ESG@SOW

For a smarter and better tomorrow

March 2024

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Mission & vision

Connecting strategy and stakeholders

Sustainability Mission

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Sustainability and responsible action are guiding principles that are central to Software AG. We are certain that moral principles and economic success belong together. To protect future generations and our planet, we are committed to creating not only economic, but also ecological and social value.

Vision

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"Our vision is for Software AG to take a leading role in the global search for technological solutions to the most pressing social and environmental challenges, and to support our customers and partners in their sustainability efforts. Renewing our commitment to creating ecological and social value will contribute to Software AG's economic success."
- Sanjay Brahmawar, CEO Software AG

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Sustainability Strategy

Our action plan for a truly connected and sustainable world

We empower.

Supporting **our employees** in unleashing their full potential and promoting digital skills in **society**.

We enable.

Deploying our **technology** and solutions to support **our customers** in doing business more sustainably.

We preserve.

Minimizing our **environmenta**l footprint and working towards achieving net-zero emissions.

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Strategy

Creating economic as well as ecological and social value

- Our way of delivering

  - Continued realization of projects with the EU Commission and the German government

  - Assistance to our customers in their digital and sustainable transformations

  - Support of people in building expertise in the area of modern technologies through education and research projects

  - Provision of our software free of charge for teaching and research purposes

- **Our commitment**: creating not only economic, but also ecological and social value

- **Our guiding principles** in creating economic success: sustainability and responsible action

- **Our key** to increasing business revenue and growth: sustainability – because it is a strong driver of innovation and a fundamental requirement for long-term profitable growth

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Highlights 2023

Impact on value creation

Economic value

LEADERSHIP AND GOVERNANCE

- Maintenance of AAA score in the MSCI ESG Rating; ISS ESG Rating upgraded to C in Apr 2023 (vs C- in 2022); stable low risk score in Sustainalytics ESG Risk Rating

- Information security training rate 93% (vs. 88.5% in 2022)

- Data protection training rate 75% (vs 80% in 2022)

CUSTOMERS AND TECHNOLOGY

- All-time high NPS (net promoter score) of 65 (vs 61 in 2022)

- NRR (net retention rate) of 107 (vs 104 in 2022)

Environmental value

IMPACT ON ENVIRONMENT

- Increased energy consumption per employee and year of 2,240 kWh (2022: 1,969 kWh) as well as per square meter and year of 93 kWh (2022: 93 kWh), decreased overall annual energy consumption of 7,545,717 kWh (2022: 7,662,965 kWh)

Social value

VALUE FOR SOCIETY

- Give-back-to-the-world projects: 18 (vs 15 in 2022)

- Move Your Feet: staff members covered a distance of 7,028 (vs 6,865 in 2022) kilometers and raised a donation of €28.200 (vs €28,500 in 2022)

- University Relations Program (software free of charge for teaching and research purposes) reach: 2,200+ universities in 104 countries and a total of 270,898 academic contacts (2022: 247,682)

- 14 research projects out of 21 (vs 13 of 21 in 2022) in total contributed to the UN SDGs; R&D investments amounted to 19.4% (vs 18.9% in 2022) of total revenue

OUR EMPLOYEES

- Employee satisfaction weakened in annual employee survey:
  - participation: 81% (vs 86% in 2022)
  - engagement score: 4.05 (vs 4.21 in 2022)
  - DE&I score: 4.48 (vs 4.56 in 2022)
  - work-life balance score: 4.02 (vs 4.7 in 2022)

- Glassdoor employer rating decreased to 4.0 (vs 4.2 in 2022)

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Green innovation

SDG alignment of ongoing R&D projects

Our target for R&D investment: minimum15% of our total revenue

Commitment to SDG alignment: at least 80% of our research projects to be aligned by 2025 with the United Nations Sustainable Development Goals (SDGs)

SUSTAINABLE DEVELOPMENT GOALS

CliCE-DiPP
Climate-neutral Circular Economy enabled by Digital Product Carbon Pass. Find out more

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 13 CLIMATE ACTION

iECO
Data space for the construction industry based on Gaia-X and a digital twin of a building's life cycle

8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

REVAMP
Remanufacturing of variant-rich battery modules with automated assembly and testing processes. Find out more

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

HYSouthMarmara
Innovative project aiming to create a regional "hydrogen economy" with green hydrogen production Find out more

7 AFFORDABLE AND CLEAN ENERGY

KI4ETA
Artificial Intelligence for Energy Technologies and Applications in production. Find out more

7 AFFORDABLE AND CLEAN ENERGY

SynErgie 3
Synchronized and energy-adaptive manu-facturing engineering for flexible alignment to a fluctuating energy supply. Find out more

7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

DESPRIMA
Flexible energy consumption adaptation for beverage bottling industries. desprima.de

7 AFFORDABLE AND CLEAN ENERGY

KLIPS
Digital platform for localization, prognosis and simulation of heat islands in urban areas. klips-projekt.de

3 GOOD HEALTH AND WELL-BEING | 13 CLIMATE ACTION

SENATOR
Governance schemes for urban planning policies. senatorproject.eu

8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 11 SUSTAINABLE CITIES AND COMMUNITIES | 13 CLIMATE ACTION

Find out more about our research activities in sync with the SDGs.

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Clean-tech use cases

Our contribution to sustainable IT solutions

SMC

Smart connectivity of IoT sensors to reduce energy consumption

Find out more ↗

Nucleus3

Optimizing water usage with the help of a fully integrated IoT solution

Find out more ↗

Greenflex

Use of integrated IoT sensors to measure and control energy equipment

Find out more ↗

STW

Particle emissions reduction via smart data collection and predictive maintenance

Find out more ↗

- By 2025, we aim to know what the long-term impacts of our technology are for at least 50% of new customers as to efficiency improvements and resource savings.

- As an initial step in 2022, the Global Customer Success Management (CSM) community developed a sustainability data gathering roadmap to better understand the long-term impacts of our technology on our customers.

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DE&I and Human Rights

Diversity, equity and inclusion

- Global **Diversity, Equity & Inclusion initiative** with appointment of corresponding management position and 24 DE&I ambassadors, development and implementation of global and regional diversity concepts and activities

- Member of **The Valuable 500** that puts the inclusion of people with disabilities on the agenda of managers.

- Signatory to the "Charter of Diversity" (**Charta der Vielfalt**) that promotes recognition, appreciation and integration of diversity in business culture

- Founding member of "Alliance for Chance" (**Allianz der Chancen**) that assists workers across a variety of industries in adapting to the rapid changes in the employment landscape

- Member of the initiative **Women into Leadership** (IWiL) that supports the sustainable development of female leaders

- Signatory of the **UN Global Compact** that promotes alignment with universal principles on human rights, labour, environment and anti-corruption in the business world. (Go to our Human-Rights Commitment)

Carbon neutrality

A step-by-step approach

#1 Establishing our Corporate Carbon Footprint

CO2 emissions (tCO2e)		
	2021	**2022**
Scope 1	3,062	3,048
Scope 2 location-based market-based	3,654 2,197	3,068 2,114
Scope 3 (excl. use of sold products)	8,373	15,310

#2 Submission of our CCF data to CDP

CDP 2022+23: Awareness score **C**

Emissions data reported for 37 countries (96% of our office footprint)

(Report available via the CDP website)

#3 Defining our path to net zero

A reduction path to net zero CO2 emissions plus key indicators relevant to governance are high on our priority list once we have access to robust scope-3 emissions data in their entirety.

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Find out more via our
ESG webpage

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