impact on teaching and learning. The Instructure Learning Platform is open, flexible, and extensible and it's why hundreds of like-minded edtech companies make their solutions available to educators and students globally on the leading learning management platform. As of December 31, 2023 we have over 900 edtech partners that integrate into our platform and we collaborate with companies of all sizes, from start-ups to the largest global tech platforms.



# ESG AT INSTRUCTURE

## Materiality Assessment



During 2023, Instructure completed an Environmental, Social and Governance (ESG) benchmarking exercise and ESG materiality assessment. The ESG gap analysis included the Global Reporting Initiative (GRI) and the SASB Software & IT services / Internet Media & Services Sector guidance. Based on the benchmarking exercise and peer reviews, fifteen material ESG issues were identified that have been divided into five themes, namely:

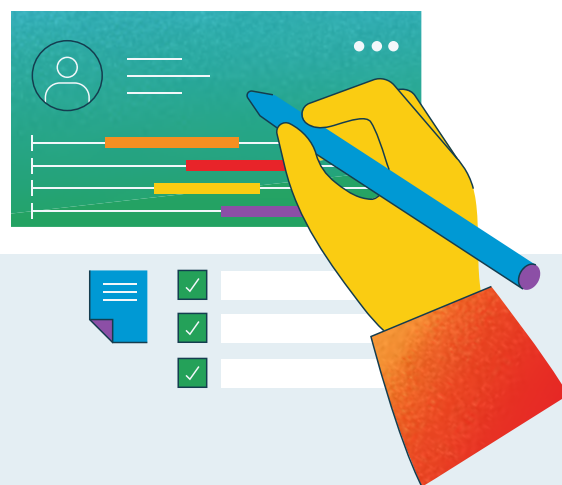
1	2	3	4	5
GOVERNANCE & LEADERSHIP	BUSINESS & INNOVATION	HUMAN CAPITAL	SOCIAL CAPITAL	ENVIRONMENTAL
Business Ethics, Integrity and Behavior  Regulatory Compliance  Risk Management and Oversight  Corporate Governance	Data privacy, data security & cybersecurity  Financial Performance  Managing Systemic Technology Risks & Disruptions  Technology Innovation & Research	Employee Diversity, Equity, Inclusion and Culture  Global Talent & Human Capital  Employee Health, Safety, and Wellbeing	Access to Education Holistic Approach to Learner Success	Environmental Footprint of Hardware and Data storage  Environmental Management



## Strategy

We acknowledge that we are at the start of our ESG journey and that we will progressively develop and implement ESG objectives and initiatives. Our current priority ESG objectives are:

- Establishment, implementation and disclosure of management systems and sustainability performance that is aligned with international expectations and benchmarks
- Draft, approve and disclose a formal ESG policy
- Assign responsibility for establishing processes for collation of business performance, data and cybersecurity and innovation metrics aligned with SASB
- Be perceived as the employer of choice based on opportunities and career progression so that a sufficient pool of top talent candidates applying for roles at Instructure
- Talent is identified, retained, and nurtured at all organizational levels
- Increase access to education by developing programs with existing and new customers and communities



- Continue to prioritize maximizing Learner Success as a key feature and USP of Instructure's business offering.
- Develop an environmental and climate change management policy and framework that enables reporting as per the GRI and SASB requirements
- Active engagement with office landlords and data storage service providers to demonstrate that energy consumption and related carbon emissions are being reduced

We plan to provide additional details of our ESG strategy and management program in our next annual ESG report.



## ESG Management, Monitoring Disclosure and Reporting

We have established a cross-functional ESG Committee that is guiding and monitoring our management and performance. The ESG Committee chair is a member of our Executive team that reports to the Board. The diagram below shows the Committee members who have been drawn from both US and international locations. The committee meets at least quarterly or more frequently as required.



## Stakeholder Engagement

We have a wide range of stakeholders of which the primary are our employees, shareholders and investors, customers and learners using our LMS. We engage and work closely with all of them so we can understand and address issues of particular interest to them. Our main stakeholders and the primary means of engagement are tabulated:

OUR STAKEHOLDERS	CHANNELS OF ENGAGEMENT
Employees	Company intranet, periodic newsletters, website, corporate events, training programs, project management and team meetings, team building, performance reviews and, where relevant, union representatives
Shareholders & Investors	Quarterly performance updates, investor briefings and our dedicated investor relations web portal
Customers	Frequent meetings and performance reviews, sector conferences, seminars and exhibitions, social media and our website
Learners and End Users	Ongoing engagement as part of the use of Canvas, our LMS SaaS product, and our website
Suppliers	Frequent meetings and performance reviews
Regulatory Authorities	Quarterly and annual filings and other required submissions and statements



# GOVERNANCE & LEADERSHIP

As a company listed on the New York Stock Exchange and operating in more than 100 countries, governance and leadership are a central priority to our current and future success and growth. The following sections contain a summary of our approach and more information is available on our website.



## Corporate and ESG Governance

We have established robust criteria for our board members, in alignment with ESG international practices, which include:

- Upholding ethics, with a good reputation and character
- Free of conflicts of interest
- Ongoing business and professional activities
- Suitable experience, qualifications and skills
- Sufficient time, active participation and willingness to effectively carry out their duties
- Annual board evaluation
- Avoiding over boarding by participation on too many boards

The duties and responsibilities of our Board covers:

- Strategic Planning
- Reporting and Compliance Systems
- Risk Oversight
- Disclosure relationships
- Stockholder Engagement and Annual Stockholder Meeting
- Corporate Culture
- Executive Compensation
- Management Succession Planning
- Board Evaluation
- Corporate Governance Documents
- Sustainability

**The final element, sustainability, focuses on the promotion of the long-term sustainable growth of the company, including considering social and environmental goals. Hence it is clear that the Board has a duty to assess and monitor our ESG management and performance.**

## Board of Directors

A majority of our Board members are independent of executive functions as per the requirements of the rules of the NYSE. Our Board members and it's sub-committees are:

**STEVE DALY (M)**

**CHARLES GOODMAN (M)**  
Compensation and Nominating Committee,  
Chair

**ERIK AKOPIANTZ (M)**  
Audit Committee, Chair

**OSSA FISHER (F)**  
Audit Committee, Member

**JAMES HUTTER (M)**

**BRIAN JAFFEE (M)**  
Compensation and Nominating Committee,  
Member

**PAUL HOLDEN SPAHT, JR. (M)**  
Compensation and Nominating Committee,  
Member

**LLOYD "BUZZ" WATERHOUSE (M)**  
Audit Committee, Member

Identifies as:

M: Male

F: Female



## Business Ethics, Integrity, and Behavior

We have a comprehensive suite of Code of Conduct and corporate standards. As per our approach to transparency, the majority have been published on our website for review by prospective employees, investors and clients.

Our policy is to promote high standards of integrity by conducting our affairs honestly and ethically. Each director, officer and employee must act with integrity and observe the highest ethical standards of business conduct in their dealings with customers, suppliers, partners, service providers, competitors, employees and anyone else with whom they contact in the course of performing their job. The Code of Ethics is based on good practice and addresses:

- Honest And Ethical Conduct
- Conflicts of interest
- Corporate opportunities
- Confidentiality
- Fair Dealing
- Protection and proper use of company assets
- Compliance with policy
- Reporting and investigation of violations
- Prohibition of retaliation



## Regulatory Compliance

We confirm that, at the time of the production of this report and to our knowledge, we are in compliance with material relevant national, state and jurisdictional laws, tax obligations, NYSE and SEC requirements. Instructure does not receive financial or other support from any national governments.



## Risk Management and Oversight

We have established two Board committees, namely an Audit Committee and a Compensation and Nominating Committee. The charters for both committees are freely available and have been published on our website.

In summary, the Audit Committee's primary function is to assist the Board with oversight of:

1. the integrity of the Company's financial statements,
2. compliance with legal and regulatory requirements,
3. the Company's independent auditor's qualifications and independence,
4. the performance of the Company's independent auditor and internal audit function, and
5. policies, plans, and programs relating to cybersecurity and data protection.



The Audit Committee is made up of three of the Board as tabulated above. Each member of the Audit Committee is an independent. The Chief Information Officer and Chief Information Security Officer are the management liaison to the Audit Committee with respect to oversight of cybersecurity and data protection. The Chief Information Officer presents updates to the Audit Committee as needed and, also as necessary, to the Board of Directors. These reports include detailed updates on our performance preparing for, preventing, detecting, responding to and recovering from cyber incidents.



# BUSINESS & INNOVATION

SaaS organizations using in-house or outsource data management must manage two separate and often conflicting priorities. The use of customer data to innovate and provide customers with new products and services and to generate revenues needs to be balanced with data privacy concerns including demographic, content, and behavioral data. This dynamic is leading to increased regulatory scrutiny which also raises concerns about potential access to user data by governments that may use it to limit the freedoms of citizens. Effective management in this area is important to avoid regulatory and reputational risks.

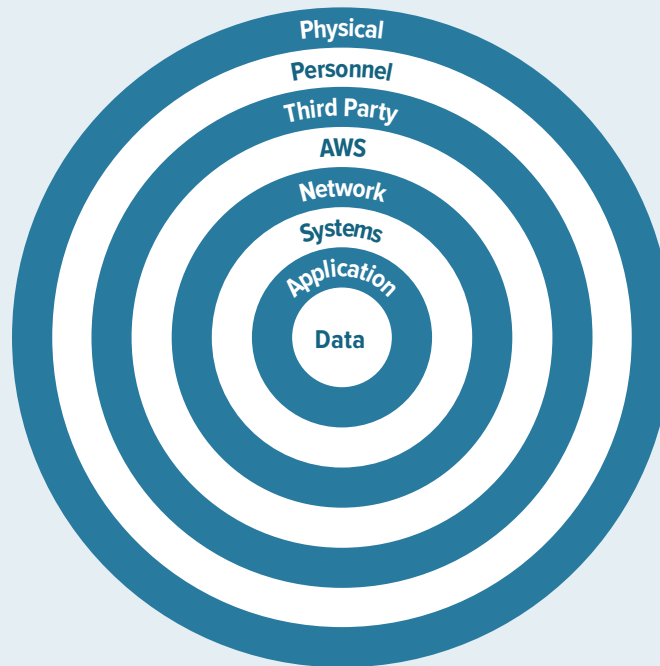


## Data Privacy, Data Security & Cybersecurity

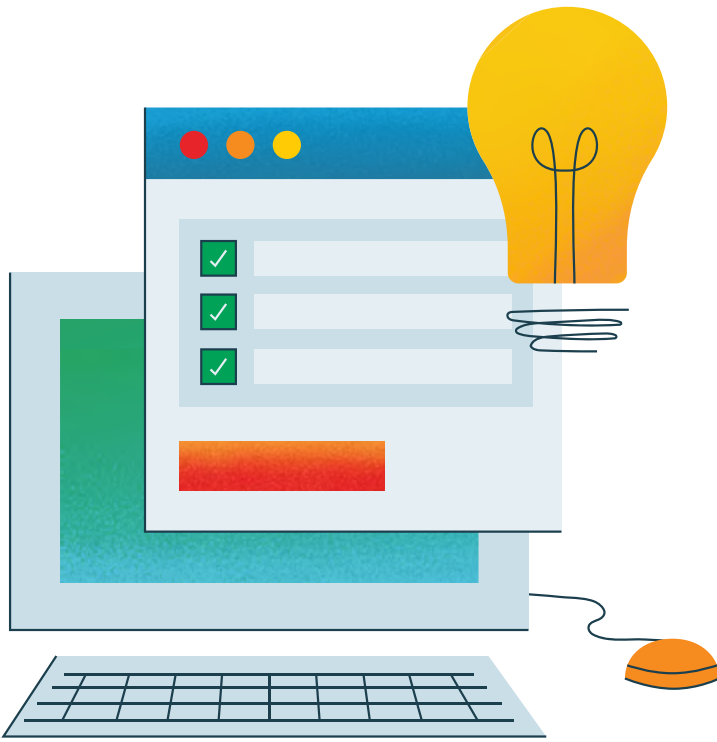
Our security program is built and based on internationally recognized standards such as ISO 27001, NIST's Cybersecurity Framework, AICPA's Trust Services Principles and Criteria, and SANS' CIS Critical Security Controls. And, speaking of standards, we also ensure we develop our applications abiding with OWASP's Top 10. We have implemented both preventative and detective mechanisms, as well as processes, controls, and tools in layers—helping to mitigate risks that might impact data, people, systems, operations, products, and our mission as a company. Instructure maintains ISO 27001 and SOC2 (AICPA) certifications for multiple products which are published on its public website under Trust Center. Additionally in 2023, Instructure has been certified to the TRUSTe Enterprise Privacy & Data Governance Practices Certification program.

Our security program is led by the Chief Information Security Officer (CISO) who has a team of talented, skilled, and experienced information security professionals. Our information security team is responsible for establishing strong security practices throughout the company Instructure via governance, risk management, policy, education, security engineering, security compliance, security operations, and application security.

By implementing preventative and detective security mechanisms at each layer between plausible external and internal risks and our most valuable assets, we are able to enact a defense-in-depth approach to protecting customer data. Our layered security approach is illustrated below.



Our products are hosted on the state-of-the-technology cloud infrastructure provided by Amazon Web Services (AWS). The AWS infrastructure is highly stable, fault-tolerant, and secure. For additional information about AWS' security program, certifications and standards compliance, please refer to <http://aws.amazon.com/security> and <http://aws.amazon.com/compliance/>. In addition we have a dedicated website that covers data privacy, security and cybersecurity. Please see <https://www.instructure.com/trust-center/resources> for detailed information.



## Technology Innovation & Research

In order to provide the most value to educators and students, we are focused on four key areas:

- Improve **core teaching and learning experiences** of institutions and educators, enhancing their ability to inspire and educate.
- Deliver advanced **data and analytics solutions**, empowering educators to harness data thoughtfully and steer student success with precision.
- Propel flexible **lifelong learning opportunities** with new-traditional pathways designed to achieve career outcomes.
- Ensure a seamless experience for all with user-friendly interfaces and robust connectivity, culminating in a **seamless Instructure Learning Platform**.

### CORE TEACHING AND LEARNING EXPERIENCES

These efforts are underpinned by streamlining workflows that save users time, introduce additional mechanisms to support flexible teaching and learning and elevate the accessibility of learning for all. Initiatives such as:

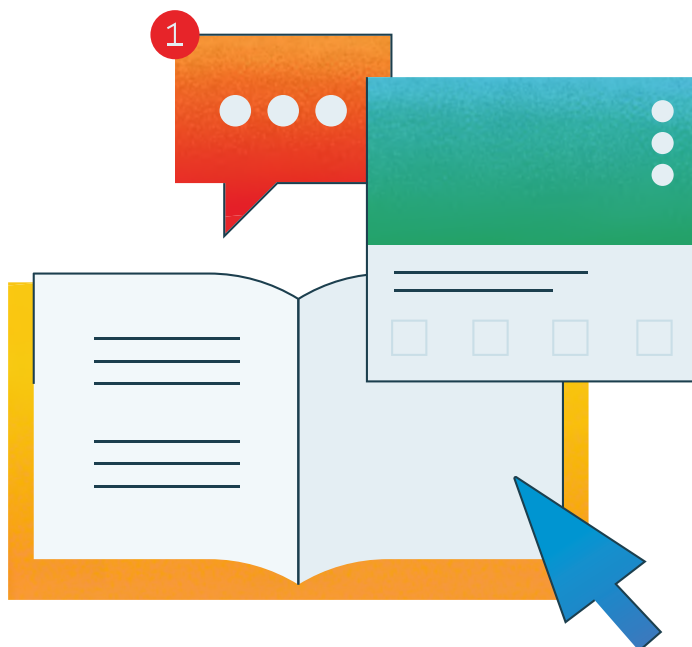
- A new **block editor** for content design that we expect will enable well-designed, high quality, responsive content using a simple and familiar interface. Building accessible content is a breeze, working seamlessly with the existing Ally Checker and using blocks to compose and format content that will create flexible layouts for all screen sizes, and leveraging common design practices to reduce cognitive loads.
- **Offline for mobile experience**, allows users to access the app and use its core functions at any time, regardless of their internet connection to ensure learning is accessible to all.
- **Redesigned rubric and grading** that we expect will unlock a grading process that flows effortlessly, allowing educators to focus on the growth of their students with a freshly designed interface and a palette of new features, combined with the introduction of self assessment capability to promote self-reflection and more meaningful engagement in feedback.
- **Differentiated content release** introduces a simple, flexible way to allocate content to specific learners or groups of learners so they can provide content that's relative to their personal learning journey.

## AI

Generative AI is a transformative technology that we believe can elevate student success, empower educators, and enhance the ways we teach and learn. We believe—when implemented with an intentional, secure, and human-driven approach—Generative AI has the power to promote equitable and impactful learning experiences for everyone.

As we look to integrate the power of AI into our solutions, we are committed to taking a thoughtful approach to ensure it is intentional, safe, and widely accessible. Below are a few of the AI innovations that are currently in beta or discovery:

- **Canvas-wide semantic search** to simplify finding course materials on contextually relevant subjects using natural language.
- **Emerging AI Marketplace** to showcase innovative AI tools that integrate seamlessly with Canvas and adhere to our security/privacy guidelines; many of these tools are offering free trials.
- **AI writing coach, Khanmigo from Khan Academy**, to deliver human-driven, technology-enhanced essay feedback and grading, lesson planning and rubric creation.
- AI driven **conversational analytics** tool, to allow administrators to leverage natural language to ask questions of their data in order to get timely insights needed to drive student outcomes.



## DATA AND ANALYTICS SOLUTIONS

In 2023, we introduced a suite of new data and analytics tools to get institutions the data they need in easy to use and robust ways.

In March 2023, we launched Canvas Data 2; a big data service that enables institutions to download their raw data from Canvas LMS with a vision to expand across various Instructure products as the Instructure Data Access Platform. This tool streamlines data access, empowering customers and partners leveraging this data to make informed decisions and improve student learning outcomes.

Specific enhancements vs the legacy offering include:

- Fast, reliable access to trusted data (refreshed in  $\leq 4$  hours)
- Scalability - built to high volume, variety and velocity of data
- Efficiency - incremental queries to reduce unnecessary data movement
- Manageability - toolkit to support robust and sustainable analytic solutions e.g. Documentation, API specs, ERD and schema versioning

We also launched Admin Analytics; a new, in-app analytics space as part of the Canvas LMS license. This was introduced for decision makers, leaders and administrators to easily gauge Canvas usage, course success and student engagement through a series of elegant dashboards which can be easily filtered and exported to meet the needs of institutions worldwide.

Data, analytics and insights continue to be top of mind as we focus on solutions which empower users to harness data thoughtfully and steer learner success with tooling that gives institutions the insights they really need, available to the people who need them most, and at the time they really need them to improve the teaching and learning experience.

We're currently in active development of additional solutions, which aim to give institutions the tools they need to quickly and intuitively take action on factors that impact the success of their teaching and learning ecosystem and the success of their learners.

## LIFELONG LEARNING

As we meet with institutions around the globe, we continue to hear the need for providing more flexibility for learners, especially as we think about non-traditional (often called “new traditional”) programs. In response to this, we aim to enable life-long learning from program discovery to learning pathways and micro-credentialing, culminating in a competency-based digital learner passport, housing achievement value that is recognised by both institutions and employers, so that individuals can achieve their goals based on earned skills.

For full details, please visit <https://community.canvaslms.com/t5/Instructure-Roadmap/ct-p/instructure-roadmap>.



## Supply Chain Management

**We have a formal Vendor Risk Management Program, Policy and Procedure. The policy applies to all of our affiliates, employees, consultants, contractors, and interns. The Vendor Program operates as part of the Legal, IT, and Security & Privacy processes. The purpose of the program is to instill best-in-class practices into our organization by providing oversight of our vendor compliance practices.**



# HUMAN CAPITAL

Exceptional talent and human capital is one of the preconditions for organizational success and profitability. Organizations are increasingly competing for the very best in both local and international labor markets.

Our industry is characterized by relatively low representation from women and minority groups; we believe efforts to recruit from and develop diverse talent pools can serve to address the talent shortage and generally improve the value of entity offerings. We are committed to the principles of equal employment opportunity and believe that greater workforce diversity is important for innovation and helps entities understand the needs of their diverse and global customer base.

Promises of long-term employment and aggressive salaries are insufficient to attract and retain the most promising candidates. Offers need to include monetary and non-monetary benefits to improve employee



engagement and therefore retention and productivity. Initiatives to improve employee engagement and work-life balance may influence the recruitment and retention of a diverse workforce. Employers, such as Instructure, need to be able to demonstrate how careers will be developed in a diverse and inclusive workforce for an organization that is to be considered as future and sustainability focused.



## Employee Diversity, Equity, Inclusion and Culture

We are proud of our Diversity, Equity, Inclusion (DEI) performance.

Of employees that disclosed their gender,

**42%**  
are female

**58%**  
are male

For our senior-level employees that disclosed their gender, **36%** are female and **64%** are male. *Gender is as defined by employees and we do not have temporary employees and non-guaranteed hours employees.\**



## Global Talent & Human Capital

We are a global company that operates out of four regional hubs with a distribution of personnel.\*

**72.8%**  
North America

**4%**  
Latin America

**20.1%**  
Europe

**3%**  
Asia Pacific

We undertake an annual employee engagement survey which is managed by Qualtrics, an external independent agency. Of the **89%** of our workforce that participated in the May 2023 survey, **84%** of responses were favorable & engaged.

### Awards

- Utah Business Magazine Best Companies to Work For 2024 – Instructure
- Utah Business CEO of the Year – Steve Daly
- Utah Business 30 Women to Watch – Joanna Fankhauser
- Utah Business CXO of the Year – Melissa Loble
- 100 Companies Championing Women – Instructure



## Employee Health, Safety, and Wellbeing

We comply with relevant occupational health and safety regulations and requirements in the jurisdictions in which we operate. We lease all our offices and abide by the Landlords' health and safety management arrangements and emergency preparedness and response plans.

In 2023, we had zero reportable fatalities, lost time incidents, or medical treatment cases.

\* Data as of [Sept 30, 2023.]



# SOCIAL CAPITAL

Organizations in the SaaS educational sector have the potential to significantly alter and improve lives of their learners (end-users), families and communities. However, increasing tuition requirements are pushing more students out of education or forcing learners and their families to take on loans to finance their education. Educational institutions that provide high-quality education and facilitate completion of programs increase the chances of graduates progressing, obtaining employment or places at tertiary colleges and universities. Instructure supports our local communities and our clients' learners and wider communities by deploying a variety of initiatives and programs.



## Access to Education, Training, and Career Development

A recent report highlighted female leadership in technology roles is under represented at just **28%** of the total. In response, Instructure established a mentorship program, Women's Leadership Mentoring Program in Tech (WLMP) which now has over 200 participants. The goal of WLMP is to increase leadership training and opportunities at Instructure and career development for female-identifying individuals. As part of our social commitment, we have opened up the six-month program to university students on our client's campuses to enable mentees to expand their understanding of the tech sector.

Each summer, we run a user conference "InstructureCon" which attracts 3,000 attendees from educational institutions. The conference aims to stimulate and share ideas, best practice and innovative developments. This annual event has been headlined by some of today's foremost thought leaders, including Deepak Chopra and Malcolm Gladwell. As per our social out-reach program we provide free passes to deserving persons so that

they can join us and thousands of other forward-looking institutions to discuss "what's next in education."

Instructure offers internship opportunities for students in our Revenue Operations and Research and Development (Engineering) teams. We are currently expanding our program, to include Marketing and Sales. We believe, because of the deep immersion of interns into our operations, that our internship program is the first of its kind in our UK-based university clients.

From a product perspective, Instructure has been committed to equitable access to its innovation for learners around the world. Instructure offers a free version of Canvas LMS for teachers and students to participate and collaborate in courses. There are examples of philanthropies from around the globe using Canvas Free-for-Teacher as a space to promote learning for underserved populations. Additionally, Canvas has released offline support for the Canvas Student App, where students can access course materials regardless of bandwidth or connectivity.



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## Holistic Approach to Learner Success

We provide added-value to our higher education clients by arranging and delivering bespoke Guest Lectures series. We have a wealth of industry-leading expertise, both from within Instructure and from our vast community of global university partners. The annual series typically includes a senior member of the Instructure leadership team presenting case studies related to our experience of collaborating with leading SaaS companies such as Microsoft, SAP, Adobe and Intel. Seminars are presented by members of the Instructure team who are former educators or previously worked in higher education. This group makes up nearly 50% of our customer facing teams and they have vast expertise to share around both the education and technology sectors.

Instructure works closely with institutions and educators around the world to ideate, build, and develop solutions that serve all aspects of the learning experience. Instructure has a user community of over 2 million users, many of whom are sharing ideas about how to improve the product experience to better serve learners.

Further, Instructure regularly participates in usability testing and Accessibility audits of its solutions to better serve all students. Instructure has dedicated personnel to improve, simplify, and unify the user experience across all products so that teaching and learning remains the focus for users of Instructure solutions.



## Community Engagement and Support

We actively align with and support our clients' community volunteering and engagement strategies. For example, we offer 40 days, per year, over the duration of our contracts for our dedicated paid staff to upskill and train local community organizations.

Instructure is committed to supporting students, teachers, and the local community through activities that reinforce our company mission. By sponsoring local women in technology, mentoring local students, volunteering in classrooms, and awarding local educators for their positive contributions both inside and outside of the classroom, Instructure is dedicated to creating a positive and enduring impact on the overall community.

Beyond our work in education, we engage in various community-focused projects, collaborating with local organizations to address broader societal needs.

Each year, Instructure partners with Utah's First Lady, Abby Cox, to sponsor the state's [Show Up for Teachers](#) event. The goal of this initiative, which was attended by over 2,600 educators in 2023, is to make a difference in the lives of Utah educators by prioritizing their mental health and emotional well-being. Instructure is an active sponsor, teaching classes on mental health and supporting our local teaching community.

Instructure's dedication to community welfare goes beyond financial contributions; it fosters a culture of volunteerism among its employees, encouraging them to actively participate in local events, service projects, and other charitable activities. Each employee is provided two paid days annually to engage in volunteer activities to support local classrooms and teachers.

Twice a year, Instructure coordinates volunteer efforts in local [Junior Achievement](#) schools, mentoring young children and giving them resources to overcome economic inequity. These paid days can be used for this important cause.

Local technology employees are encouraged to support the [National Center for Women and Information Technology \(NCWIT\)](#) by attending a local luncheon where they meet and mentor local females in computing.

Over the past three years, Instructure has partnered with the NBA team, the [Utah Jazz](#), to recognize local, influential educators from K-12 and higher education programs. As part of this partnership, through the end of the 2023-2024 season, Instructure will have recognized 52 well-deserving teachers in our community. Each valued educator receives recognition at their school from Jazz and Instructure employees, a \$1,000 classroom grant, a personalized Jazz jersey, and an invitation to attend a Jazz game hosted in the Instructure suite along with five guests. During the game, the inspiring educator is recognized on the court for their first-class commitment to education.

And finally, as part of our commitment to Diversity, Inclusion, and Belonging and our desire to positively impact our global community, in 2020, Instructure became the first certified Business Equality Leader in the state of Utah, launched by [Equality Utah](#). Through promoting diversity and enhancing workplace performance by modeling and encouraging more inclusive practices at work and by hosting regular trainings and webinars on inclusivity and diversity, Instructure continues to work alongside Equality Utah as a supportive ally and partner in our community.

As part of the [Najafi 100 Million Learners Global Initiative](#), led by the Thunderbird School of Global Management, Canvas is leveraged as the learning platform to deliver online business education for free to learners worldwide. Targeted specifically at those communities and demographics where access to high-quality education is not as robust as in first-world countries, this initiative empowers learners to be leaders and innovators in the future economy.



# ENVIRONMENTAL



We believe organizations should demonstrate their environmental management strategies and performance. The avoidance, minimization and or consumption of materials and energy from renewable and sustainable sources is part of reducing an organization's environmental and carbon footprint.

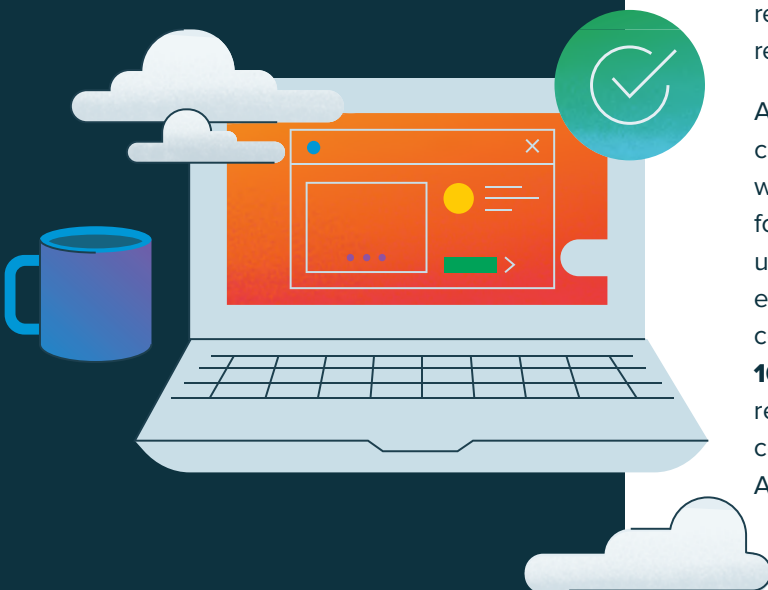
## Environmental Footprint of Hardware and Data Storage

With respect to our sector, SASB's guidance notes that the growth of cloud-based service offerings, requires organizations to own, operate or rent increasingly more data centers and other hardware. Managing the energy and water use associated with IT hardware infrastructure is relevant to value creation.

Data centers must be powered continuously, and disruptions to the energy supply can have a material effect on operations, depending on the magnitude and timing of the disruption. Entities face a trade-off between energy and water consumption because of data center cooling needs. Cooling data centers with water instead of chillers improves energy efficiency, but this method may create dependence on significant local water resources. Data center specification decisions are important for managing costs, obtaining a reliable supply of energy and water, and reducing reputational risks, particularly with the increasing global regulatory focus on climate change and the opportunities arising from energy efficiency and renewable energy innovations.

As part of our strategic approach to sustainability, we are proud to highlight our partnership with AWS for data hosting services. By leveraging AWS, who is committed to Amazon's net-zero carbon goal, we contribute to a sustainable digital infrastructure, minimizing our environmental footprint and reinforcing our dedication to eco-friendly practices in the realm of educational technology.

According to information provided to us by AWS, the carbon emissions from our data services and storage, which are provided and hosted by AWS, was 291 tCO<sub>2e</sub> for the reporting period. According to AWS stated to us that this is a 2,125 tCO<sub>2e</sub> (90%) reduction in carbon emissions compared to if we had hosted the data centers at our headquarters. Data storage accounts for **16.3%** of the total emissions, computing **21.4%** and the rest to other services during [2023]. The percentage contribution from each of our regions is APAC **82.7%**, Americas **16.1%** and EMEA **1.3%** during [2023].





## Environmental Management

During 2023, Instructure leased and occupied **54%** of a single building for our head office. Utilities are not metered by the landlord and so the following data have been calculated based on the percentage of share the overall building consumptions and releases. The carbon calculations are based on Utah State's carbon intensity of electricity production and the GHG Protocol's natural gas conversion factors.

The head office produced commercial waste which cost less than \$2,000 to dispose of using registered waste contractors.

### Environmental and Carbon Data for Instructure's Head Office

Utility	Consumption	Carbon Emissions
Electricity	639,244 kWh	417 tCO <sub>2</sub>
Natural Gas	1,823.5 DTH	102 tCO <sub>2</sub>
Water	512 m <sup>3</sup>	5 tCO <sub>2</sub>
<b>Carbon Emissions</b>		<b>524 tCO<sub>2</sub></b>

Instructure has engaged with the landlords of its international leased offices to obtain energy, water, waste and effluent data. We expect these data will be included in our next ESG report. Using these data plus the head office data, Instructure intends to calculate and publish its direct Scope 1 and Scope 2 greenhouse gas (GHG) emissions. In parallel, Instructure has initiated a project to calculate its indirect Scope 3 carbon equivalent emissions based on the GHG Protocol.

Based on our materiality assessment, we have concluded that the several GRI environmental metrics are not material and so we have not included data or information on the following:

- Materials used by weight or volume
- Interactions with water as a shared resource
- Management of water discharge-related impacts
- Water withdrawal
- Water discharge
- Operational sites owned or leased adjacent to, protected areas and areas of high biodiversity value outside protected areas
- Significant impacts of activities, products and services on biodiversity
- Habitats protected or restored
- IUCN Red List and other species with habitats in areas affected by operations
- Emissions of ozone-depleting substances
- Nitrogen oxides, sulfur oxides, and other significant air emissions
- Management of significant waste-related impacts



# ANNEX

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## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This ESG Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts are “forward-looking statements,” including those relating to future events or our future operational or financial performance, including environmental goals and measurement of emissions. These statements are not guarantees of future performance and are subject to future events, risks and uncertainties, many of which are beyond our control, or currently unknown to us. Our assumptions may turn out to be inaccurate and cause actual events or results to differ materially from our expectation

or projections. We discuss many of these risks, uncertainties and other factors in our most recent Annual Report on Form 10-K in greater detail under the heading “Item 1A—Risk Factors,” and as may be described from time to time in future reports we file with the Securities and Exchange Commission. All forward-looking statements included in this ESG Report are based on information available to us on the date hereof, and we expressly disclaim any obligation to update any such forward-looking statements, except as required by law.

Goals, targets, intentions, ambitions, or expectations described in this ESG Report are aspirational and subject to change and are not guarantees or promises that all will be met. Similarly, there can be no assurance that our ESG policies as described in this report will continue; such policies could change, even materially. Further, the receipt of any awards by Instructure is no assurance that Instructure’s business objectives have been achieved or are successful.

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## DISCLAIMER

Certain information contained herein, including provided by AWS and Instructure’s Head Office’s landlord, has been obtained from third parties. We have not independently verified the data from these third-party sources in every instance and make no representation with regard to the verification of third-party data,

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# INSTRUCTURE

## ESG REPORT FY23

Please contact [\*\*info@instructure.com\*\*](mailto:info@instructure.com) to request additional information or to provide feedback.