TCFD-Aligned Disclosures

In 2017, the Task Force on Climate-Related Financial Disclosures (TCFD) released climate-related financial disclosure recommendations designed to help companies provide better information to support market transparency and more informed capital allocation. The result of their work, the TCFD framework, focuses on four pillars that represent core elements of how companies operate: governance, strategy, risk management, and metrics and targets. The four recommendations are interrelated and supported by 11 recommended disclosures that build out the framework with information that should help investors and others understand how reporting organizations think about and assess climate-related risks and opportunities.[1]

In 2021 the International Financial Reporting Standards (IFRS) Foundation announced the formation of the International Sustainability Standards Board (ISSB), which used the TCFD framework as a basis for its work. In 2023, the Financial Stability Board announced that the work of the TCFD has been completed, with the ISSB's Standards marking the "culmination of the work of the TCFD."[2]

D2L has elected to include TCFD-aligned disclosures in FY24 in preparation for anticipated reporting against ISSB in the future.

[1] See TCFD website
[2] See IFRS website

Governance	Describe the board's oversight of climate-related risks and opportunities.	D2L's Board of Directors holds ultimate responsibility for environment, social and governance (ESG) oversight and ensures that adequate systems are in place to identify, manage, monitor and report on principal risks affecting corporate objectives. Our Corporate Governance and Nominating (CGN) Committee oversees ESG at D2L and is responsible for supporting the Board on matters such as Board recruitment, the evaluation of directors in terms of their competencies and skills and effectiveness in their roles, periodic review of D2L's governance-related policies and procedures, and review of D2L's ESG disclosures. The Board receives informational updates from management and the CGN Committee on ESG developments. The ESG team also engages with the Board for the purpose of enhancing Directors' climate-related knowledge. One such session was held in September 2023. Our Audit Committee is responsible for overseeing our Enterprise Risk Management (ERM). Each year, the chief legal officer leads the annual ERM process through which ESG-related risks are considered. The Board is notified by the senior leadership team of the top risks that have been identified through this process, and the work being done to mitigate potential adverse outcomes associated with such risks on at least a quarterly basis.
	Describe management's role in assessing and managing climate-related risks and opportunities.	Our chief strategy officer (CSO) is responsible for monitoring and helping to drive the progress of our sustainability initiatives, and setting the sustainability strategy to align targets on ESG-related topics across the company. The CSO also reports to the senior leadership team, the CGN Committee and the Board on a regular basis. The CSO is the executive sponsor of the ESG Steering Committee, a management-level committee made up of leaders across the business. The committee assists leadership and the Board with sustainability-specific review and oversight by establishing a unified view of sustainability and ESG across D2L, increasing understanding across the business and promoting robust standards of management, data collection and decision-making as they relate to sustainability initiatives at D2L. In addition, as noted above, our chief legal officer oversees the annual ERM process. An organizational chart of sustainability management can be found in our FY24 Sustainability Report. Priority sustainability projects such as D2L's materiality assessment, sustainability reports, sustainability strategy and sustainability policy are brought to members of the executive team as necessary for input and reported to the CGN Committee of the Board. Such matters may or may not be deemed material to the business for external reporting purposes.

Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	D2L has conducted a review of potential climate risks, outlined below. For the purpose of identifying climate risks against specific time horizons, D2L has defined short-, medium- and long-term time horizons as follows: short-term (present—2030), medium-term (2031—2035), long-term (2036—2050). D2L evaluates climate risk in two ways: as part of our Enterprise Risk Management (ERM) program, which is managed by D2L's chief legal officer (CLO) and overseen by our Board of Directors, and as part of our broader sustainability efforts. Through our ERM program, we evaluate the potential impacts of extreme weather-related events and ESG regulatory compliance on our business. Our sustainability team is currently evaluating the business need for a comprehensive review of our physical and transition risks. As a software company, the physical assets we rely on are limited in comparison to other industries. D2L leases our office space and hosts our platforms on Amazon Web Services (AWS). We maintain strong relationships with our vendors and have business continuity plans in place. In FY24, we completed our greenhouse gas inventory in alignment with the GHG Protocol Corporate Accounting and Reporting Standard with the support of external consultants, which will allow us to better understand our impacts across our value chain. Given the nature of our industry as a SaaS service provider, we have limited direct impact within our supply chain to lower environmental impacts. However, our greatest opportunity to help mitigate the impacts of climate change is to continue to enable excellent service reliability. Some of our users may be impacted by climate events now or in the future, which may limit access to schools and other physical infrastructure. We intend to continue to work with our vendors to achieve our contracted uptime agreements, thereby supporting access to education despite potential climate events. Although not currently deemed to be material, we recognize that climate-related risks and opportunities could impact our business in the future, and we will continue to monitor and report on them within our ERM program.

Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	**Risk Category**	**Description**	**Time frame**
		PHYSICAL AND TRANSITION RISKS		
		Physical – Acute	Our business could be adversely affected by the effects of natural disasters, such as earthquakes, hurricanes, tornadoes, floods, and other adverse weather and climate conditions.	Short to Long
		Transition – Legal & Policy	Increased compliance burdens and costs due to regulatory requirements on climate, human rights and supply chain-related disclosures may pose a financial burden to our business. We also face potential costs related to addressing carbon emissions, human rights oversight and supply chain due diligence within our operations. For example, we rely on third-party data-center hosting facilities operated by AWS to deliver our solution, and they consume significant amounts of energy. Some of the impacts we may seek to mitigate, such as carbon emissions derived from energy consumption, may become more expensive as costs associated with carbon emissions increase in the jurisdictions in which we operate.	Short to Long
		Transition – Technology & Market	Failure to set, uphold and make progress toward ESG-related commitments in a manner consistent with the pace of our industry, regulatory change and investor expectation may impact our brand, financial performance, ability to attract new capital, and ability to attract and retain talent. The expectations of investors and customers, and incoming regulatory requirements in many of the jurisdictions in which we operate are quickly evolving. If we fail to align our own ESG reporting with the needs of our customers and the standards set out in incoming regulations, we may face financial risk by way of financial penalties and possible client attrition.	Short to Medium
		Transition – Reputation	The ESG reporting landscape is currently diverse in frameworks and expectations. Our selection of voluntary disclosure frameworks and standards, and our selected methodology around data capture and reporting, may change from time to time and may not meet the expectations of all investors or other stakeholders.	Short to Medium

<table>
<tr><td rowspan="4">Strategy</td><td rowspan="4">Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</td><th>Risk Category</th><th>Description</th><th>Time frame</th></tr>
<tr><th colspan="3">OPPORTUNITIES</th></tr>
<tr><td>Products and Services</td><td>D2L Brightspace is well-positioned to support customers as they adapt to the consequences of climate change that may result in disruptions to the continuity of education programming being delivered in person. Our platforms offer learners, instructors and administrators the ability to create learning moments regardless of location or device, allowing for a seamless experience from in-person to remote learning.

For many customers, D2L Brightspace also serves as an institution-wide online meeting place through which these institutions can communicate with users on their climate goals and mitigation efforts within their own institutions.</td><td>Short to Medium</td></tr>
<tr><td>Markets</td><td>The impacts of both acute climate events and chronic climate impacts may lead to higher demand for online learning tools to allow for continuity in education systems globally. D2L Brightspace, as discussed above, is well-positioned to support organizations in providing continuity in programming and curriculum delivery despite increasing acute climate events and the associated long-term impacts on transportation and physical places of learning and instruction.</td><td>Medium to Long</td></tr>
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<tr><td rowspan="4">Strategy</td><td rowspan="4">Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.</td><td colspan="2">D2L actively manages risks identified through our annual ERM process. While climate-related risks are not considered high-risk given the nature of our business, we have elected to address the risks outlined above through several activities:</td></tr>
<tr><td>Risk</td><td>Description</td></tr>
<tr><td>Physical Risks – Acute and Chronic</td><td>Impact on workforce: Increasing climate events impact cost-of-living factors such as food security and availability of housing. As such, we consider that the businesses' mitigation planning for inflation risk includes the impacts of climate on cost of living for our employees.

Impacts on infrastructure and buildings: We do not own any of the built environment infrastructure (buildings, data centers) that we rely on to conduct our business activities. Most of our employees have the option to work in a remote or hybrid arrangement, reducing the impact of potential climate events on our workforce.

Data centers: Our data center storage and processing are critical to the continuous delivery of our products and services. We rely on AWS Availability Zones[3], which allow a dispersion of our data across the regions where our data is stored. As a result, we face low levels of climate risk related to data storage due to the flexible and adaptive nature of Availability Zones relative to, for example, technology companies that exclusively rely on a single-sited private data server provider.</td></tr>
<tr><td>Transition Risks</td><td>Market and Regulatory: We have invested in formalizing our ESG approach with the onboarding of a sustainability manager and external support. Our FY24 greenhouse gas emissions inventory was completed by external consultants and supports our improved alignment against voluntary ESG frameworks.

Governance: We have developed a strong governance system across the company, from integrating ESG into the CGN Committee Charter to establishing a senior leader ESG Steering Committee. In FY25, we internally published our Sustainability Policy.

Employee Engagement: Sustainability must be managed by many within the company. We empower employees through several training opportunities offered at onboarding, through professional development and in ad hoc sessions. In FY24, we conducted over 17 team-specific training sessions to support sustainable decision-making. In addition, employees can bring their sustainability ideas to life through the Sustainability Ambassadors employee resource group to contribute to a sustainable company culture. Raising awareness and empowering employees is critically important to the sustainability change management process. We intend to build on these efforts as we learn more about our impacts.</td></tr>
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3 For more information on Availability Zones, please see AWS' online resources.

Strategy	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	D2L has not introduced climate-related scenario analysis into its business strategy due to the nature of our business. We rely on our partnership with AWS to provide our cloud services, which allows us much more flexibility in mitigating climate risk compared to single-site servers. AWS Availability Zones geographically distribute the servers where our data is stored and allows for flexibility in moving our data to other sites. By having access to AWS Availability Zones, we mitigate the risk of being impacted by climate events because we can access and move our data if server locations are impacted by climate.
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	Risk management is fundamental to the achievement of our goals and protection of our business and stakeholders. Our Audit Committee is responsible for overseeing D2L's ERM. With the help of industry consultants, D2L established a formal ERM process, through which we renewed our identification of the key risks affecting the business. Our ERM process is tightly aligned with several of our material ESG issues, including data security, data privacy and human capital management. While climate change presents acute risks to our society and the communities in which we work overall, D2L's business faces relatively low levels of climate-related exposure. In FY25, we aim to expand the ESG and climate-related topics reviewed in our ERM process as necessary.
	Describe the organization's processes for managing climate-related risks.	Executive-level risk owners were identified to manage risk plans. Principal risks are reported quarterly to the Board and include details on issues, actions taken to address the risks, monitoring plans and any changes in the risk profile. While climate-related risks have not been identified as principal risks, we continue to evaluate climate-related risks and will remain responsive as the physical and transitional circumstances evolve.
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	D2L's Strategy and ESG team has led the process to identify climate-related risks through desktop research on industry-specific data and thought leadership, peer comparison, and international standards. In addition, D2L monitors changes in policy and regulatory compliance on a regular basis. Through our ERM program, we evaluate the potential impacts of extreme weather-related events on our business.

Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	We have not yet defined metrics to assess climate-related risks and opportunities.
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	See the Environment section of our FY24 Sustainability Report.
	Describe the targets used by the organization to manage climate-related risks and opportunities, and performance against targets.	D2L has not yet set climate-related targets. In FY24, we completed our first Scope 1, 2 and 3 GHG Inventory, completed in alignment with the GHG Protocol. We plan to evaluate the results of this exercise to assess the potential of setting climate targets, given the nature of our business.

Forward-Looking Statements

This report may include certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of applicable securities laws ("forward-looking statements"). Forward-looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions, and in some cases can be identified by the use of forward-looking words such as "outlook", "budget", "scheduled", "strategy", "occur", "will", "expects", "anticipates", "intends", "plans", "believes", "estimates" or similar expressions concerning matters that are not historical facts, including with respect to D2L's environmental and climate change risk mitigation strategies. Statements containing forward-looking information represent management's estimates regarding future events or circumstances and are not indicative of future results.

A number of risks, uncertainties, and other factors may cause actual results to differ materially from the forward-looking statements contained in this report, including, among other factors, those risk factors identified in our most recent Annual Information Form, and in our other filings with the Canadian securities regulatory authorities, which are available under our profile on SEDAR+ at www.sedarplus.com. Forward-looking statements contained in this report are not guarantees of future performance and there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. These forward-looking statements are made as of April 23, 2024 for the period ranging from January 31, 2024 to February 1, 2024 and except as may be expressly required by applicable law, D2L does not undertake any obligation to update publicly or revise any such forward-looking statements, whether as a result of new information, future events, or otherwise.