Palantir Technologies Commits to Carbon-Neutrality by the End of 2021

Palantir Technologies is pleased to announce our commitment to achieve carbon neutrality across all emission scopes by the end of calendar year 2021. We recognize the severe threat posed to our civilization by unchecked climate change and the urgency of acting to limit the global temperature rise to 1.5° C. We commit to play our part by conducting our company operations in a sustainable way and through our support to our customers' efforts to adapt their own operations. We are working with the Science-Based Targets Initiative (SBTi) to make our commitment public, align with best-in-class standards for climate pledges, and help keep us on track as we work towards Net Zero.

Palantir Technologies pledges:

- We will seek to reduce or eliminate emissions across Scopes 1, 2, and 3.
- Where reducing or eliminating emissions is not possible today we will offset or remove any remaining emissions.[i]
- We will report updates, review our actions and publish our progress on an annual basis.

Though we must address our internal actions and direct impact, Palantir's Scope 1, 2, and 3 emissions are not massive on a global scale. As a result, we believe our greatest impact will come through our technology and its use by our customers; to help bring their emissions in line with a 1.5° C future or to themselves innovate new technologies critical to a truly Net Zero future. Already today, leading companies leverage our technology to understand and reduce carbon footprints in complex supply chains and to accelerate the transition to clean energy and e-mobility.

How we will do this

This year, Palantir has started continuous monitoring of our Scope 1, 2, and 3 emissions using our Foundry platform. We will aim to reduce or eliminate these emissions by changing internal company policies and business processes, making informed choices about our suppliers, and purchasing carbon offsets and/or carbon removals where emissions cannot be immediately eliminated.

Palantir is also partnering with some of the world's leading organizations to power renewable energy, improve grid resilience, accelerate roll-out of e-mobility (EV networks and air travel), and accelerate the transition away from fossil fuels.

Understanding Palantir's Carbon Footprint

To build a granular understanding of our carbon footprint we started by building a detailed picture of our products and operations. For many large institutions this is fundamentally a data integration problem preventing a full understanding of their environmental impact and the cost and effectiveness of any actions. By leveraging our software (Foundry) we applied fifteen-years of encoded learnings from

enabling data integration at the largest institutions in the world to solving this first step. This capability has come to be called the Foundry Carbon Module (FCM).

In just a few days we built an initial enterprise picture of our largest emissions sources including electricity usage, business travel, and compute power. We then mapped the most granular available emissions factors to operational parameters to model our carbon footprint within each category. In contrast to standard carbon calculators that are static top-level metrics, our emissions are automatically recomputed and re-aggregated as new operational data is ingested.

Our Operations

Our carbon footprint comprises several major categories[ii]:

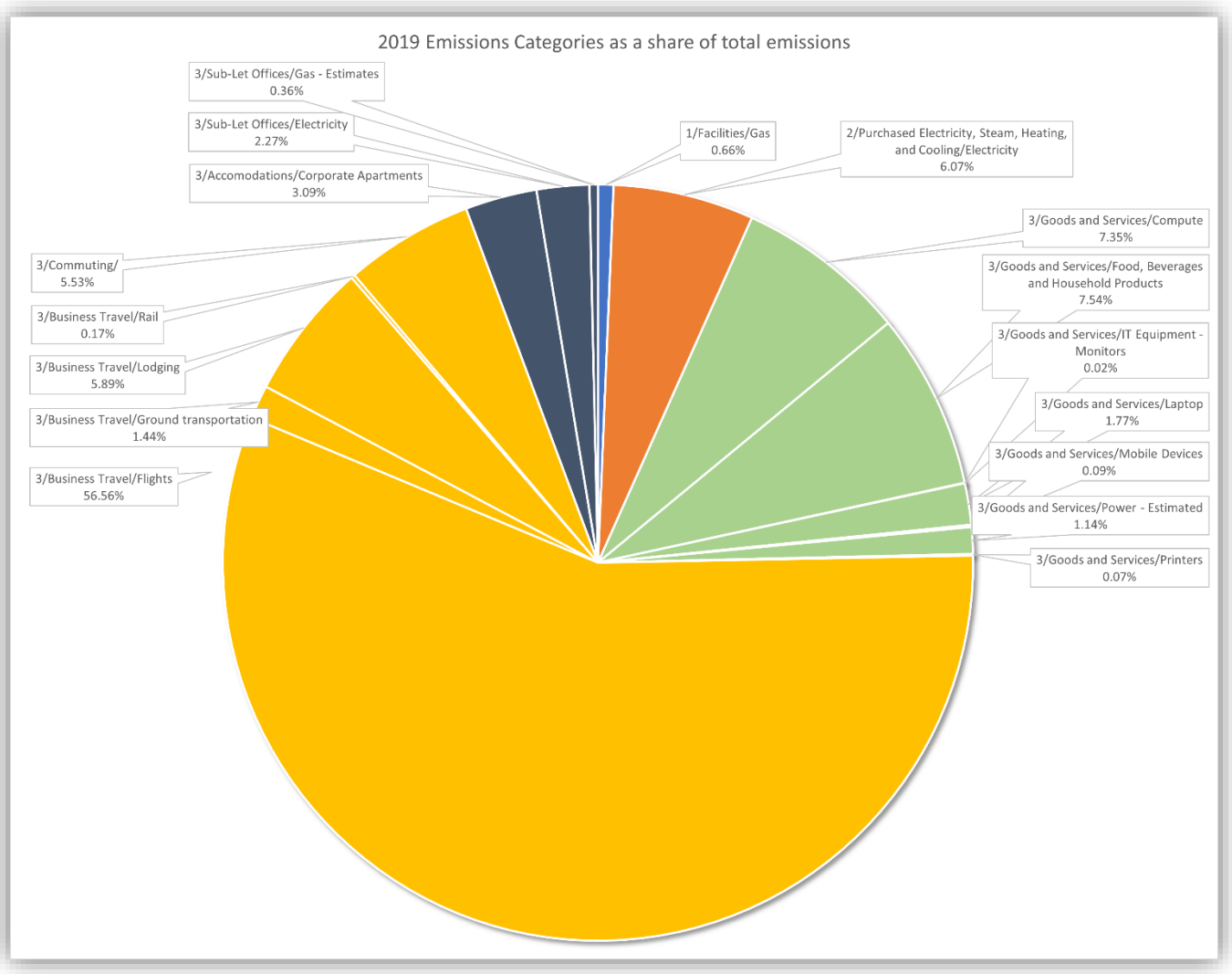

Figure 1: Palantir 2019 emissions distributed across scope and category as a share of total emissions. (Calculated using FCM)

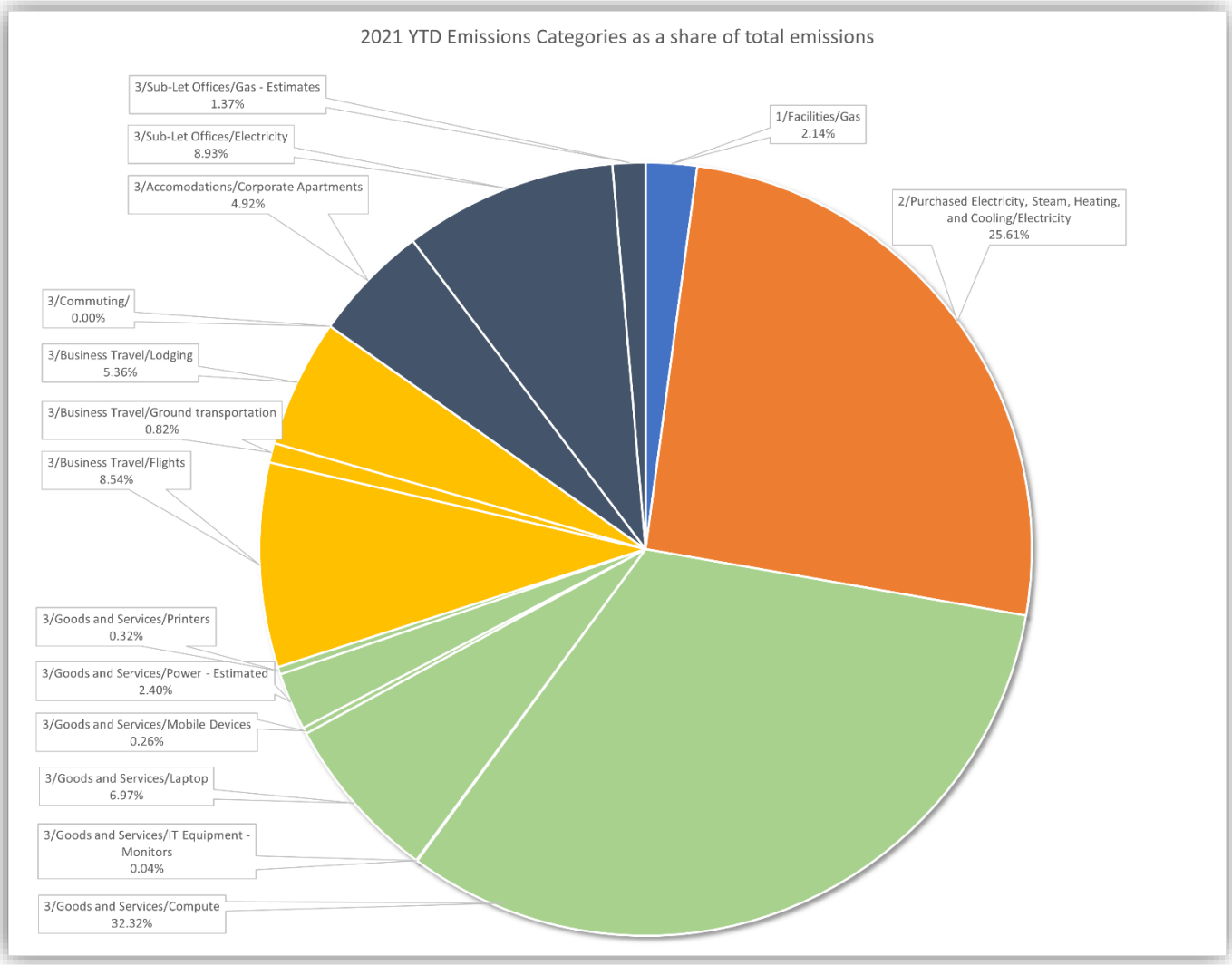

Figure 2: Palantir's YTD 2021 emissions distributed by scope and category. Notice the sharp drop in business travel as a relative share of overall emissions. (Calculated using FCM)

- **Business Travel (Scope 3) |** Travel has traditionally been our largest source of carbon impact. Business travel primarily includes customer outreach, attending conferences and symposia, and implementation of software at customer sites.
- **Computational Activity. (Scope 2 and 3) |** After travel, our company's computational activity is the next largest contributor within our footprint. Our software requires computing resources to process large amounts of data for our customers. This activity includes both our own internal use of our software as well as our customers' use of our products. Both our internal computing operations, and those of many of our customers, are hosted with major cloud computing providers around the world. Some Palantir customers host their Palantir instances using on-premise equipment located at their data centres using energy from a variety of sources depending on their local grid.

- **Real Estate (Scope 1, 2, 3) |** Palantir has over 20 offices around the world, of varying levels of energy efficiency and building provenance. The energy usage of these office is the third largest component of our carbon footprint.
- **Computers and other Technical Hardware. (Scope 3) |** As a software company, all our employees are equipped with laptops, and we purchase additional hardware for various purposes. The carbon footprint of these devices is the fourth largest category within our carbon footprint.

Reducing Our Impact

We are committed to eliminating as much of our carbon footprint as possible and to regularly reporting our progress. What we cannot eliminate in the near term, we will address through credible, high-quality carbon offsets or removal projects.

Below we have outlined some of the levers we have identified to reduce our most significant emissions sources.

Business travel:

- **Maximizing return from each trip |** We expect there will always be some travel associated with our business, but we do not expect to return to pre-2020 levels. Over the last two years, our business units developed and implemented guidelines to ensure we travel only where it is needed most.
- **Reducing carbon impact of each trip |** We are an inaugural participant in the EcoSkies Alliance from United Airlines, one of our largest commercial customers. EcoSkies member companies will together pre-purchase 3.4 million gallons of sustainable aviation fuel, which is enough to eliminate approximately 31,000 metric tons of greenhouse gas emissions, or enough to fly passengers over 220 million miles.

Computational Activity:

- **Efficiency and energy source for data centers |** Our software can run either on-premise in our customers' data centers or on cloud — for example on AWS, Microsoft Azure, and Google Cloud. Generally, cloud computing is significantly more efficient. We have prioritized working with those major cloud providers that have committed to powering their data centers exclusively with renewable energy by 2025 or 2030, including those who are already carbon neutral today.[iii] [iv] [v] [vi]
- **Compute efficiency of our software |** Over the past few years we have made engineering investments that improve the compute efficiency of our Foundry software platform and intend to continue

Real Estate:

- **Energy purchases from utilities |** In the next year, we intend to assess reduction actions through the purchasing of renewable power for our real estate through our utility providers. In some case our offices are located in cities such as Palo Alto, CA where all electricity and natural gas is carbon-neutral already.

Computer Equipment:

- While it is a small fraction of our overall emissions, we are exploring avenues to further maximize use of our computer equipment.

How do we plan to address the carbon we can't eliminate?

For that carbon that cannot be eliminated from our operations we intend to utilize credible offsetting and/or removal. We recognize there are growing critiques of both offsets (high range of quality) and investments in carbon removal (often future-looking vs. carbon removal today). We are committed to working with high-quality providers and are considering other SDG-related co-benefits such as the potential for near-term social impact of our purchases.

Verifying Our Work

While we are proud of the power of our software to accelerate the journey to Net Zero, we recognize the importance of transparency. To remain credible, climate commitments require public accountability and third-party verification. To that end, we are working with the Science-Based Targets Initiative (SBTi) to make our commitment public, align it with best-in-class standards for climate pledges, and help keep us on track as we work towards Net Zero.

Helping Our Customers Decarbonize

How are we helping our customers get to Net Zero?

Our Foundry Platform empowers large, complex organizations to understand and act on their environmental footprint by building a granular picture of their emissions across scopes and supply chains in a way that isn't possible with other carbon calculators. We call this capability the Foundry Carbon Module (FCM).

Foundry is a mature and widely deployed software solution addressing many challenges crucial to sustainability, including supply chain transparency, inventory optimization, cost of goods sold ("COGS") optimization, and disruption management. This deep integration into company operations greatly increases the ability to identify the most effective actions to reach both environmental and other operational goals.

FCM offers an out-of-the-box framework (following the GHG Protocol standards) for organizations to quickly convert operational data into modelled Scope 1, 2, and 3 emissions with minimal effort. FCM enables organizations to create and manage sustainability models leveraging both proprietary and open-source variables and logic and easily calculates comprehensive sustainability performance metrics.

For our internal analysis we connected to data sources including live compute data, daily travel data, and monthly utility bills. Each of these data inputs was then mapped to corresponding emissions models

and scopes using the FCM interface. The resulting emissions outputs automatically power downstream analyses, workflows and automated reporting for internal stakeholders.

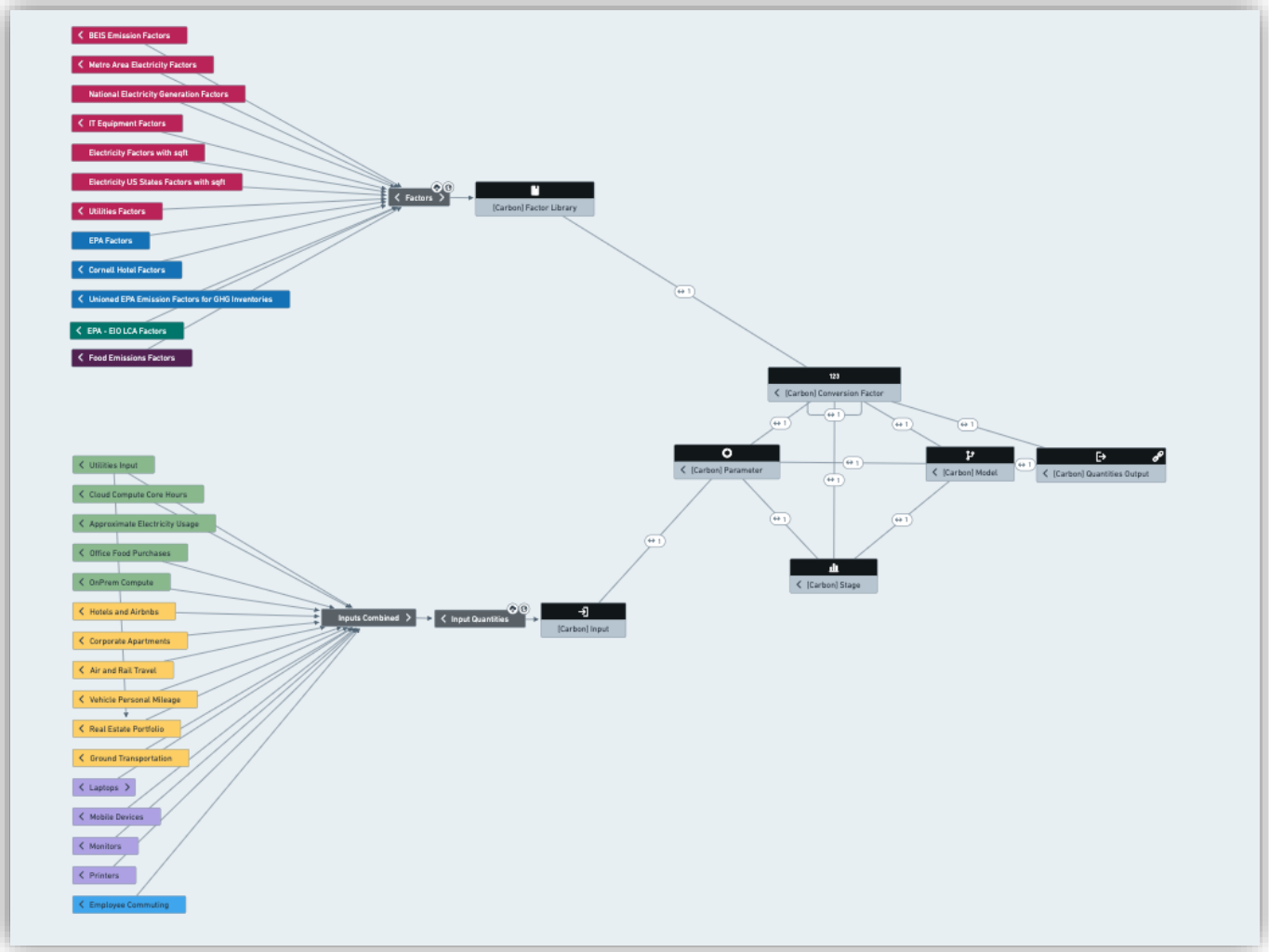

Figure 3: FCM using data provenance pipelines to combine many categories of data into a single emissions picture for Palantir.

Example Calculation – Scope 2 purchased electricity emissions for US offices:

To calculate our scope 2 purchased electricity emissions for US offices, we used the following methodology:

- Integrated the utility billing data from each office's utility company where available. Where data was not available (e.g. utilities paid by the building's landlord directly), we used industry averages for office energy consumption.
- Integrated relevant emissions factors, such as data from the EPA's GHG Emission Factors Hub, among other sources.[vii]
- Cleaned and standardized the necessary input data using Foundry's native capabilities

- Used FCM to build an emissions model by mapping all input activities, spend, and other metrics to appropriate emissions factors. As we developed the mappings, FCM calculated a set of default and user-configured metrics to present a comprehensive performance overview presented by scopes, categories, and emission types.

One of FCM's advantages is its ability to quickly adapt to any level of granularity in the data. Specifically, the FCM application allowed us to start by mapping input data to emissions factors for a region or country, then re-map appropriate subsets of the data to more granular emissions factors such as state or local level. As new data was integrated, FCM enabled us to easily manage a continuously changing picture, such as by incorporating more information from our suppliers on a continual basis, with minimal effort. For example, when calculating emissions for food and drinks provided in our offices, we started with an EIO-LCA approach to determine the aggregated emissions, and as we collected more granular emissions factor on specific items (e.g., bottled water, fruit), we were able to remap the input quantities of those specific items to the new factors to reach a more detailed calculation.

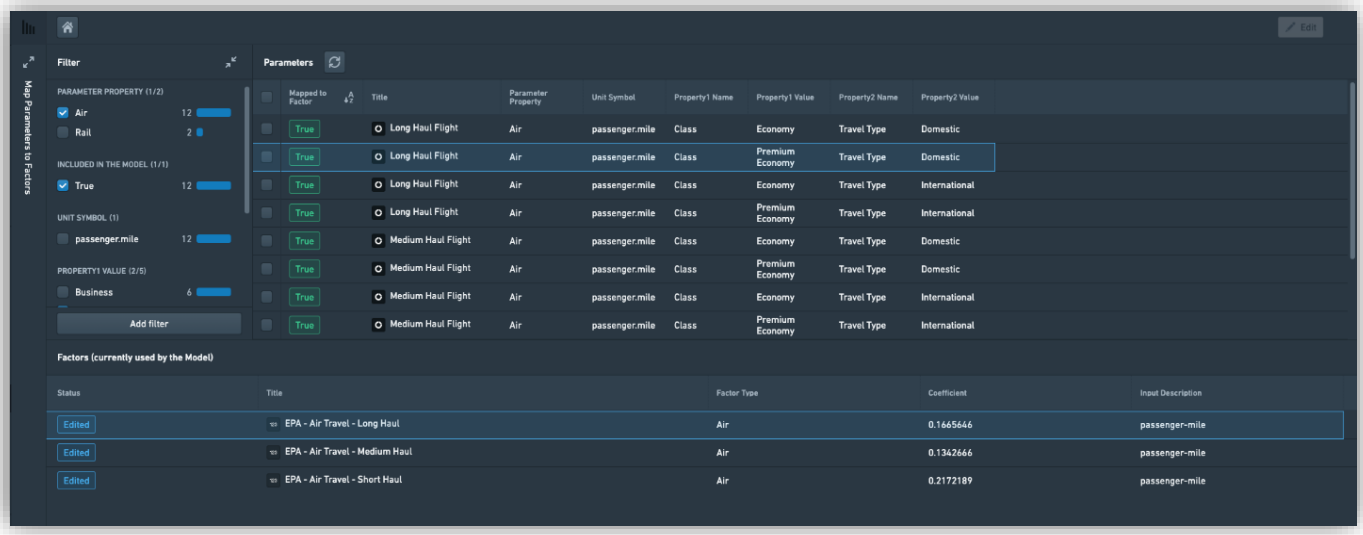

Figure 4: Palantir FCM being used to apply various emissions factor models to the categories of continuously integrated emissions data.

Data Privacy and Security

Access control limits (ACLs) and data privacy have been critical pillars of all our technology since our founding. In the case of carbon accounting, data inputs that contain personal information of employees, such as flights or hotel stays, are aggregated and/or pseudonymized protecting the confidentiality of personal information while still providing the summary details sufficient to calculate emissions.

Asher K. Sinensky, PhD
Head of ESG
October 7, 2021

[i] *There is not clear consensus on what constitutes 'net zero' for an individual company (as the terminology as defined by the IPCC was intended to define a state for entire world), as such we have chosen to be as transparent as possible when it comes to articulating our specific goals.*

[ii] *The following Scope 3 categories are not addressed in our analysis as they were not relevant to our business or industry:*

- *Capital Goods*
- *Downstream Transportation and Distribution*
- *Franchises*
- *End-of-Life Treatment of Sold Products*
- *Fuel- and energy-related emissions not included in scope 1 or scope 2*
- *Processing of Sold Products*
- *Waste Generated in Operations*

[iii] https://sustainability.aboutamazon.com/carbon_reduction_aws.pdf

[iv] https://blogs.microsoft.com/blog/2020/01/16/microsoft-will-be-carbon-negative-by-2030/

[v] https://cloud.google.com/sustainability

[vi] https://sustainability.aboutamazon.com/environment/sustainable-operations/carbon-footprint

[vii] *Open-source emissions factor data was integrated from the following sources:*

- *EPA Center for Corporate Climate Leadership, GHG Emission Factors Hub*
- *UK Government, Department for Business, Energy & Industrial Strategy*
- *Cornell Hotel Sustainability Benchmarking study*
- *Apple*
- *Microsoft*
- *Dell*
- *EIA's Commercial Buildings Energy Consumption Survey (CBECS)*
- *Poore & Nemecek research paper (Food Emission Factors)*