

# Environmental Social Governance Report 2022

**NETFLIX**

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## A letter from our co-CEOs

At Netflix, we aspire to entertain the world — and to do so sustainably and responsibly. You can read the full details of *how* in our fourth Environmental, Social and Corporate Governance (ESG) Report published today. But we wanted to highlight three areas upfront:

**First, the environment:** The next decade is critical if we're to manage climate change sustainably. It's why Netflix has committed to halving our emissions by 2030. We will do this by optimizing our energy use, then electrifying it and decarbonizing the rest.

**Second, inclusion:** Netflix is becoming more representative of the members we serve. We now have offices in over 25 countries. Almost half of our employees are women and, in the US, 50% are from historically excluded ethnic and/or racial backgrounds. We're also seeing increased representation on and off screen — with significantly more female directors and showrunners, and more people of color in leading roles.

**Third, governance:** Our business model is well proven and Netflix is a leader in streaming entertainment in terms of engagement, revenue and profit. So we're evolving to a more standard large-cap governance structure, including the phased declassification of our board, the elimination of supermajority voting provisions and changes to our executive compensation program from 2023 onwards.

Over the last 25 years, we've worked hard to create long term value for our stakeholders — in particular members, shareholders and the creative community. While we've made good progress, there's still more to do. For example, most of our carbon emissions come from our productions, which require a lot of power — often in remote locations — and are still heavily fossil fuel dependent. But we're investing in the technology innovations today that can optimize and electrify this energy use tomorrow.

We are excited about the great entertainment coming this year — from returning favorites like our Emmy award winning series *The Crown* and recently released hit action sequel *Extraction 2*, starring Chris Hemsworth, to must-watch new films and TV shows such as *Heart of Stone*, *Rebel Moon*, *Griselda* and *3 Body Problem*. Our north stars remain the variety and quality of our entertainment — and, as always, we welcome your feedback.



A handwritten signature of Ted Sarandos.

**Ted Sarandos**  
co-Chief Executive Officer  
and President of the  
Company and Director

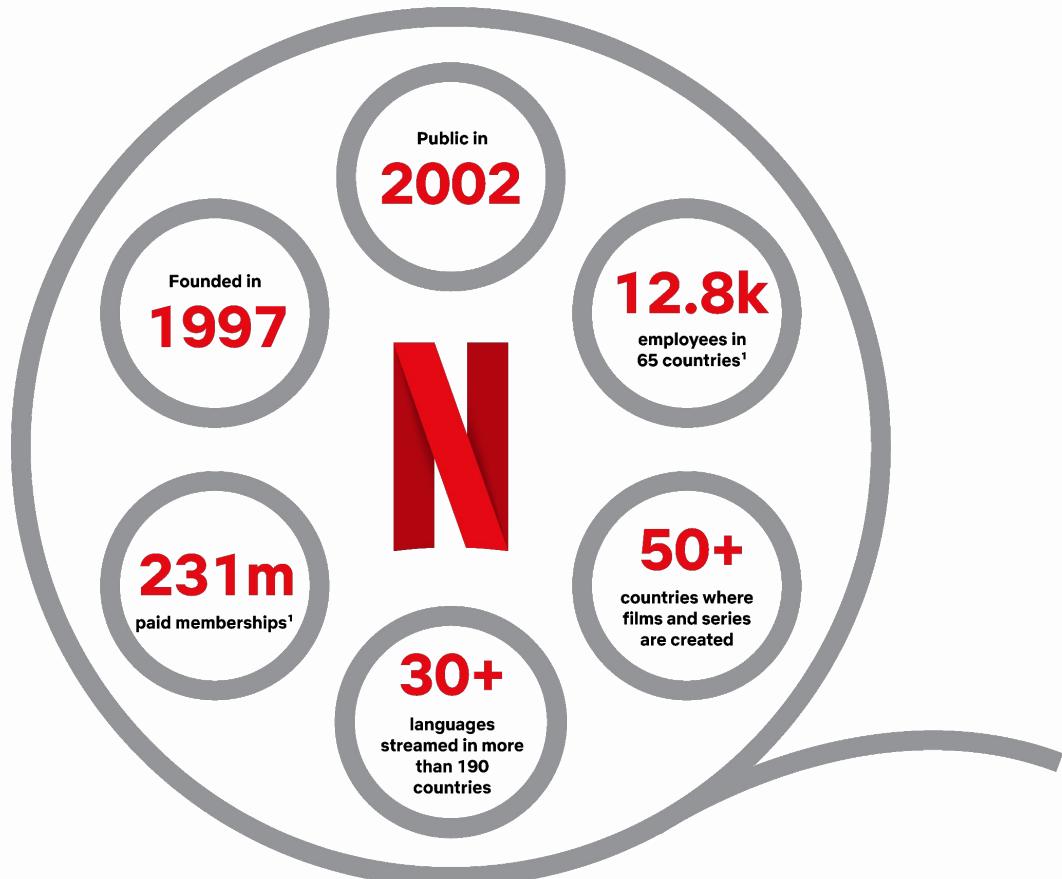


A handwritten signature of Greg Peters.

**Greg Peters**  
co-Chief Executive Officer  
and President of the  
Company and Director

## About Netflix

At Netflix, we aspire to entertain the world — so whatever your taste, and wherever you live, we'll have something great to watch or play, all in one subscription.



## Our Approach to ESG

Our Environmental, Social and Governance (ESG) framework is informed by relevant reporting frameworks — including Sustainability Accounting Standard Board (SASB), Global Reporting Initiative (GRI) and Task Force on Climate-Related Financial Disclosures (TCFD).

The Netflix Board of Directors oversees the Company's ESG efforts and receives regular updates from management in these areas. For this report, we focus on the following topics: Environment, Social and Governance.



### Environment

Sustainability Strategy  
Climate Risk  
Sustainability On and Off Screen



### Social

Inclusion and Diversity  
Supporting our People  
Responsible Products



### Governance

Corporate Governance  
Enterprise Risk Management  
Ethics and Compliance  
Intellectual Property Protection

## Our Progress

See below for a glimpse, or “highlights reel”, of our continued progress in 2022 on environmental, social and governance topics.<sup>2</sup>



## Environment

We are on track to meet our public sustainability commitments — including to: (1) halve our emissions by 2030 from a 2019 baseline; and (2) bring our remaining net emissions from 2022 onwards to zero.

- We upgraded our Scope 3 target to reduce these emissions **55%** per million USD of value added<sup>3</sup> by 2030.
- Starting in 2022, we've brought net Scope 1, 2 and 3 emissions to **zero** by investing in nature-based solutions that retain and capture carbon.

We continue to focus on decarbonizing film and series production. Over the course of 2022:

- We've used clean technologies on over **60%** of the productions Netflix manages directly; and
- We've committed to use at least one electric vehicle (EV) on screen in all of our directly managed productions, and our “Everybody In” partnership with GM will also help promote their use.

We support creators who choose to incorporate sustainability into their storytelling. 165 million households around the world — over **70% of our members** — have chosen to watch one or more stories highlighting climate and/or sustainability. And we spotlight these stories during moments like Earth Month.

<sup>2</sup> All data points are for the 2022 calendar year unless otherwise noted.

<sup>3</sup> “Value Added” is a term used by SBTi. For Netflix, this is synonymous with “Gross Profit,” derived from subtracting “Cost of Revenues” from “Total Revenue” for the business, per our public financial statements.

## Our Progress

See below for a glimpse, or “highlights reel”, of our continued progress in 2022 on environmental, social and governance topics.



## Social

As our third [Inclusion Report](#) showed:

- Women have the **highest gender representation** at Netflix; and
- Over **50%** of our US employees are from one or more historically excluded ethnic and/or racial backgrounds.

In April 2023, the USC Annenberg Inclusion Initiative published their [latest study](#) into representation behind and in front of the camera for Netflix's US films and series. It showed notable improvements for women and people from historically underrepresented racial and ethnic groups<sup>4</sup> between 2020 and 2021.

In addition, we continue to invest in the [Netflix Fund for Creative Equity](#), which helps increase opportunities within the entertainment industry.

Our employee giving program provides a 2:1 match on employee donations. In 2022, Netflix and our employees donated **\$34 million** to over 5,000 charities worldwide.

We have now added disclosures about product accessibility to our ESG Report given the importance of ensuring that all of our members — regardless of language, device, connectivity or ability — can enjoy our entertainment.

## Our Progress

See below for a glimpse, or “highlights reel”, of our continued progress in 2022 on environmental, social and governance topics.



## Governance

At our 2022 annual meeting, stockholders approved a board proposal to make **significant changes** to our corporate governance, including:

- A phased declassification of our board beginning in 2023. From 2025, our entire board will stand for annual elections;
- The elimination of supermajority voting provisions in our articles of incorporation and bylaws; and
- The ability for shareholders to call special meetings.

We've also adopted a majority voting standard in uncontested director elections and evolved our co-CEO compensation program for 2023. This includes: a CEO salary cap; performance-based annual cash bonus; and a minimum 50% of compensation allocated to stock options with one year vesting.

In the last year, Netflix executives have met shareholders representing around **51%** of our outstanding shares to solicit their feedback. Independent directors participated in a majority of these meetings.

# Environment

To entertain the world, we need a habitable planet to entertain. We're working to make our operations more sustainable, including behind the camera, and to support creators who want to highlight sustainability on screen.





# Sustainability Strategy

Key is decarbonizing our operations and value chain, which includes the making of our films and series. To help us meet this challenge, we created an advisory group, including scientists and other experts. This group is unpaid and entirely independent (full list available at [sustainability.netflix.com](https://sustainability.netflix.com)).



## Our Public Climate Targets

The science is clear — the next decade is critical if we are to manage climate change sustainably. In March of 2021, we set two near-term climate targets aligned with consensus climate science that can be measured in years, not decades:

- 01** Reduce our emissions by roughly **half by 2030**; and
- 02** Bring our remaining net emissions from **2022 onwards to zero**, in support of global net zero goals, by investing in nature-based solutions that retain and capture carbon.

When we first set our emissions targets, we aligned to the Science Based Targets Initiative (SBTi) standard for Scope 3 “supplier engagement” targets<sup>5</sup>. After working to improve our Scope 3 data, we submitted an upgraded quantitative “intensity” target<sup>6</sup> aligned to current SBTi standards for validation in 2022. The new target, which has now been approved by the SBTi, is to reduce Scope 3 emissions 55% per million USD of value added<sup>7</sup> by 2030.

<sup>5</sup> Netflix previously had a science-based target to engage 70% of suppliers to set their own science-based targets.

<sup>6</sup> Netflix’s Intensity Scope 3 target was approved by SBTi on Feb 27, 2023 (see “Companies Taking Action” on the [SBTi website](#)). Our validated Scope 1 and 2 target remains unchanged from 2021.

<sup>7</sup> “Value Added” is a term used by SBTi. For Netflix, this is synonymous with “Gross Profit,” derived from subtracting “Cost of Revenues” from “Total Revenue” for the business, per our public financial statements.



## Decarbonization Target

NETFLIX EMISSION REDUCTION ACTIONS				TARGET	TERMINOLOGY
<b>Scope 1 “Fuel”<sup>8</sup></b>	Energy Efficiency	Electric Vehicles	Clean Mobile Power	<b>46% by 2030 absolute reduction</b>	Our “Sphere of Control” <hr/> Absolute Reduction Goal
<b>Scope 2 “Electricity”<sup>9</sup></b>	Energy Efficiency	Renewable Energy	Supplier Incentives		
<b>Scope 3 “Value Chain”<sup>10</sup></b>	Demand Signaling	Technology Accelerators	Educational Offerings	<b>55% by 2030 Intensity reduction (million \$ value added)</b>	Our “Sphere of Influence” <hr/> Intensity Reduction Goal



## Alignment with ISO NetZero Guidelines

Our sustainability strategy is aligned with the ISO Net Zero Guidelines (IWA 42:2022) developed by the [International Organization for Standardization](#), which recently published a [testimonial about Netflix](#). These guidelines, which are designed to be universally applicable, were developed with input from over 1,200 [global experts from 100+ countries](#)<sup>11</sup>, and among other criteria, require:

- 01** **Emissions Reduction:** Taking immediate action to maintain the climate at 1.5 degree celsius — i.e., approximately halving global emissions by the end of the decade and achieving global net zero by 2050 at the latest.
- 02** **Counterbalancing Residual Emissions:** Investing in nature-based solutions that retain and capture carbon<sup>12</sup> from the atmosphere, proportional to a company's "residual" emissions<sup>13</sup>. Learn more about how we are aligned in our carbon credit investments [here](#).
- 03** **Wider Impact:** Engage value chain stakeholders, collaborate and share knowledge, and participate in relevant advocacy on behalf of bringing global emissions to zero and promoting a just transition. Learn more about how we are aligned on the broader societal impact [here](#).



*Netflix's Sustainability Strategy is music to our ears. We are delighted to see Netflix apply the same positive disruption to sustainability that they've applied to their business, upping the ambition for achieving near-term net zero targets and harnessing the power of storytelling to educate and entertain citizens.*

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**Christiana Figueres,  
Diplomat and Architect of the U.N. Paris Agreement**

The Carbon Trust, a respected think tank, found these ISO Net Zero Guidelines to be the [most comprehensively aligned](#) to the goals of [COP27](#).

<sup>11</sup> Including participants from the Greenhouse Gas Protocol, SBTi, UN Framework Convention on Climate Change, and UN Race to Zero teams.

<sup>12</sup> We are working with ISO to ensure understanding this element of their guidelines because of the limited volume of high quality carbon removal credits available today, and the [IPCC's latest report](#) shows that the mitigation options with the greatest potential global contribution to net emission reduction by 2030 are "avoidance" projects.

<sup>13</sup> The ISO Net Zero Guidelines define residual emissions as: Emissions that remain on an annual basis after all efforts to reduce along a 1.5 °C pathway within value-chain or boundary emissions have been implemented.



# Sustainability in Our Operations and Value Chain

## Climate Transition Plan

To meet these objectives we are focused on **four key levers**:



**Energy Efficiency:** Identifying cost-effective efficiency improvements for energy used in our offices and studios;



**Vehicle Electrification:** Transitioning from vehicles that use fossil fuels to fully electric and/or hydrogen powered alternatives;



**Clean Mobile Power:** Using alternatives to diesel generators on productions; and



**Renewable Energy:** Using renewable electricity and fuels.

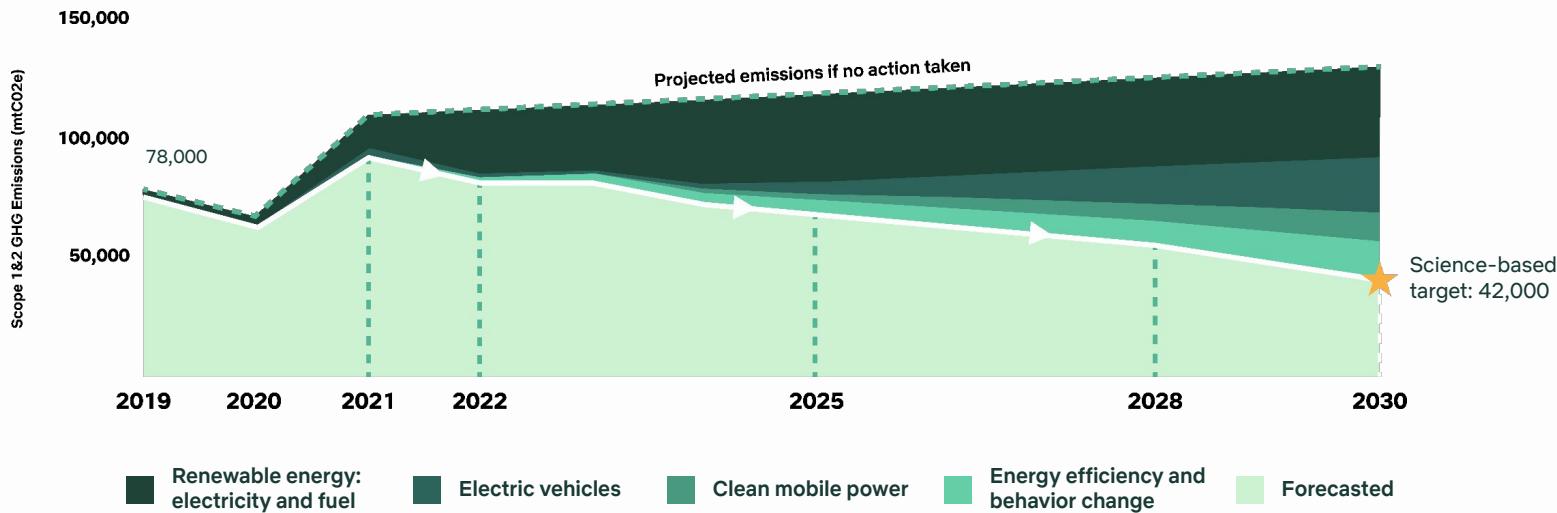
We approach these four levers using an OED framework — i.e., first optimizing energy use, then electrifying it and decarbonizing the rest.

- **Optimize (O):** We are conducting energy efficiency audits, including for our stages, studios and offices, so we can optimize vehicle fleet operations, right-size vehicles and mobile power and give preference to more efficient equipment.
- **Electrify (E):** We are working to electrify the equipment that uses the most fuel, like vehicles, buildings and generators. Where available, we use electric motors, which are more efficient and because electricity is more easily decarbonized. We've successfully piloted the use of mobile batteries and hydrogen-battery powered generators in lieu of fossil-fuel powered generators in our productions. And we are also replacing fossil-fuel vehicles with electric, plug-in hybrid and hybrid vehicles.
- **Decarbonize (D):** When optimization and electrification aren't possible, we decarbonize the remaining emissions by installing and purchasing renewable energy. This means matching renewable electricity to any grid-connected power that isn't carbon-free and shifting to lower-carbon or zero-carbon fuel options when that isn't possible. Last year, we procured renewable electricity to match our global electricity demand and we're exploring more direct investments.



Maximizing the solutions available today, while accelerating the market for tomorrow's solutions, is also imperative. While energy efficiency and renewable energy solutions are cost-effective and can be deployed at scale now, clean mobile power and EVs are more nascent technologies. As a result they will deliver most of their respective emissions reductions for Netflix in the latter half

of this decade. Refer to the Energy Efficiency, Renewable Energy and Clean Mobile Power sections below. Each year, we continually develop and further refine our 2030 Science-Based Target transition strategy. The following chart illustrates our current planned path to our Scope 1 and 2 target, and the decarbonization levers that will get us there.





## Our Carbon Footprint

We measured our 2022 greenhouse gas emissions (i.e., carbon footprint) using the Greenhouse Gas Protocol<sup>14</sup>. This helps us understand our largest sources of emissions and the biggest opportunities we have to reduce them. Our independent accountants, Ernst & Young (EY), reviewed our 2022 Scope 1, 2 and 3 greenhouse gas emissions (location- and market-based). Their report and assurance letter is [here](#).



Our footprint, reductions and related data are represented in four separate tables throughout the environment section of this report:

- 01** Greenhouse Gas Inventory including our corporate greenhouse gas data from 2019 through 2022.
- 02** 2022 Emission Reductions Summary Table shows our quantified reductions from the range of measures we have put in place to track progress towards our science-based target.
- 03** 2022 Carbon Credit Portfolio shows the carbon credits we purchased and retired for 2022.
- 04** 2022 Electricity Consumption Summary shows our electricity consumption and renewable electricity.



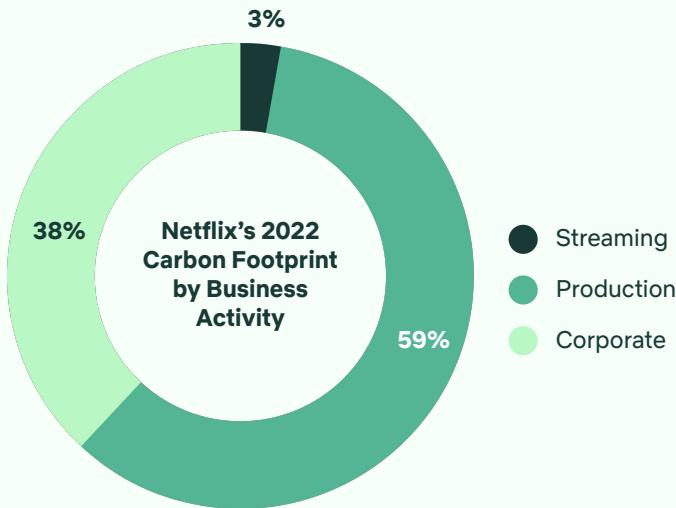
## GREENHOUSE GAS INVENTORY

	2019 MTCO2e	2020 MTCO2e	2021 MTCO2e	2022 MTCO2e	BIOGENIC EMISSIONS
<b>SCOPE 1</b>	51,487	30,883	62,815	59,388	_____
<b>SCOPE 2 (market-based)</b>	565	141	0	0	<b>Renewable Fuels</b> (e.g., renewable diesel, sustainable aviation fuel)
<b>SCOPE 2 (location-based)</b>	26,594	28,585	42,291	41,411	<b>2019 MTCO2e:</b> 0
<b>SCOPE 2 (target-based)</b>	26,317	29,356	31,937	23,622	<b>2020 MTCO2e:</b> 0
<b>SCOPE 1+2 (market-based)</b>	52,052	31,024	62,815	59,388	<b>2021 MTCO2e:</b> 1,007
<b>SCOPE 1+2 (target-based)</b>	77,804	60,239	94,752	83,010	<b>2022 MTCO2e:</b> 2,033
<b>SCOPE 3 (market-based)</b>	1,192,659	1,020,541	1,466,497	1,086,833	
<b>TOTAL (market-based)</b>	1,244,711	1,051,564	1,529,312	1,146,221	
<b>CARBON CREDITS</b>	(35,506)	(54,107)	(1,529,312)	(1,146,221)	



## CARBON FOOTPRINT COMPONENTS

Over half of our emissions (all scopes) are related to the production and licensing of films, series and games (“production”). The second largest source of emissions is in our corporate operations (“corporate”), followed by our data center providers (“streaming”).



## Emissions Reductions

### TRACKING PROGRESS AGAINST OUR 2030 SCIENCE-BASED TARGET

We track progress against our Scope 1 and 2 emissions target using target-based emissions figures noted in the carbon footprint table above. Target-based emissions only account for emissions reductions resulting from specific decarbonization actions and those related to direct renewable energy supply (e.g., onsite generation, utility and landlord supply, power purchase agreements or direct investments), but not for emissions reductions resulting from our annual purchase of renewable energy certificates (or environmental attribute certificates).

- 2022 Scope 1 and 2 emissions are **12% lower<sup>15</sup>** year-over-year, though they remain slightly higher than our 2019 baseline year due to growth in the business.
- The combined impact of our emissions reductions initiatives across our four priority levers in 2022 resulted in a **30% lower** Scope 1 and 2 footprint value than would have otherwise been reported.
- The vast majority of our emission reductions still come from renewable energy and renewable fuels. Transitioning from diesel to electric will take time to scale to a level that will have a measurable impact on emissions reductions.

<sup>15</sup> In addition to emissions reductions from our decarbonization efforts, external factors also influence the calculated emissions total, including data improvements (e.g., improved data quality, updated emissions factors) and changes in core business activities from year to year (e.g., number of self-managed vs. partner-managed productions which can shift the emissions representation between Scopes).



## 2022 SCOPE 1 AND 2 EMISSIONS REDUCTIONS TABLE<sup>16</sup>

Emission Reduction Levers		Emissions Reduced and Avoided (MT CO2e)	
Action	Sub-Lever	2021	2022
 <b>Energy Efficiency</b>	Equipment & Controls Improvements	0	162
	Right-Sizing Diesel Generators	0	51
 <b>Renewable Energy (electricity and fuel)</b>	Utility-Supplied Renewable Energy	3,869	9,452
	Landlord-Supplied Renewable Energy	3,612	5,705
	Streaming Partners Renewable Energy	5,702	6,764
	Sustainable Aviation Fuel	174	295
	Renewable Diesel	717	1,738
 <b>Electric (and other low-carbon) Vehicles</b>	Electric Vehicles	10	75
	Plug-in Hybrid	7	52
	Hybrid Vehicles	12	31
 <b>Clean Mobile Power</b>	Hybrid Systems	0	4
	Grid Tie-In	0	967
	Batteries	85	127
	Hydrogen Systems	22	81
<b>Total</b>		<b>14,210</b>	<b>25,504</b>



## Reducing Emissions in the Workplace

### ENERGY EFFICIENCY

In 2022, we completed energy efficiency audits at our major facilities across North America. Except for Albuquerque Studios in New Mexico and the Egyptian Theater in Los Angeles, Netflix does not own the facilities in which we operate. This makes the immediate implementation of the audit recommendations more challenging. So we engaged with our landlords in the US and have begun to implement projects within our control at several of our offices and studios including: window replacements, temperature setbacks, lighting improvements and controls, heat pump installs, plug load controls, daylight sensor installs and equipment upgrades. We will replicate this approach across priority facilities in EMEA in 2023.

### RENEWABLE ENERGY (ELECTRICITY AND FUELS)

In 2022, as in previous years, we have matched our global operations with **100% renewable electricity**, covering all electricity consumption in our offices and for productions we directly manage. This was achieved through a range of approaches that include utility-supplied clean electricity, landlord-supplied clean electricity, and renewable energy certificates (RECs).

**2022 Electricity Consumption Summary Table**

SCOPE	METRIC	2020	2021	2022
<b>Hardware Infrastructure Electricity</b>	Electricity consumed (MWh)	26,196	33,407	36,110
	Percentage grid electricity	100%	100%	100%
	Percentage renewable	100%	100%	100%
<b>Remaining Electricity</b>	Electricity consumed (MWh)	68,089	123,148	120,857
	Percentage grid electricity	100%	100%	100%
	Percentage renewable	100%	100%	100%
<b>Total Electricity</b>	Total electricity consumed (MWh)	94,285	156,555	156,967

We recognize that not all renewable energy supply is the same in terms of its positive impact. So we're working to increase the proportion of onsite generation, utility and landlord-supplied clean electricity and direct sourcing from offsite projects.



## POWERTRUST PARTNERSHIP

This year we partnered with Powertrust to bring high-impact distributed renewable energy projects to rural areas of India for the first time. This work is funded through distributed renewable energy certificates (D-RECs), a market instrument aligned to the International REC (I-REC) standard. These investments bring renewable energy to regions where it is needed most, thereby delivering maximal social and environmental benefits. Many of the projects we have invested in are bringing electricity to communities, and enabling others to rely less on small-scale fossil fuel generators.

**Below are some of the highlights of our partnership with Powertrust in 2022:**



**Mon, Nagaland:** This project has connected three villages in the state of Nagaland to solar mini-grids. These villages are the first demonstration sites of a larger plan to connect 40 villages across the province over the next three years.

**Dr. Shroff's Charity Eye Hospital, Uttar Pradesh:** This organization operates multiple centers for high-quality, low-cost eye care serving the rural poor and low-income communities across India. The combined network sees more than 250,000 patients and performs nearly 30,000 surgeries every year. This branch in Uttar Pradesh experienced daily power cuts lasting multiple hours, and relied on diesel generators to provide backup power. Now, a photovoltaic system reduces diesel consumption by up to 70%.

**Vellore Institute of Technology, Andhra Pradesh:** The institute is a higher educational facility in Andhra Pradesh. A 700kWp rooftop system now spreads across several buildings on the institute's campus, including several student accommodation and service buildings.

**Solar Irrigation Pumps, Uttar Pradesh:** “Irrigation-as-a-Service” enables farmers to transition from diesel-based pumping to solar irrigation. The tariffs are set to be 20-40% cheaper than the running cost of diesel groundwater pumping (including fuel, maintenance, and rental), and users only pay for the volume of water consumed for irrigation.



## Reducing Emissions in the Workplace (continued)

### RENEWABLE FUELS

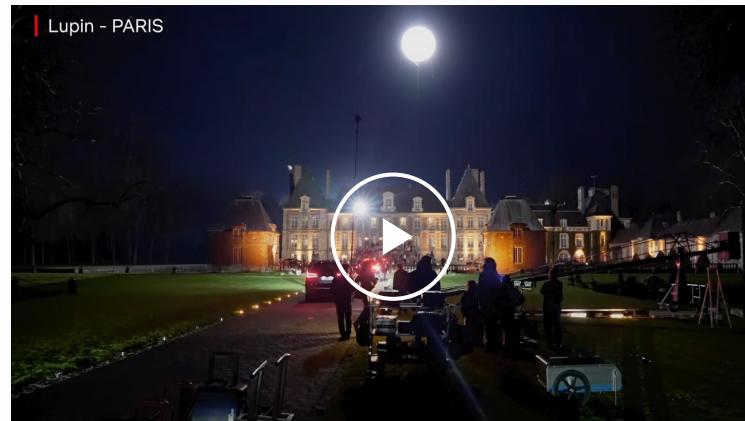
We strive to implement zero-emissions solutions where we can. But we can also achieve meaningful reductions in the near-term through the adoption of renewable fuels that have significantly

lower emissions than conventional fuels such as diesel and Jet-A. In select markets, we fueled both production vehicles and mobile generators with over **185,000 gallons of renewable diesel**, an important bridge fuel as we work towards longer-term decarbonization of these activities. Similarly, we have secured over **100,000 gallons of Sustainable Aviation Fuel** (a Jet-A fuel replacement blended fuel with lower emissions) to help fuel Netflix aircraft.

## Reducing Emissions in Productions

Production-related emissions account for 60% of our overall footprint, so we are focusing our efforts on: (1) using clean mobile power equipment versus diesel generators; and (2) using EVs and other low emissions vehicles. Over the course of 2022 we implemented these clean technologies on over 60% of the productions Netflix manages.

We employ sustainability experts who regularly visit production sites to identify opportunities to reduce emissions and we maintain a production resources website that contains tools and resources to introduce our productions to the latest clean technologies. This video showcases some of these technologies operating on multiple Netflix sets and partner locations, together with testimonials from crew and producers about their experience:





## CLEAN MOBILE POWER

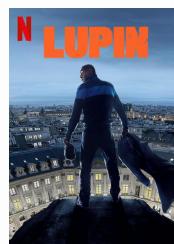
Using diesel generators has been an entertainment industry standard for a long time and effective cleaner alternatives have not been available at scale. Cleantech solutions are starting to emerge and they can replace some generators, or at least reduce the number of hours they need to run each day — saving fuel and reducing air and noise pollution on set.

In the past year, over **50% of the productions Netflix manages incorporated clean mobile power solutions** including grid tie-ins, mobile batteries, battery-hybrid generators, and hydrogen power units, resulting in fuel reductions that lowered emissions by **1,179 MTCO<sub>2</sub>e**. This included the deployment of over 100 pieces of clean mobile power equipment and battery-hybrid generators deployed for the first time. Netflix also expanded the geographic reach of these solutions, deploying solutions in and around Atlanta, Austin, Dublin, Lisbon, London, Los Angeles, New York, Paris, Toronto and Vancouver. Here are a few examples of clean mobile power in our 2022 productions.

## Clean Mobile Power Spotlights:



**Batteries:** *Virgin River* Season 5 built on their experience from Season 4 to expand their use of batteries to power set and ancillary power needs, reducing the season's diesel generator fuel use by 44%. *The Union*, filmed around London, leveraged batteries to power the set and lighting, resulting in generators only being needed for 5% of filming hours, saving over 1,800 gallons of fuel.



**Hydrogen Power Units (HPUs):** Hydrogen Power Units using green hydrogen were deployed on UK productions that required supplemental power at studios or long term locations. For the filming of *Damsel*, two large hydrogen power units were used to provide supplemental power at a studio, replacing diesel generators, saving over 4,200 gallons of fuel and reducing emissions by 44 MTCO<sub>2</sub>e. *The Diplomat* Season 1 employed equipment to bring clean power to a rural location in the English countryside. We partnered with a local production equipment supplier to conduct the first mobile hydrogen pilot in France on *Lupin* Part 3, while filming on location outside of Paris.



**Hybrid Generators:** *Bodkin* Season 1 was the first ever production in Ireland to use a hybrid generator and to use renewable diesel. We also piloted hybrid generators for the production of the films *Irish Wish*, *Unfrosted* and *Rebel Moon*, the latter using a hybrid generator plus solar technology to provide remote power to construction crews and wardrobe trailers.



## VEHICLE ELECTRIFICATION

Film and series productions take thousands of vehicles that until recently have been universally fossil-fuel powered. In the past year, over **30% of the productions Netflix manages incorporated electric, plug-in hybrid, and hybrid vehicles**, totaling more than 120 vehicles piloted in 2022 (a 3X increase in vehicles from 2021), resulting in fuel reductions that lowered emissions by 158 MTCO<sub>2</sub>e (a 5X increase in reductions from 2021). These vehicles were deployed on productions in Los Angeles, London, New York, Toronto and Vancouver.

From our pilots, we have learned that EV passenger vehicles can save productions money and fuel when provided to crew that have high daily mileage, and that plug-in hybrids and regular hybrids are good transition vehicles that reduce emissions without range anxiety. As we prepare to pilot larger vehicles, including electric trucks, we know that charging infrastructure, including mobile charging, is key to the successful integration of EVs into production operations. Therefore we have begun to build out charging infrastructure at studios where we frequently produce series and films. We are installing faster level 2 stations (dispensing 16-19 kW vs the standard 6-7 kW) and have purchased DC fast chargers that will be installed in Los Angeles and at our owned studio in Albuquerque in 2023.





## INDUSTRY COLLABORATION

The film and television industry is over a century old and has been traditionally powered by fossil fuels. While we have set Netflix-specific climate targets, we can't transition entertainment to a cleaner, low carbon industry alone. This is why we partner with other studios to ensure progress made by one benefits everyone — and because we believe collective actions will yield positive outcomes, faster. We do this through:

We also actively partner with other key business and non profit consortia to: (1) further our understanding of climate representation on screen, including through [BAFTA's Albert](#), [SPA](#) and the Climate Entertainment Stakeholders Roll Call, a group organized by the [Television Academy](#), [Academy of Motion Picture Arts & Sciences](#), [Creative Artists Agency](#), and [PGA](#) to connect the companies and organizations working in climate entertainment; and (2) advocate for more sustainable policy solutions, including [CERES](#), [C2ES](#), the [Business Roundtable](#) and [Motion Picture Association](#).

01

### Sustainable production industry groups:

Netflix is a member of several industry groups globally (e.g., [Sustainable Production Alliance \(global\)](#), [BAFTA's Albert](#) (UK and global), Reel Green/On Tourne Vert/Ontario Green Screen (Canada), Green Motion (Germany), Sustainable Screens Australia, etc.) to help bring transparency (e.g., [Close Up: Carbon Emissions of Film & Television Production](#)) and public advocacy for sector transformation (e.g., [hydrogen hub](#)).

02

### Clean Mobile Power Initiative:

By co-founding the [Clean Mobile Power Initiative \(CMPI\)](#) with support from non-profit Rocky Mountain Institute and its climate accelerator, we aim to identify and deliver cost-competitive zero emissions mobile power at scale for the entertainment industry. The long term goal is to eliminate diesel generators in top production markets.

03

### Sustainable Aviation Buyers Alliance:

Making a film or series requires air travel. To accelerate progress towards lowering the greenhouse gas emissions associated with burning jet fuel, Netflix co-founded the [Sustainable Aviation Buyers Alliance \(SABA\)](#). SABA sends market signals to producers of Sustainable Aviation Fuel (SAF) to grow supply, facilitates coordinated procurement activity, and ensures the environmental integrity of their claims.



## Sustainability Across the Value Chain

### SCOPE 3 EMISSIONS

Purchased goods & services<sup>17</sup> (PG&S) emissions, i.e., goods and services we buy from others, made up the majority of our 2022 Scope 3 footprint, primarily related to film and series production. The next biggest Scope 3 Category in 2022 was business travel emissions<sup>18</sup>, which includes air travel, hotel stays and travel-related transportation, and accounts for <10% of our total Scope 3 emissions. Compared to last year, **our overall Scope 3 emissions decreased by about 25%**. These emissions reductions can be attributed in part to a smaller volume of productions in 2022 compared to 2021, which experienced a jump as COVID shutdowns eased. The reductions were also driven by significant renewable energy consumption and procurement by AWS (refer to [Data Centers and Content Distribution Network](#)), and (to some degree) by EPA emissions factor changes<sup>19</sup>.

Since a big part of these emissions are driven by the productions that other studios make on our behalf, as noted above, we partner closely with our peers and industry partners to engage our suppliers and shift the entertainment industry towards a more sustainable filmmaking approach. As we begin to track against our new Scope 3 targets, we will share our progress along the way.



*This is what industry leadership looks like. Netflix is raising the bar by aligning operations with science, pioneering approaches to protect nature, and sending new demand signals to suppliers that sustainability is a measurable priority. Not only do we see progress against ambitious near-term goals, Netflix is also leveraging their platform for positive change. It's clear that Netflix is taking climate action seriously.*

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**Elizabeth Sturcken,  
Managing Director, Environmental Defense Fund**

<sup>17</sup> Scope 3 Category 1, per the Greenhouse Gas Protocol

<sup>18</sup> Scope 3 Category 6, per the Greenhouse Gas Protocol

<sup>19</sup> Dataset and description of changes. Updates to these Scope 3 emissions factors reflect ongoing improvements by the EPA, to use updated methodologies and data where possible. Netflix tracks materiality of any methodological updates to the footprint, and follows established guidelines for re-baselining as needed.



## DATA CENTERS AND CONTENT DISTRIBUTION NETWORK (CDN)



Carbon Trust's [white paper](#) on the Carbon Impacts of Video Streaming determined that the use-phase emissions associated with data center and CDN operations are small (<1%) compared to the rest of the video streaming value chain.

Netflix partners with Amazon Web Services (AWS) for our data storage and cloud computation needs. AWS has a goal of using 100% renewable energy by 2025. In 2022, AWS reported via their [customer carbon footprint tool](#) that our carbon footprint was reduced by approximately **98%** compared to last year. This is due to AWS's renewable energy usage and purchasing, and energy efficiency initiatives.

This trend is consistent with research findings, which show that the energy intensity of global data centers has decreased by 20% annually since 2010. This is a notable improvement compared with recent annual efficiency gains in other major demand sectors (e.g., aviation and industry), which are an order of magnitude lower<sup>20</sup>.

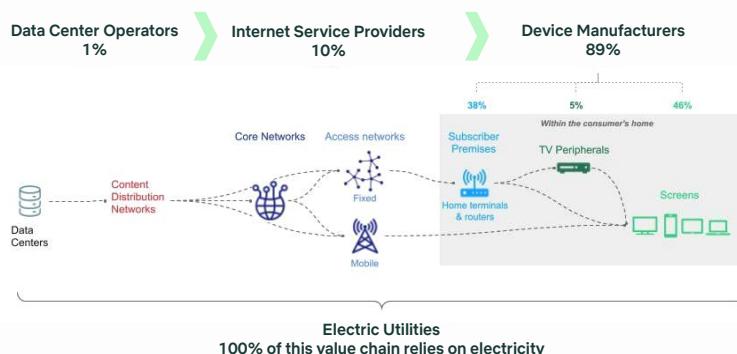
When it comes to distributing our content to our members, Netflix invests heavily in making this process as efficient as possible with our [Open Connect](#) program. We make 18,000 servers available for free to Internet Service Providers who operate them in their data centers across 6,000 locations in over 175 countries<sup>21</sup>. So when our members press play, instead of the film or series being streamed from halfway around the world, it's streamed from around the corner — increasing efficiency for operators while also ensuring a high-quality, no-lag experience for consumers. On top of that, we've developed encoding technology to reduce file sizes and optimize bandwidth use while maintaining high video quality for consumers. Over the past five years, we have been able to cut our bit rates by roughly **50%**. This is in addition to the significant efficiency gains the telecom industry has achieved within their own networks<sup>21</sup>.

We are encouraged by the strong energy efficiency and renewable energy usage trends of both AWS and our own Open Connect program, and are committed to continually decarbonizing these processes over time. Refer to our recent blog post [Energy Efficiency in Streaming: Innovation Reaping Rewards](#) to learn more.



## INTERNET TRANSMISSION AND USER DEVICE ENERGY USE

Because internet infrastructure (including data centers) are so widely shared by so many consumers across so many services, the energy consumption of this infrastructure for individual video streams is relatively efficient (i.e., ~10% of total use-phase streaming emissions). By contrast, the physical devices used by our members (wifi routers, streaming sticks, set top boxes, and displays) drive the most energy consumption and emissions (~89%). Even so, the total carbon footprint of streaming one hour of video is approximately **55 gCO<sub>2</sub>e** (grams of carbon dioxide equivalents). This equates roughly<sup>22</sup> to the emissions associated with microwaving four bags of popcorn, or three boils in an electric kettle<sup>23</sup>.



Based on globally accepted greenhouse gas accounting standards<sup>24</sup>, internet- and device-related emissions fall outside of the formal carbon footprint boundary for Netflix. Even so, we still think it is important for us to contribute to industry-wide decarbonization efforts.

Through our participation in DIMPACT, we collaborate with Internet Service Providers (ISPs), device manufacturers, and academic and industry experts to stay up-to-date on the latest research about digital service emissions and contribute to cross-sector policy suggestions that will help decarbonize video streaming globally. We've summarized the main takeaways here.

Additionally, we are part of the DIMPACT Device Manufacturers working group, where we support research related to device energy efficiency. We are also encouraged by work with the Carbon Trust, in collaboration with companies like Amazon, Meta, Microsoft, Samsung and Sky, to tackle the emissions of connected devices.

<sup>22</sup> Based on UK emissions factors, because these comparisons vary by country depending on the carbon intensity of the user's national grid.

<sup>23</sup> The True Climate Impact of Streaming

<sup>24</sup> Per the Greenhouse Gas Protocol and also validated by our auditors, indirect use-phase emissions are optional to include. The Science Based Target Initiative (SBTi) also specifies that internet- and device-related emissions are indirect use phase emissions for software and telecommunication services, therefore optional to include in our footprint and target (Target Validation Protocol for Near-term Targets, Version 3.1, pg. 51).



# Netting Remaining Emissions to Zero

To supplement our decarbonization work, we delivered on our promise to **net all remaining emissions to zero**, across all three scopes, in 2022. We did this by investing in nature to retain and remove carbon (nature-based carbon credits) and match remaining electricity use to like-for-like renewable energy credits.

## Nature-Based Carbon Credits

We align with the latest guidance from nine research, NGO and multilateral government institutions who conclude that, “in addition to cutting greenhouse gas emissions in company operations and across value chains, to help get the world on track for halving global emissions by 2030, all companies need to invest in protecting, managing and restoring nature, for example by buying high-quality nature-based carbon credits.” Relative to our work to decarbonize, purchasing carbon credits comes only after we have made efforts to reduce emissions at the speed prescribed

by climate science. But per the science (Intergovernmental Panel on Climate Change<sup>25</sup>, Nature), this needs to be done in parallel and cannot come later<sup>26</sup>.



Short film by the makers of *Our Great National Parks* on how carbon credits work, illustrated using Netflix's contribution to a Kenyan forest conservation project next to Tsavo National Park (episode 3)

Our 2022 carbon credit portfolio spans **four continents, six countries, and 25+ on-the-ground partners**, with 100% third-party certification for carbon measurement. Netflix does extensive due diligence before including a project in our portfolio, using a rigorous five step evaluation process to select the highest quality credits, all of which need to demonstrate their value beyond the carbon, including social impact, community and biodiversity benefits. We review transparency and integrity work from groups like VCMI and ICV-CM, and stay abreast of methodologies from third party credit standards bodies to continually refine our vetting process.

Nature-based projects make up **64% of our portfolio** because of their ecosystem benefits and potential to bring economic value to the region, including indigenous people or those disproportionately affected by climate change.



## 2022 CARBON PORTFOLIO

Project Name	Country	Project Type	Project Benefits	Vendor	Tonnes
Mycorrhizal Inoculation Accelerated Reforestation Carbon Removal	Chile	Removal: Reforestation	Advances biotechnology, biodiversity, local skilled jobs, soil rehabilitation	Mikro-Tek & Climate Impact Partners	331,600
Chyulu Hills REDD+ Project	Kenya	Retention: REDD+	Biodiversity, drought prevention, education resources, local jobs and alternative livelihoods, strong local community governance	Conservation International	338,569
Salvador da Bahia Landfill Gas Project	Brazil	Methane Mitigation	Reduced pollution, local skilled jobs	Climate Partners	266,300
Bangladesh Gas Leak Reduction	Bangladesh	Methane Mitigation	Reduced pollution, local skilled jobs	Climate Impact Partners	113,872
Scott River Improved Forest Management	USA	Removal: IFM	Fire prevention, biochar production, watershed restoration	Ecotrust Forest Management	31,248



*Mycorrhizal Inoculation Accelerated Reforestation Carbon Removal*



*Scott River Improved Forest Management*



## 2022 CARBON PORTFOLIO (CONTINUED)

Project Name	Country	Project Type	Project Benefits	Vendor	Tonnes
Central de Resíduos do Recreio Landfill Gas Project (CRRLGP)	Brazil	Methane Mitigation	Reduced pollution, local skilled jobs	Climate Impact Partners	26,832
Los Bancos Community Based Improved Forest Management	Mexico	Removal: IFM	Biodiversity, local skilled jobs	Cool Effect	19,530
ICICO Community Based Reforestation	Mexico	Removal: IFM	Biodiversity, local skilled jobs, fire prevention and other forest health benefits	Cool Effect	17,170
Indigo Ag Soil Carbon Project	USA	Removal: Soil Carbon	Biodiversity, local skilled jobs, soil health, fire prevention and other forest health benefits	Indigo AG / Cool Effect	1,100
<b>Total</b>					<b>1,146,221</b>



Chyulu Hills REDD+ Project



ICOCO Community Based Reforestation

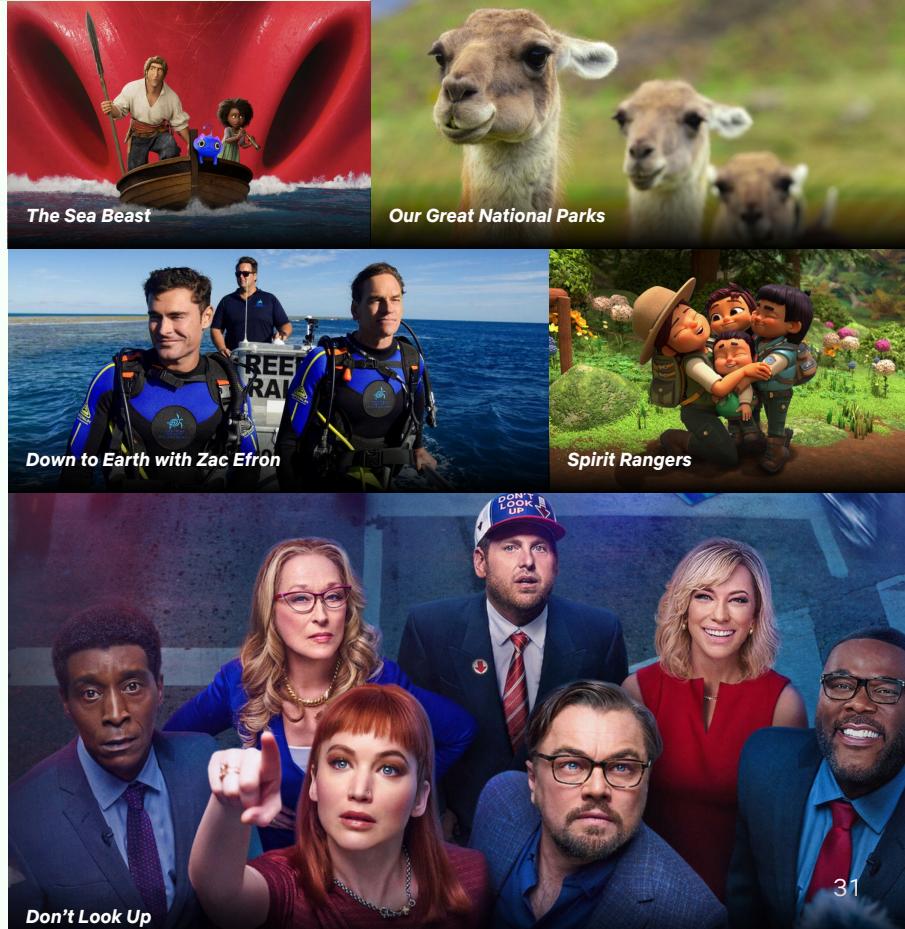
## RENEWABLE ELECTRICITY CREDITS

For any electricity we weren't able to decarbonize in 2022, we used like-for-like credits by retiring Energy Attribute Certificates (e.g., Renewable Energy Certificates (RECs) in the US, Guarantees of Origin (GOs) in Europe) to cover all non-renewable electricity use in over 150 countries.



# Sustainability in Storytelling

In 2022, 165 million, or more than **70% of our members**, chose to watch at least one story on Netflix that highlighted sustainability. We've curated over 200 of these series, films and specials into a Netflix collection: Sustainability Stories. The collection includes comedies like *Don't Look Up*, documentaries like the Academy Award® winning *The Elephant Whisperers* and *Our Great National Parks*, to the mystery film *Glass Onion: A Knives Out Mystery*, fantasy sci-fi *Sweet Tooth* and political drama *Borgen - Power and Glory*, inspiring solutions in *Down to Earth with Zac Efron*, and family fare like *The Sea Beast* and *Spirit Rangers*. Visit the Netflix sustainability webpage for more.





*Young people like myself view Netflix as a cherished form of entertainment but also as a source of education and inspiration. As more and more of our generation recognizes the implications of the climate crisis on our daily lives we feel hopeful when shows like *The Crown* tackle coal pollution, or when Zac Efron's *Down to Earth* highlights new green technologies. I'm proud of Netflix for being serious about tackling the climate crisis both in-house and on-screen.*

---

**Xiye Bastida,  
Indigenous youth climate activist and winner of  
the Spirit of the UN Award**

### EVs ON SCREEN

Netflix has committed to expanding the use of EVs in shows and films we produce ourselves — and announced this in a 2023 Super Bowl ad with GM starring Will Ferrell. These titles will start to hit the service in 2023, including *Murder Mystery 2*, *Virgin River* Season 5 and more that will prominently feature EVs.





# Climate Risk

Refer also to the [TCFD index](#) in the appendix to this report

## GOVERNANCE



**Board:** The Netflix Board oversees the Company's ESG efforts, which includes sustainability, with the assistance of the Nominating and Governance Committee. They regularly receive updates on sustainability and enterprise risk management at Board meetings.



**Management:** Our Chief Financial Officer (CFO) oversees management decisions related to our sustainability programs, which are led by our Netflix Sustainability Officer. Our Internal Audit team performs an annual company-wide enterprise risk assessment, in which climate risks are considered, and the findings of this assessment are shared with the Board annually.

## STRATEGY AND RISK MANAGEMENT

We conducted an initial climate risk assessment at the end of 2021. This evaluation looked at a range of climate risks as defined by the [Task Force on Climate-Related Disclosures](#), including physical, regulatory, reputational, market, legal, and transitional risks. We also referenced the [ESG-Specific Committee of Sponsoring Organizations' \(COSO\)](#) framework and Intergovernmental Panel on Climate Change (IPCC) research to build a climate risk framework to assess Netflix risk.



**RISKS**

We identified the following risks and opportunities, and mapped them against current strategies:

Risk Type	Description	Time Horizon	Mitigation Strategy
<b>Acute Physical</b>	Acute physical risks caused by disruption from wildfires, flooding and sea level rise could pose a threat to business continuity and an impact to productions in areas impacted by natural disasters.	Short Term	We produce content all around the world and can be somewhat resilient to issues related to a particular studio or filming location. As part of our planning for productions, we conduct risk assessments and develop detailed emergency response plans for each different potential scenario. During production, we regularly track adverse weather events and other situations that may impact the continuity of our productions and implement plans as needed (e.g., halting production, moving locations, etc.). We will also continue to monitor global physical risks as a part of our enterprise wide risk management and business continuity programs, which will inform additional mitigation strategies.
<b>Emerging Regulation</b>	<p>Regulatory impacts could impose additional costs and limitations on how we produce content and operate our service.</p> <p>Regulatory impacts on traditional energy sources could pose a risk on our license to operate and produce content (e.g., bans on diesel generators in desirable shooting locations) if new comparable technologies aren't introduced in sufficient supply in time.</p>	Medium Term	<p>We partner closely with players across the industry to evaluate, develop and deploy new sustainable technologies as well as seek to operate as efficiently as possible with traditional energy sources.</p> <p>Along with other companies, we have partnered with DIMPACT to help better understand and assess the impact of emerging trends in our industry.</p> <p>Read more about these efforts in the <a href="#">Sustainability in Our Operations and Value Chain</a> section</p>



## OPPORTUNITIES

Opportunity Type	Description	Time Horizon	Business Strategy
<b>Resource Efficiency</b>	Energy efficiency in our operations.	Short Term	Netflix conducts energy efficiency audits across our operations and long term lease facilities in order to reduce energy costs and emissions from inefficiencies in our built environment. Learn more in our <a href="#">Sustainability in Our Operations and Value Chain</a> section.
<b>Energy Source</b>	Optimization and electrification of our vehicle fleet across our operations, productions and in our supply chain.	Short Term	Netflix is exploring various ways to optimize fleet use with our suppliers and switching from fossil fueled transportation to EVs. EVs are more efficient and many models have lower total cost of ownership versus gas-powered vehicles. We anticipate that this integration of these practices and technologies will result in net cost and operational savings over the next decade. Learn more in our <a href="#">Sustainability in Our Operations and Value Chain</a> section.
<b>Products and Services</b>	Supporting entertaining and scientifically-informed content that raises environmental awareness.	Medium Term	Learn more in our <a href="#">Sustainability in Storytelling</a> section.

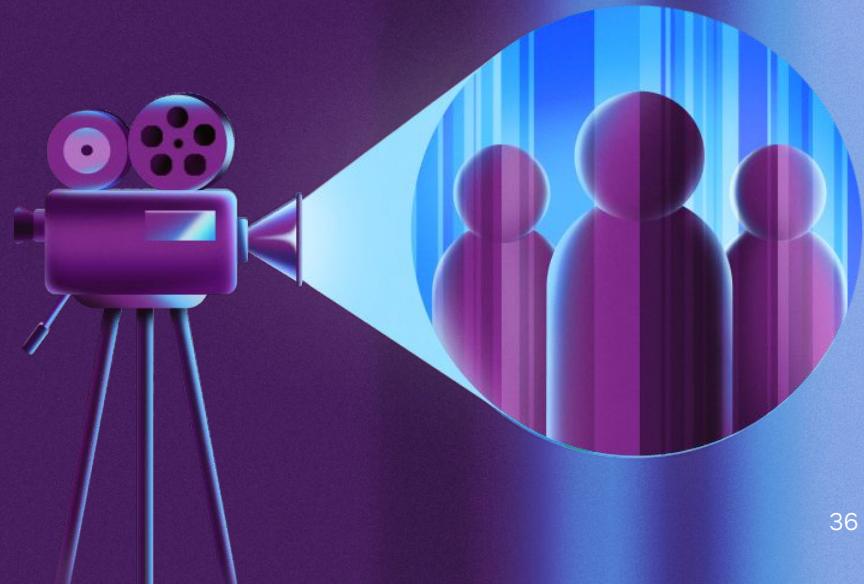
While the assessment was a useful exercise, the climate risks we identified were all mapped to risk mitigation strategies already in place or underway. The output of this climate risk assessment was also used as an input into our enterprise risk management (ERM) assessment. When evaluated using our ERM methodology, no standalone climate-related risks were identified as significant for the company.

## METRICS AND TARGETS

Refer to our [public climate targets and Scope 1, 2 and 3 greenhouse gas emissions data](#) above. Measuring our performance against these targets over time helps to inform our climate risk assessment process, in particular our transition risks.

# Social

We are focused on a number of areas, including diversity and inclusion within Netflix, representation both behind and in front of the camera and the accessibility of our service.





# Inclusion & Diversity

If we are to serve audiences globally, we want an employee base that reflects our membership and a culture that enables those employees to do the best work of their lives. Our [first inclusion report](#), published in 2021, looked at “representation within the company, how we plan to increase it and how we cultivate a community of belonging and allyship” — and we’ve been working to build on that over the last two years.





## Representation Today

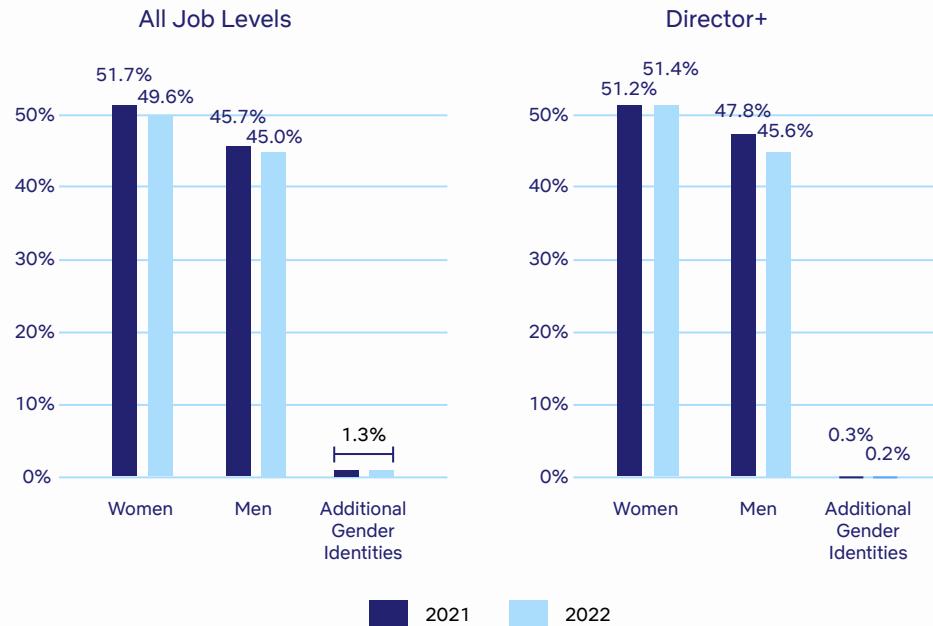
### GENDER (GLOBAL)<sup>27</sup>

Across gender identities, women make up **49.6%** of our workforce and have the highest representation at Netflix, compared to 51.7% in 2021. Women leadership (Directors and above) remained steady at **51.4%** (vs. 51.2% in 2021). Men and additional gender identities<sup>28</sup> remained flat at 45% and 1.3% respectively, compared to 2021.

### SENIOR LEADERSHIP

Of the 23 leaders in our senior leadership team in 2022, **43.5%** (10) are women.

## Global Gender Identity



<sup>27</sup> This data is based on a subset of our streaming employee population, representing approximately 9,500 streaming employees. Due to regional laws, we are not able to collect gender data in every region. 4% of the 9,500 employees represented in the data collection process chose not to disclose a gender identity.

<sup>28</sup> Netflix acknowledges and honors that gender is non-binary, so employees can self-identify from categories outside of man or woman.



## Representation Today

### RACE/ETHNICITY (US)<sup>29</sup>

Over half of our US workforce (**52.9%**) is made up of people from one or more historically excluded ethnic and/or racial backgrounds, including Asian, Black, Hispanic or Latino/a/x, Middle Eastern or North African, Native American, and Pacific Islander<sup>30</sup>.

### SENIOR LEADERSHIP

Of the 23 leaders in our senior leadership team in 2022, **34.8%** (8) self-identify as belonging to one or more historically excluded ethnic and/or racial backgrounds.

01

The number of US employees who identify as Asian accounts for **27%** of our workforce, an increase from 25.8% in 2021 — and 18.4% of our leadership (directors and above), compared to 18.6% in 2021.

02

The number of US Black employees accounts for **10.7%** of our workforce, a decrease from 11.7% in 2021 — and 12.9% of our leadership (directors and above), a decrease from 13.6% in 2021.

03

The number of US Hispanic or Latino/a/x employees accounts for **11.3%** of our workforce, relatively flat from last year (11.2%) — and 7.3% of our leadership (directors and above), an increase from 6.8% in 2021.

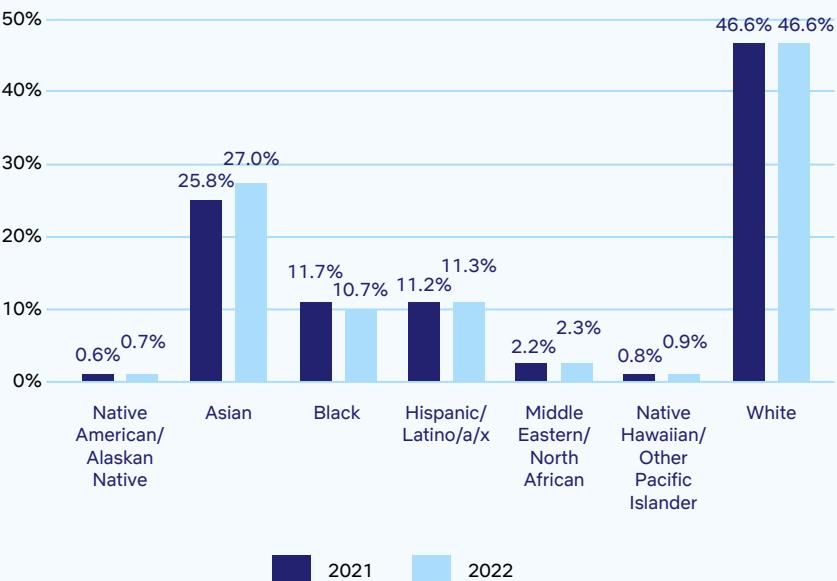
<sup>29</sup> In the US — where we collect and report race and ethnicity data — we had approximately 7,000 employees. Previously published results will differ due to changes in data collection methods that allow employees to share multiple self-identities (e.g., Black and Asian compared to only “multi-race”); with this change, percentages can add up to more than 100%.

<sup>30</sup> The Race & Ethnicity self-identification categories that Netflix uses are largely informed by US federal reporting requirements.



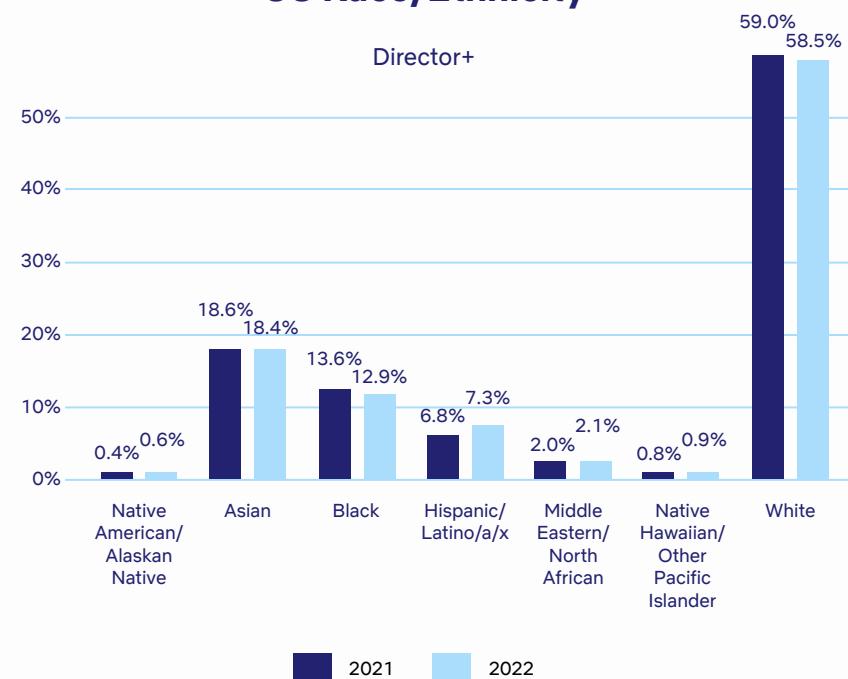
## US Race/Ethnicity

All Job Levels



## US Race/Ethnicity

Director+



Refer also to our EEO-1 reports from 2014-2021 [here](#).



## Deepening our Culture of Inclusion and Belonging

Increased representation is only part of the journey. People need to feel included and valued within an organization if they are to stay long term — and while we've made steady progress, we have much more to do. Key is building an inclusion lens so that employees at every level can move from awareness about diversity, equity and inclusion to action and impact more quickly. In the last year, over **600 of our leaders** globally have participated in small group workshops on Leading Inclusively. We also have groups of inclusion advisors in all regions and functions helping to develop best practices in hiring, compensation, onboarding, feedback, growth and development.

We conduct pay equity analyses at least annually. These are designed to help ensure that employees from historically underrepresented groups are not being underpaid based on gender (globally) and race (US) relative to others doing the same or similar work under comparable circumstances. We aim to rectify pay gaps that we find. In addition, we will increase transparency around employee retention and pay equity in our inclusion updates and ESG reporting starting in 2024.

On recruiting and development, we have expanded the number of Hispanic Serving Institutions (HSI), Historically Black Colleges and Universities (HBCU), and Minority Serving Institutions (MSI) represented in our [Pathways Bootcamp](#). This immersive 12-week program provides technical skills development to students from historically underrepresented groups. Since the program's inception in 2020, 276 students have participated in the Pathways Bootcamp.

On building a more inclusive working environment, we now have 18 Employee Resource Groups (ERGs) — with over **8,000 employees** in 84 chapters globally. These ERGs help to: create a positive and welcoming environment for employees from historically underrepresented communities at Netflix; raise our collective consciousness around diversity and inclusion issues; and support recruitment, retention and employee engagement.

**80+**

ERG chapters  
across the globe

**276**

Students have participated in  
Pathways Bootcamp



## Culture and Engagement

At Netflix, we seek excellence in everything we do — our product, our entertainment and our culture. To help us succeed, we've created an employee culture that's focused on continuous improvement so we can better serve our members and build our business. Our publicly available [Culture Memo](#) outlines our approach, which we update as needed to ensure we remain flexible in our approach. And we focus on employee engagement and feedback, including through regular town halls, business reviews and memos (which we often share broadly, including comments).

## Benefits and Wellbeing

We offer benefits through four pillars: physical health, mental health, family and financial. On the right are a few highlights of our offerings:

### Benefits Highlights:



**Physical Health:** Medical benefits work differently by country. No matter what the case is in each location, we make sure our employees and their families are covered. Additionally, we focus on accommodations and workplace adjustments to enable employees with one or more disabilities to be productive and successful.



**Mental Health:** Mental health is important to overall health so we offer various programs to support employees and their dependents. Globally, we provide access to mindfulness resources, as well as free therapy and coaching sessions. In 2022, we introduced a formal Wellbeing + Resilience strategy to manage issues related to anxiety and workplace stress. Our primary goal is to enhance productivity by focusing on integrating wellbeing into our operations.



**Family Benefits:** Netflix offers a global family forming and fertility health benefit to support employees during their fertility health, surrogacy, adoption and family forming journey. This benefit is available to employees and their spouse/domestic partner, regardless of marital status, gender identity or sexual orientation. We also recognize that one of the most important events in many of our employees' lives is the birth or adoption of a child, and our parental leave policy is "take care of your baby and yourself."



**Financial Benefits:** We provide employees the opportunity to prepare for their futures through our retirement-savings benefits, which vary by country.



## Employee Giving Program

Philanthropy at Netflix is driven by employees through our Employee Giving Program. Consistent with our culture of freedom and responsibility, we enable employees to donate to causes that are meaningful to them through a **2:1 employee match**. When an employee donates to a charitable organization (from over 2 million eligible charitable organizations in 200 countries), Netflix matches that with 2X the donation amount, with an upper limit of **\$20,000 per employee per year** for all donations and matches. This democratizes giving decisions, and incentivizes employees to support causes they're passionate about.

In 2022, we expanded our giving options and ways to get involved. We added a new volunteer match program in which Netflix employees can donate time by volunteering. For every hour an employee volunteers with an eligible cause, Netflix donates \$50 to the same cause as part of each employee's annual match maximum.

Total giving as part of the Netflix Employee Giving Program in 2022 was approximately **\$34 million** supporting over 5,000 charities worldwide. Nearly 30% of our employees participated in the Employee Giving Program in 2022.



## Progress in Film/Series and Productions

Better representation on-screen starts with representation behind the camera and in the office. But we know that driving real change in film and TV, not only at Netflix but industry-wide, means continuing to think about whose voices are still missing and discovering the next generation of storytellers.

### USC ANNENBERG INCLUSION REPORT

We partner with Dr. Stacy L. Smith and the USC Annenberg Inclusion Initiative to examine several inclusion metrics (e.g., gender, race/ethnicity, LGBTQ+, disability) in our US-commissioned films and series. In 2021, we released our first-ever study and committed to publicly releasing our progress every two years through 2026 to help keep us accountable and effect lasting change in our industry.

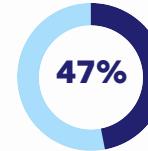
This April we shared the latest round of research looking at Netflix US films and series from 2020 to 2021. The new findings showed notable gains year-over-year for women and people from underrepresented racial/ethnic groups.

### Gender Equality in Leading Roles



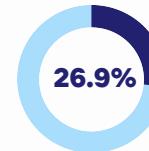
More than half of all Netflix films or series from 2018–2021 featured a girl or woman as the lead or co-lead.

### More People of Color in Leading Roles



In 2020 to 2021, nearly half of Netflix films and series featured a lead or co-lead from an underrepresented racial/ethnic group.

### More Women Behind the Camera



In 2021, 26.9% of directors on Netflix films were women, compared to 12.7% across top-grossing films across the industry that same year. And 38% of show creators in 2021 were women, substantially higher than 26.9% in 2018.

### Women of Color Behind and In Front of the Camera



Women of color increased significantly as series directors from 5.6% in 2018 to 11.8% in 2021, with similar growth for writer and creator roles. Nearly a third of films (27.7%) and more than half of series (54.75%) in 2021 had women of color as leads/co-leads.

However, the results also reveal that gaps persist for some specific racial/ethnic groups, including Latinx, Middle Eastern/North African, Indigenous and Native Hawaiian/Pacific Islander communities, as well as characters with disabilities. Read the executive summary [here](#) and the full report [here](#).



## FUND FOR CREATIVE EQUITY

From our work with USC, we have learned that more inclusion behind the camera leads to better representation on screen. So in 2021, we established the [Netflix Fund for Creative Equity](#), a commitment of **\$100 million over five years** towards building new opportunities for underrepresented communities within entertainment. Through the fund, Netflix supports external organizations that are committed to creating more equitable opportunities in the TV and film industries, as well as [bespoke Netflix programs](#) that help us to identify, train and provide job placement for up-and-coming talent globally.

In just two years, we have committed \$29 million towards these initiatives, supporting over 4,500 up-and-coming creatives and partnering with more than 80 organizations around the world. We've also placed 395 creatives from our programs on Netflix productions in a variety of roles, ranging from line producers and associate editors to casting assistants and grips. Read the latest update on the Fund for Creative Equity [here](#).



Invested more than **\$29 million** in programs over the past 2 years



Partnered with over **80 organizations** across the globe



Established more than **100 programs** in over **35 countries** from the United Kingdom to Brazil and Spain to India



Supported more than **4,500 creatives** including directors, producers, writers, visual effects artists and more



## PROGRAM AND CREATOR SPOTLIGHTS

Here are a few highlights of programs and creators we supported in 2022.

**Paula Garcas**

**Graduate from the Netflix Series Directors Development Program in the US**

**"The Netflix Series Directors Development Program** helped me pivot my career - the team looked beyond my career as an actor, and saw the potential in me to grow as an artist. The program gave us access to major talent and a front row seat to the inner workings of directing. Thanks to Lauren Lungerich, I directed an episode on two Netflix shows as part of this. Training with Lauren has been invaluable to my career. She gave me all the time, tools and encouragement to truly succeed, while testing me and challenging me to grow along the way. Because of her, I'm prepared to tackle any opportunity that comes my way."

**Korede Azeez**

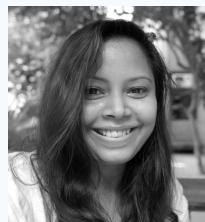
**Winner of the African Folktales, Reimagined Short Film Competition, Nigeria**

**"I learned so much from day one.** It was the most tasking project I have ever worked on, but it was also the most rewarding. I got to work with some of the best talent in my country, which was an amazing experience. They treated me with so much respect and I am grateful for the immense support I got from Netflix and my mentor. I also learned a lot about how a world class production is managed, and this is definitely something I'll be taking into future work. I have grown tremendously as a filmmaker and I feel more ready to take on the world."

**Mirwais Sarwary**

**Participant in the New Producers Academy Fellowship in the Netherlands**

**"Through the NPA masterclasses and networking events,** I've had the opportunity to meet and discuss ideas with key players in the film industry. Above all, I have had the time, space, and tools to develop my vision as a producer. In a short period of only six months, the New Producers Academy has allowed me to position myself in the Dutch film industry on my terms. What has been most rewarding is to be in a position where I can work together with emerging creators that find my fresh approach as a producer valuable and essential!"

**Aditi Sharma**

**Graduate of the Netflix x Film Companion Take Ten Initiative, India**

**"Through the Take Ten program,** I got to learn about writing a screenplay, creating characters, directing actors, along with many other filmmaking lessons. We had the opportunity to do this under the guidance of Film Companion, and being mentored by professionals who are not only good at what they do, but also truly invested in the process of teaching, was extremely helpful. There aren't any grant opportunities in India to speak of, and to have a platform like Netflix to showcase your film was a huge deal for a first time filmmaker like me. For the first time, me and my team believed that we had a real shot at this."



## Progress in Partnerships

### SUPPLIER DIVERSITY

We're working to ensure that our suppliers and vendors come from a diversity of backgrounds. This helps create jobs and opportunities in communities where we do business for people who've often been marginalized historically. In 2022, we spent **~\$700 million** with underrepresented suppliers, a 9% year-over-year increase.

### SUPPORTING BLACK BANKS AND FINANCIAL INSTITUTIONS

In 2020, we announced that we would plan to allocate 2% of our cash holdings — initially up to \$100 million — into Black banks and similar financial institutions to help create economic opportunities for Black communities in the US. In 2021, we fulfilled our initial pledge and in 2022, we continued to expand that investment to 2% of our cash and short-term investment holdings (**\$106 million** has been committed as of December 31, 2022).





## PARTNER SPOTLIGHTS

### Black Economic Development Fund

With a catalytic seed investment of **\$25 million**, Netflix collaborated with LISC Fund Management (LFM) to create the Black Economic Development Fund (BEDF). The Fund launched in 2020 to address economic challenges in the Black community and to help close the racial wealth gap. Since then, BEDF has grown into a **\$250 million mission-driven fund** investing in Black-led developers, financial institutions, anchor organizations and businesses, with the goal of growing these organizations and strengthening their contributions to the Black community. From inception to the end of 2022, Netflix contributions supported BEDF's investment of \$158 million in black-led transactions: \$12 million in deposits to Black-owned banks; \$18 million to Black-owned businesses; and \$128 million in Black-led real estate developers.



*Netflix's anchor investment of \$25 million has been instrumental in the creation of the Black Economic Development Fund, enabling us to invest in the Black community in a bold way. Without the support of visionary partners like Netflix, this transformative initiative may have never come to fruition. We are deeply grateful for their partnership and look forward to continuing to drive positive change together.*

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**Michelle Spivak, Senior Director,  
LISC Fund Management**



Hope Credit Union was one of the first investments in the Netflix commitment to build economic opportunity in Black communities. The investment in HOPE is supporting the financing of more than **2,500 entrepreneurs, homebuyers and consumers of color**. To learn more about these investments and their impact, check out the YouTube web series "Banking On Us."



Episode 1



Episode 2



Episode 3



## PARTNER SPOTLIGHTS



Netflix leverages CNote's technology solution to support cash management into diversified deposits targeting social impact. Deposits are deployed with a network of impact-driven depository institutions that support Black, Indigenous, People of Color (BIPOC) and low-to-moderate income communities and individuals, as well as women entrepreneurs.

**Racial Equity and Disability Loans:** A Netflix fixed income commitment of **\$16 million** focused on racial equity and disability has supported loans to 7 community development financial institutions (CDFIs) as of the end of 2022. These CDFIs provide funds to support individuals with physical disabilities, those suffering from mental illness, those recently released from incarceration or recovering from substance abuse issues and members of BIPOC communities that have been denied access to capital or services.



*As a women-led B-Corp, we're delighted to collaborate with Netflix, a leader in promoting racial justice, in our shared goal of reimagining how corporations invest in Communities of Color. Hand in hand, we're charting a new course for corporate responsibility.*

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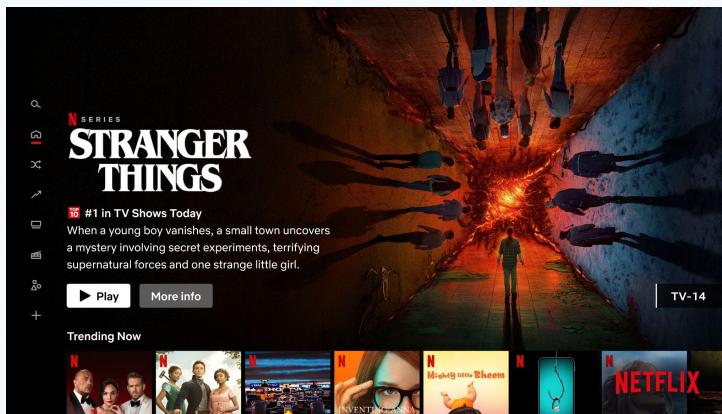
**Catherine Berman,  
CEO of CNote**

**Cash Deposits:** Netflix has committed \$6 million to CNote Impact Cash® funds to be deposited with mission-driven depository institutions (DIs). Investments from Netflix have supported collective lending for over \$1.9 billion in auto loans, over \$4.2 billion in commercial loans and over \$1.5 billion in housing loans.



# Responsible Products

Empowering people to easily choose and experience films, series and games they love is critical to a member's joy every time they go to Netflix. We design our products to protect the privacy and security of our members, and to be inclusive and accessible to everyone.



## Privacy

Our service has always been subscription-based, and when members sign up for any plan, we ask for very little information: email, name and method of payment. Our Personal Information Handling Principles ensure our engineering and business teams are aligned on our approach to privacy. Our [Privacy Statement](#) provides a detailed explanation of our privacy practices to our members, including: the information Netflix collects or receives from each member; information from our partners; how we use and disclose it (including advertising that we conduct off Netflix to promote our service); and the controls each member has in relation to this information.

In November of 2022, Netflix introduced an ad-supported plan which allows members to enjoy our service at a lower price with limited ads. For those signing up for our ad-supported plan, we also ask for date of birth and gender. Members have the ability to opt-out of the selection of ads based on third party behavioral advertising (i.e., ads selected based on use and/or interactions with unaffiliated third party websites and apps over time). We offer members the ability to exercise such opt-outs through a simple in-service control — and we do not share what individual members watch with advertisers.



## Government Requests Related to Content

We offer creators the ability to reach audiences all around the world. However, our catalog varies from country to country, including for rights reasons (i.e., we don't have the rights to every title in every country where we operate). In a few cases, we've had to remove specific titles or episodes of titles in specific countries to comply with government demands. Below are the titles we removed in 2022 — **three** in total. We report these takedowns annually.

- In August 2022, we complied with a written demand from the Radio and Television Supreme Council (RTUK) in Turkey by removing one episode – episode 9 of Season 5 – of the series *Jurassic World Camp Cretaceous* in Turkey.
- In September 2022, we complied with a written demand from the Singapore Infocomm Media Development Authority (IMDA) to remove the series *How to Change Your Mind* in Singapore.
- In October 2022, we complied with a written demand from the Ministry of Information and Communication (MIC) in Vietnam and removed the series *Little Women* in Vietnam.

## Information and Cybersecurity

We strive to protect sensitive information through various means, including: technical safeguards; procedural requirements and policies; a program of monitoring to detect and address unauthorized modification or misuse; continuous testing of aspects of our security internally and with outside experts; and a robust incident response program.

We regularly assess what areas of vulnerability there are, how we detect issues, how we respond and then how we let people know. We also have a [Responsible Vulnerability Disclosure](#) program, launched in 2018, that allows security researchers around the world to find and report security vulnerabilities in Netflix products and systems in exchange for compensation.

The Vice President (VP) of Security, Privacy, Assurance and Corporate Engineering oversees a team of employees dedicated to information security. Cybersecurity is discussed at every audit committee meeting and is also a board-level issue. Our VP regularly attends audit committee meetings and provides updates on cybersecurity matters.



## Product Accessibility

We believe incredible stories and games should be enjoyed by all of our members, regardless of language, device, connectivity, or ability and that accessibility is just as important as the aesthetics, speed and stability of our service.

### MAKING OUR SERVICE MORE ACCESSIBLE

We have designed features like assistive listening systems, brightness controls, keyboard shortcuts, screen readers, larger font size and voice commands into our products. We also conduct research with current and prospective members aimed at identifying barriers to perceiving, navigating, and interacting with Netflix, and design solutions to remove those barriers. We take advantage of device-specific assistive technologies (e.g., native features on Apple iOS and Android platforms) as much as possible. We also create our own accessibility options, such as the ability to change the font, size, shadow, and background color of closed captions and subtitles on TV, and adjust playback speed on mobile.

Our catalog of titles with subtitles for the Deaf and Hard of Hearing (SDH), and audio descriptions (AD) for our members with vision

needs is continually expanding. All Netflix-owned films and series support SDH for the language in which they were originally produced. We have also started expanding SDH and AD to nearly **20 languages**, including Spanish, Portuguese, and French. Netflix members can browse titles with English audio descriptions in the gallery on our website, and by selecting “Audio Description” under the Categories menu in our mobile apps. We also introduced new badge icons for our shows and films that have AD and SDH on web, TV, iOS and Android so members can more easily discover stories suited to their needs, eliminating the inconvenient need to play a title first.

We partner with vendors across the globe who are dedicated to working with the blind and low vision community in many different capacities, from hiring blind or low vision narrators, quality controllers and co-author/editors to working with the community and local organizations to gather feedback through focus groups. Guidelines for the creation of AD, timed text style guides, gaming accessibility and minimizing photosensitivity issues – flashes or patterns that could cause ill-effects in our audiences, are also publicly available to share best practices amongst industry peers.



## MAKING OUR SERVICE MORE ACCESSIBLE

Over the past year, we kicked off our first tour of **barrier free accessible screenings** in New Orleans, Los Angeles, London, New York City, and Seoul. Audiences came together to experience the thrill of *The Gray Man*, *Stranger Things S4*, and *Jung\_E* in theaters with open AD and SDH.

There is more to be done. That's why Netflix is committed to working with the industry, community and policymakers to deliver more inclusive and accessible entertainment to the world.



# Governance

From our earliest innovation of DVD-by-mail to becoming one of the world's leading entertainment services, we've managed our business for the long term and focused on pleasing our members. This approach has served our members, employees and shareholders well over the past 25 years.





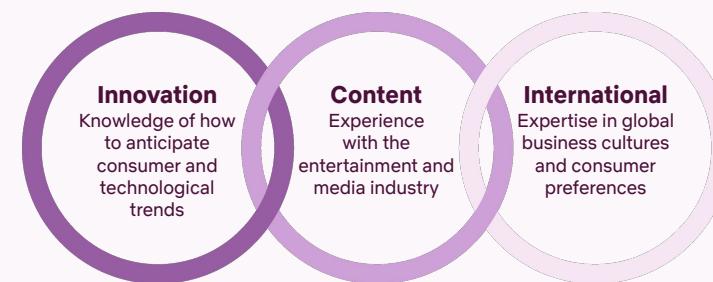
# Corporate Governance

Our corporate governance structure<sup>31</sup> was built to find the right balance of rights and responsibilities among shareholders, the board and management, and ensure that there are appropriate checks and balances in place. With the rapid evolution of technology and the changing media landscape, we are continually adjusting our service to meet the needs and desires of our consumers. Our governance structure has been deliberately constructed to help us to do that.

## Board Composition and Structure

Our board is composed of **12** highly experienced, talented and qualified directors with experience as board members and executives at some of the world's most successful companies. We believe that the board is well situated to navigate the changing competitive terrain that Netflix operates within. The board has led Netflix through its evolution from a US-only DVD business to a leading global streaming service and from a licensor of second run content to one of the biggest producers of films and series in the

world, while effectively managing risk and overseeing management performance. We believe that a diverse mix of skills, experience, perspectives and backgrounds contribute to an effective board. The composition of our board has evolved over the past several years, and when looking to fill board positions, we will continue to evaluate potential candidates who we believe complement and augment our current board. The Nominating and Governance Committee considers a number of factors, including those depicted below, as well as characteristics such as gender, ethnic or racial background, and national origin when evaluating potential board candidates.



**STRATEGY ALIGNMENT**  
Our board has the experience and expertise that aligns with these important facets of our long-term strategy



## Executive Directors



**Reed Hastings**  
Executive Chairman  
of the Board



**Ted Sarandos**  
co-Chief Executive Officer  
and President of the  
Company and Director



**Greg Peters**  
co-Chief Executive Officer  
and President of the  
Company and Director

## Independent Directors



**Jay C. Hoag**  
Lead Independent  
Director, Nominating and  
Governance Committee  
(Chair)



**Timothy Haley**  
Independent Director,  
Compensation  
Committee (Chair)



**Ann Mather**  
Independent Director,  
Audit Committee (Chair)



**Brad Smith**  
Independent Director,  
Nominating and  
Governance Committee



**Anne Sweeney**  
Independent Director,  
Compensation Committee



**Richard Barton**  
Independent Director,  
Audit Committee



**Strive Masiyiwa**  
Independent Director,  
Nominating and  
Governance Committee



**Mathias Döpfner**  
Independent Director,  
Compensation Committee



**Leslie Kilgore**  
Independent Director,  
Audit Committee

As of the end of 2022, women made up **33%** of our independent directors and **27%** of our overall board. One independent director comes from a historically excluded ethnic and/or racial background. We maintain our current board diversity matrix on our investor relations website<sup>32</sup>.



## Board Oversight

The board's role in our risk oversight process includes reviewing and discussing with members of management areas of material risk to the company, including overall enterprise, strategic, operational, financial and legal risks. The board oversees the company's ESG efforts, which includes human capital management, inclusion, diversity, sustainability and other matters. The board also oversees succession planning. The board receives regular updates from management typically in the form of an interactive memo, where directors ask questions to management, and further discuss matters at meetings. Each of the committees oversee various ESG matters, depending on the specific issues. Committees report to the full board regarding their respective considerations and actions.

### THE BOARD

The board as a whole oversees matters related to enterprise, strategic, operational, financial and legal risk and the company's ESG efforts.



#### NOMINATING AND GOVERNANCE COMMITTEE

Primary committee responsible for board structure, governance and director independence, as well as assisting the board in overseeing ESG matters

#### AUDIT COMMITTEE

Oversees matters of financial and legal risk, including cybersecurity risk

#### COMPENSATION COMMITTEE

Oversees risks related to compensation issues

### COMPANY MANAGEMENT

The executive team, led by our co-Chief Executive Officers, supervises day-to-day risk management processes, including identifying, assessing, monitoring, managing and mitigating significant business risks. Company management reports to the board on an annual basis, or more frequently if needed, top areas of risk.



## Governance Structure

Streaming is now an established business, Netflix is self-funding and expects sustained positive free cash flow, and we've substantially scaled our revenues, operating profit and margins. As such, we have recently evolved to a more standard large-cap governance structure. At our 2022 annual meeting, the Netflix Board proposed and stockholders approved significant changes to our corporate governance structure. We implemented a phased-in declassification of our board, with directors elected at this year's annual meeting serving one-year terms and the entire board standing for annual elections beginning in 2025 and beyond. We also eliminated supermajority voting provisions in our Amended and Restated Articles of Incorporation (the "Charter") and our Amended and Restated Bylaws (the "Bylaws"), provided shareholders with the ability to call special meetings, and adopted a majority voting standard in uncontested director elections. We also adopted a market standard director resignation policy. Here is a summary of our corporate governance best practices and stockholder rights:

01

**One share, one vote:** We have a single class of shares with each share entitled to one vote.

02

**Majority voting standard:** We have a majority voting standard in uncontested director elections. Any incumbent director who fails to receive a majority of votes cast in an uncontested election must tender their resignation to the board. The Nominating and Governance Committee would then make a recommendation to the board about whether to accept or reject the resignation or take other action.

03

**Annual director elections (fully declassified by 2025):** We have phased-in the declassification of our board with directors elected at this year's annual meeting serving one-year terms and the entire board standing for annual elections beginning in 2025 and beyond.

04

**Elimination of supermajority voting:** We eliminated supermajority voting provisions in our Charter and Bylaws.

05

**Proxy Access:** A group of up to 20 stockholders, owning at least 3% of shares continuously for at least three years may nominate up to two directors or 20% of the Board (whichever is greater) for inclusion in our proxy statement.

06

**Stockholder right to call a special meeting:** Stockholders holding not less than 20% net-long position in the Company continuously for at least one year may call a special meeting.



## Shareholder Engagement

We strive to stay in tune with our ownership base. Our board and our management team engage directly and regularly with our shareholders, and our board and its committees consider shareholders' feedback in assessing our governance structure, including our compensation program. Since our 2022 annual meeting, we have invited 26 shareholders, representing approximately **57%** of our shares outstanding to participate in calls to discuss our executive compensation program and other matters that are top of mind<sup>33</sup>. We conducted two rounds of investor outreach – one in the summer of 2022 and one in early 2023, to ensure we fully understood shareholder feedback, concerns and perspectives. Members of the Netflix legal and investor relations teams met with 19 shareholders, representing approximately **51%** of our shares outstanding. Independent directors of the board participated in a majority of these engagements, meeting with shareholders representing approximately 45% of our shares outstanding. We also engaged with the proxy advisory firms, Glass Lewis and Institutional Shareholder Services (ISS). These engagements provide a direct opportunity to exchange information and perspectives, and the input from our shareholders will continue to inform our ongoing ESG programs as we evolve and grow.





# Enterprise Risk

We review enterprise risks on an ongoing basis and seek ways of managing risk to help create, preserve and realize value for our members and shareholders. Our approach to enterprise risk management (ERM) is consistent with the COSO framework which defines ERM as “the culture, capabilities, and practices, integrated with strategy-setting and performance, that organizations rely on to manage risk in creating, preserving, and realizing value”. On an annual basis, our Internal Audit team facilitates an enterprise risk assessment. We gather insights from a number of internal and external sources, including discussions with executives for their views on enterprise risks that the company is facing and compile an inventory of risks across the business. The findings of this assessment, including mitigation approaches, are presented to the board for their input and oversight. We also report these risks in our annual report.<sup>34</sup>

# IP Protection & Data Piracy

We regard our trademarks, service marks, copyrights, patents, domain names, trade dress, trade secrets, proprietary technologies and similar intellectual property as important to our success. We use a combination of patent, trademark, copyright, trade secret laws and confidentiality agreements to protect our proprietary intellectual property. We employ a variety of methods to monitor potential infringement of our intellectual property, including searches conducted internally and by external vendors. A particular focus is preventing uses of our intellectual property that may lead to consumer fraud.





# Ethics and Compliance

We are committed to managing our business ethically and with integrity. Our Code of Ethics sets out our expectations for conduct among our employees and board members. We encourage reporting of breaches of our code or any unethical or inappropriate conduct to our Chief Legal Officer or, in the case of misconduct by a senior financial officer, to the Chair of our Audit Committee. We also provide access to a third-party operated service where reports of misconduct can be made confidentially and, if desired, anonymously, **24 hours a day, seven days a week, 365 days a year** in local languages. Reports made through this service are elevated and investigated until they are resolved, and updates are provided annually to the Audit Committee.

As part of our commitment to managing our business ethically and with integrity, we seek to identify and mitigate risks that could lead to potential legal and/or regulatory violations through an annual compliance risk assessment process.

Our Global Anti-Corruption Policy requires our employees and contractors to abide by global anti-corruption and anti-bribery laws. We provide regular training on compliance with this policy, in addition to conducting regular and ongoing risk assessments. A copy of our practices and policies, which includes the Global Anti-Corruption Policy and Code of Ethics, has been translated into numerous languages and remains available to all employees throughout their employment with us.

Other areas of focus include commitments to compliance with applicable government mandated sanctions regimes (with leadership provided by a designated Sanctions Compliance Officer) as well as compliance with human rights legislation (e.g., the UK Modern Slavery Act<sup>35</sup>).

# Appendix

## About This Report

This report covers the calendar year 2022 and all data included in the report is from that time period unless otherwise noted. Refer to data tables in this appendix for a summary of ESG data for 2022 as well as published data from previous years. This report is also reflective of global Netflix operations unless otherwise noted. This report is informed by external ESG reporting frameworks including the **Sustainability Accounting and Standard Board (SASB)** “Internet Media & Services” and “Media & Entertainment” standards, as well as the **Task Force on Climate-related Financial Disclosures (TCFD)**. SASB and TCFD indices are provided in this appendix.

### FORWARD-LOOKING STATEMENTS

The information covered by the report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including, but not limited to, statements regarding our ESG programs, activities, plans, policies, goals, targets, objectives, commitments, projections, expectations and strategies that are not historical in nature.

These forward-looking statements are subject to risks and uncertainties that could cause actual results and events to differ, including any failure to meet stated ESG goals and commitments, and execute our strategies in the time frame expected or at all, as a result of many factors, including changing government regulations or stakeholder expectations, and our expansion into new products, services, technologies, and geographic regions.

More information on risks, uncertainties, and other potential factors that could affect our business and performance is included in our filings with the SEC, including in Item 1A: “Risk Factors” section of the company’s most recently filed periodic reports on Form 10-K, Form 10-Q and subsequent filings. All forward-looking statements included in this document are based on information available to us on the date hereof, and we assume no obligation to revise or publicly release any revision to any such forward-looking statement, except as may otherwise be required by law.

## ESG DATA TABLE

### General



Data Point	2019	2020	2021	2022
Paid Memberships	167 million	204 million	222 million	231 million
Employees	8,600	9,400	11,300	12,800
Revenue (USD Millions)	20,156	24,996	26,698	31,616

### Environment



Data Point	2019	2020	2021	2022
Electricity (MWH)	81,136	94,285	156,555	156,967
Global Renewable Electricity (%)	100	100	100	100
Scope 1 Emissions (Metric Tons CO2-e)	51,487	30,883	62,815	59,388
Scope 2 Emissions, Market-Based (Metrics Tons CO2-e)	565	141	0	0
Scope 2 Emissions, Location-Based (Metric Tons CO2-e)	26,594	28,585	42,291	41,411
Scope 2 Emissions, Target-Based (Metric Tons CO2-e)	26,317	29,356	31,937	23,622
Scope 1 + Scope 2 (Market-Based) Emissions (Metric Tons CO2-e)	52,052	31,024	62,815	59,388
Scope 1 + Scope 2 (Target-Based) Emissions (Metric Tons CO2-e)	77,804	60,239	94,752	83,010
Scope 3 Emissions (Metric Tons CO2-e)	1,192,659	1,020,541	1,466,497	1,086,833
Total GHG Emissions: Scope 1 + Scope 2 (Market-Based) + Scope 3 (Metric Tons CO2-e)	1,244,711	1,051,564	1,529,312	1,146,221
Carbon Credits	(36,506)	(54,107)	(1,529,312)	(1,146,221)

## ESG DATA TABLE

### Social



Data Point	2020 <sup>1,2</sup>	2021 <sup>3</sup>	2022 <sup>4</sup>
<b>Representation Data: All Job Levels</b>			
Global Gender Identity, % Women	48.7	51.7	49.6
Global Gender Identity, % Men	51.3	45.7	45.0
Global Gender Identity, % Additional Gender Identities	Gender Identity that allowed employees to self-identify from non-binary categories were added in 2021	1.3	1.3
US Race Ethnicity, % Asian	24.0	25.8	27.0
US Race Ethnicity, % Black	8.6	11.7	10.7
US Race Ethnicity, % Hispanic/Latino/a/x	7.9	11.2	11.3
US Race Ethnicity, % Middle Eastern/North African	0.8	2.2	2.3
US Race Ethnicity, % Native American/Alaskan Native	0.3	0.6	0.7
US Race Ethnicity, % Native Hawaiian/Other Pacific Islander	0.5	0.8	0.9
US Race Ethnicity, % White	44.3	46.6	46.6
US Race Ethnicity, % 2 or more races/ethnicities	4.8	Starting in 2021, data collection methods were implemented to allow employees to share multiple self-identities (e.g., Black and Asian compared to "2 or more races/ethnicities")	

<sup>1</sup>[Our Progress on Inclusion: 2021 Update](#)

<sup>2</sup> Data for 2020 Race/Ethnicity differs than data for subsequent years due to changes in data collection methods implemented in 2021 that enabled employees to share multiple self-identities (e.g., Black and Asian, compared to "multi-race").

<sup>3</sup>[2022 Inclusion Report Update](#)

<sup>4</sup>[2022 Inclusion Report Update](#)

## ESG DATA TABLE

### Social (continued)



Data Point	2020 <sup>1,2</sup>	2021 <sup>3</sup>	2022 <sup>4</sup>
<b>Representation Data: Director+ Job Levels</b>			
Global Gender Identity, % Women	47.8	51.2	51.4
Global Gender Identity, % Men	52.2	47.8	45.6
Global Gender Identity, % Additional Gender Identities	Gender Identity that allowed employees to self-identify from non-binary categories were added in 2021	0.3	0.2
US Race Ethnicity, % Asian	15.3	18.6	18.4
US Race Ethnicity, % Black	10.9	13.6	12.9
US Race Ethnicity, % Hispanic/Latino/a/x	4.3	6.8	7.3
US Race Ethnicity, % Middle Eastern/North African	0.3	2.0	2.1
US Race Ethnicity, % Native American/Alaskan Native	0.0	0.4	0.6
US Race Ethnicity, % Native Hawaiian/Other Pacific Islander	0.6	0.8	0.9
US Race Ethnicity, % White	56.6	59.0	58.5
US Race Ethnicity, % 2 or more races/ethnicities	4.2	Data collection methods that allowed employees to share multiple self-identities (e.g., Black and Asian compared to "2 or more races/ethnicities") were implemented in 2021.	

<sup>1</sup>[Our Progress on Inclusion: 2021 Update](#)

<sup>2</sup> Data for 2020 Race/Ethnicity differs than data for subsequent years due to changes in data collection methods implemented in 2021 that enabled employees to share multiple self-identities (e.g., Black and Asian, compared to "multi-race").

<sup>3</sup>[2022 Inclusion Report Update](#)

<sup>4</sup>[2022 Inclusion Report Update](#)

## ESG DATA TABLE



### Social (continued)

Data Point	2020	2021	2022
<b>Other Social Data</b>			
Employee Giving Program Total Donations (USD)	—	—	~34 million
Number of Government Requests to Remove Content	4	7	3

### Governance<sup>5</sup>



Data Point	2020	2021	2022
Board of Directors (number of Directors)	11	12	12
Board of Directors (number of Independent Directors)	10	10	10
Gender representation on Board of Directors (number of women directors)	Self-reported demographic data was not collected from our Board before 2022		3
Race/Ethnicity representation on Board of Directors (number of directors from historically excluded ethnic and/or racial background)	Self-reported demographic data was not collected from our Board before 2022		1

## SASB INDEX

### Internet Media & Services, Media & Entertainment



Topic	SASB Code	Accounting Metric	2020	2021	2022
<b>INTERNET MEDIA &amp; SERVICES: Sustainability Accounting Standard</b>					
Entity-defined measure of user activity	TC-IM-000.A	Paid Memberships	204 million	222 million	231 million
Environmental Footprint of Hardware Infrastructure <sup>6</sup>	TC-IM-130a.1	Total energy consumed (MWH)	29,196	33,407	36,110
		Percentage grid electricity	100%	100%	100%
		Percentage renewable	100%	100%	100%
Environmental Footprint of Remaining Scope 2 <sup>7</sup>	TC-IM-130a.1	Total energy consumed (MWH)	68,089	123,148	120,857
		Percentage grid electricity	100%	100%	100%
		Percentage renewable	100%	100%	100%
Environmental Footprint of Hardware Infrastructure	TC-IM-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	Refer to the <a href="#">Sustainability Across the Value Chain</a> section of the report.		
Data Privacy, Advertising Standards & Freedom of Expression	TC-IM-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	Refer to the Privacy section of the report and the <a href="#">Netflix Privacy Statement</a> .		
	TC-IM-220a.2	Number of users whose information is used for secondary purposes	Refer to the Privacy section of the report and the <a href="#">Netflix Privacy Statement</a> .		
	TC-IM-220a.6	Number of government requests to remove content, percentage compliance with requests	4 100%	7 100%	3 100%

<sup>6</sup> Only includes Scope 2 hardware infrastructure, i.e. Netflix-operated Open Connect Appliances in colocation data centers, which represent approximately 1/10th of Scope 2 and 3 data center electricity use (all Open Connect and AWS combined).

<sup>7</sup> While SASB only requires reporting for the "Environmental Footprint of Hardware Infrastructure," Netflix has opted to report on its other Scope 2 energy consumption as well, which includes electricity use in corporate offices, production studios, and billboards, in addition to colocation data center infrastructure.

## SASB INDEX (continued)

Topic	SASB Code	Accounting Metric	2020	2021	2022
<b>INTERNET MEDIA &amp; SERVICES: Sustainability Accounting Standard (continued)</b>					
Data Security	TC-IM-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Refer to the <a href="#">Information and Cybersecurity</a> section of the report		
Employee Recruitment, Inclusion & Performance	TC-IM-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Refer to Netflix employee representation data in the <a href="#">Representation Data</a> section of the report as well as in the <a href="#">Data Table</a> in this appendix.	Information on how Netflix fosters equitable employee representation across its global operations can be found in the <a href="#">Inclusion</a> section of the ESG report.	
<b>MEDIA AND ENTERTAINMENT: Sustainability Accounting Standard</b>					
Activity Metric	SV-ME-000.A	(1) Total recipients of media and the number of (2) households reached by broadcast TV, (3) subscribers to cable networks, and (4) circulation for magazines and newspapers	As noted in the entity-defined measure of user activity above, there were 204 million paid Netflix memberships at the end of 2020, 222 million in 2021, and 231 million in 2022.		
Media Pluralism	SV-ME-260a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) professionals, and (3) all other employees	Refer to Netflix employee representation data in the <a href="#">Representation Data</a> section of the report as well as in the <a href="#">Data Table</a> in this appendix.	Information on how Netflix fosters equitable employee representation across its global operations can be found in the <a href="#">Inclusion</a> section of the ESG report.	
Intellectual Property Protection & Media Piracy	SV-ME-520a.1		Refer to the <a href="#">IP Protection and Piracy</a> section of the report		

**TCFD INDEX**

<b>TCFD Disclosure Requirement</b>	<b>Netflix Disclosures</b>
<b>Governance: Disclose the organization's governance around climate-related risks and opportunities</b>	
Describe the board's oversight of climate-related risks and opportunities	The Netflix Board oversees the Company's ESG efforts, which includes sustainability, with the assistance of the Nominating and Governance Committee. They regularly receive updates on sustainability and enterprise risk management at board meetings. Refer to the <u>Climate Risk</u> section of the ESG report.
Describe management's role in assessing and managing climate related risks and opportunities	Our Chief Financial Officer (CFO) oversees management decisions related to our sustainability programs, which are led by our Netflix Sustainability Officer. Our Internal Audit team performs an annual company-wide enterprise risk assessment, in which climate risks are considered, and the findings of this assessment are shared with our board annually. Refer to the <u>Climate Risk</u> section of the ESG report.
<b>Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material</b>	
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Refer to the risks and opportunities tables in the <u>Climate Risk</u> section of the ESG report.
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	

## TCFD INDEX

TCFD Disclosure Requirement	Netflix Disclosures
<b>Risk Management: Disclose how the organization identifies, assesses, and manages climate-related risks</b>	
Describe the organization's processes for identifying and assessing climate-related risk	We conducted an initial climate risk assessment at the end of 2021. This evaluation looked at a range of climate risks as defined by the Task Force on Climate-Related Disclosures, including physical, regulatory, reputational, market, legal and transitional risks. We also referenced the <a href="#">ESG-Specific Committee of Sponsoring Organizations' (COSO) framework</a> and Intergovernmental Panel on Climate Change (IPCC) research to build a climate risk framework to assess Netflix risk. While the assessment was a useful exercise, the climate risks we identified were all mapped to risk mitigation strategies already in place or underway. The output of this climate risk assessment was also used as an input into our enterprise risk management (ERM) assessment. When evaluated using our ERM methodology, no standalone climate-related risks were identified as significant for the company.
<b>Metrics &amp; Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</b>	
Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process	Refer to the <a href="#">Public Climate Targets</a> and <a href="#">Carbon Footprint</a> sections of the ESG report for information on our metrics, emissions and targets. Measuring our performance against our climate targets over time helps to inform our climate risk assessment process, in particular our transition risks.
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	
Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets	

## Resources

### ESG REPORT ARCHIVE

[Environmental Social Governance Report 2021](#)

[Environmental Social Governance Report 2020](#)

[Environmental Social Governance Report 2019](#)



### ENVIRONMENT

[About Netflix - Sustainability](#)

[Our Progress on Sustainability: Two Years In](#)

[What the Latest Research on Streaming Emissions Tells Us](#)

[General Motors and Netflix Partner to Give EVs the Stage they Deserve](#)

[Flip the Script on Sustainability Storytelling](#)

[Earth Month Collection Celebrates Our Planet and Its Heroes](#)

[Carbon Impact of Video Streaming](#)

[2022 Greenhouse Gas Emissions Inventory Assurance Letter](#)



### SOCIAL

[About Netflix - Inclusion](#)

[2022 Inclusion Report Update](#)

[Netflix Fund for Creative Equity | 2023 Update](#)

[Inclusion in Netflix Original Films & Series - Executive Summary](#)

[Inclusion in Netflix Film & Series - Full Report](#)

[Netflix EEO-1 Reports](#)

[Political Activity Disclosures](#)



### GOVERNANCE

[2023 Proxy Statement](#)

[Netflix Approach to Corporate Governance | Study by Stanford Graduate School of Business Corporate Governance Research Initiative](#)

[Netflix Governance Documents](#)

[Leadership & Directors](#)

## Greenhouse Gas Emissions (GHG) Inventory Methodology

Netflix reports its emissions following the World Resources Institute (WRI) / World Business Council for Sustainable Development's (WBCSD) Greenhouse Gas Protocol Corporate Standard, as amended by the GHG Protocol Scope 2 Guidance, as well as WRI / WBCSD's Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and Technical Guidance for Calculating Scope 3 Emissions (collectively, the GHG Protocol). Netflix GHG emissions reporting follows the operational control approach set out by the GHGP.

Our reported emissions account for all GHGs covered by the UNFCCC Kyoto Protocol (Annex A) relevant to Netflix activities and are converted into metric tons of carbon dioxide equivalents (MTCO<sub>2</sub>e) as specified by the GHG Protocol. All emission factors are applied to the data and updated annually to reflect the latest guidance and factors published by US EPA Emission Factors for Greenhouse Gas Inventories (2022), US EPA eGRID2021 Electricity Grid Emission Factors (2023) and UK DEFRA Greenhouse Gas Reporting Conversion Factors (2022). Additionally, where data is not available or of sufficient quality, Netflix uses proxy data, industry-average figures, or expert assumptions. In such instances, we use third-party sources for reliability and completeness.

Some of these data sets such as the average building energy use intensity values from the DOE Commercial Building Energy Consumption Survey (2016), are held constant to maintain consistency across years.

Netflix's greenhouse gas (GHG) emissions reporting is consistent with the "operational control" approach as set out by the GHG Protocol Corporate Accounting and Reporting Standard: Revised Edition. The organizational and operational boundary applies to the global company including its subsidiaries, the office and studio facilities we own and operate (e.g., Albuquerque Studios) as well as facilities we lease from others but over which we have meaningful operational control (e.g., corporate and studio offices and stages).

### OUR FOOTPRINT BOUNDARY

**Scope 1 and 2:** Our emissions include all Scope 1 (direct) and Scope 2 (indirect emissions) from the following: our corporate operations (offices, etc); the production of our films, series and games; and the storage and delivery of our content. Scope 2 emissions are calculated using market-based and location-based emissions accounting methods defined by the GHG Protocol Scope 2 Guidance. Location-based estimates are calculated based on the emissions intensity of the locations where the electricity consumption occurs. The market-based method incorporates electricity procurement decisions that are chosen within the local electricity market, including zero-carbon electricity supply from utilities (i.e., opt-in "green tariff" rates) and contractual instruments such as renewable energy certificates (RECs).

We also use a target-based emissions accounting method relative to our science-based targets, which is custom to Netflix. Target-based emissions incorporate direct renewable energy supply (e.g., onsite generation, utility & landlord supply, power purchase agreements or direct investments) but do not account for emissions from contractual instruments such as renewable energy certificates (RECs).

**Scope 3:** Netflix also estimates and reports relevant Scope 3 categories, which therefore includes activities outside of our operational control. Our Scope 3 boundary was established in alignment with the GHG Protocol Corporate and Scope 3 Standards. Netflix includes all relevant and material sources of emissions including categories 1-4, 6-8 and 11. In the future, we aim to include category 5 (emissions related to waste in operations) by improving our direct data collection. For now, most estimated waste-related emissions in our footprint are captured in category 1 (purchased goods & services) using spend-based estimates on facilities management and production operations.

Scope 3 emissions use location-based emissions factors except where individual suppliers provided supplier specific emissions that are market-based (e.g., AWS) or through application of RECs to Scope 3 emissions where information on the specific energy consumption by location was available (e.g., for the Open Connect network) in order to match the contractual instrument to known energy consumption in accordance with GHG Protocol Scope 2 Guidance. Netflix works with individual suppliers, wherever possible, to determine that any renewable contractual instruments applied to their emissions are appropriately attributed.

We include all Netflix-branded content productions, whether we manage the production directly (like *The Sea Beast*, *Spirit Rangers*, *Don't Look Up*, *Our Great National Parks*), or through a third-party production company (like *Glass Onion: A Knives Out Mystery*, *The Elephant Whisperers*) as well as all content that we license that is Netflix-branded (like *Octonauts: Above and Beyond*, *Captain Nova*, *Down to Earth with Zac Efron*). Activities outside of our operational control present challenges to measuring and reducing emissions, but because so much of production infrastructure, crew and equipment are shared across studios, we believe that holding ourselves accountable for all emissions from Netflix-branded content (wherever it is produced) will create a positive ripple effect across our own emissions as well as the entire industry.

### Data Management

We maintain a Greenhouse Gas Inventory Management plan to ensure consistency of calculating and estimating emissions from year to year, and to provide to our 3rd party assurance providers as a basis for their audit of our emissions. We maintain documentation as evidence to support our emissions inventory and follow Netflix retention policies for these records. In 2022, we began implementing a carbon accounting software solution to help streamline and mature our data collection processes, and to help maintain related documentation.

## Carbon Credit Project Screening Criteria

### **Screen 1: Competitive selection**

Our competitive requests for proposals (RFPs) are issued widely, to over 75 project developers, non-profits, brokers and credit retailers across many project types and geographies.

### **Screen 2: Meet core quality criteria**

Any credits that we purchase must meet globally recognized core quality criteria: they must be additional, verified, based on a realistic baseline, not double counted and issued by a credible standard that has robust provisions in place to address permanence (the risk of reversal) and leakage (the risk of displacing emissions from one location to another). We only purchase credits that have been third-party verified and registered on a trusted registry, including – Verra, Gold Standard, Climate Action Reserve and American Carbon Registry – or have demonstrated an equivalent level of rigor.

### **Screen 3: Deep project- level diligence and impact screening**

Our team then conducts due diligence on the projects and holds live interviews directly with the project developers and/or trusted project partners. This includes research on the projects, their proponents and other local stakeholders. Engaging directly with the project hosts enables a

deeper understanding of the unique circumstances and conditions that surround a particular carbon credit project and how and why it came to be. We also conduct additional screens for: local community ownership and direct benefit sharing; job creation and training; women and girls empowerment; biodiversity and habitat restoration and protection (e.g., Verra Climate, Community & Biodiversity certified projects); and climate resilience impacts.

### **Screen 4: Use digital tools and resources to improve visibility**

Where feasible, we use technology to enhance project validation and verification, such as AI-powered satellite imagery, machine learning and remote sensing analysis.

### **Screen 5: Seek additional expert advice**

Netflix relies on its expert advisory group to provide additional insight and guidance on an ongoing basis across a range of key issues, including our carbon credit portfolio. This helps us identify things we may have missed.

**Learn more**  
[about.netflix.com](http://about.netflix.com)  
[ir.netflix.com](http://ir.netflix.com)

