For a smarter and better tomorrow

March 2024



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Mission & vision

Connecting strategy and stakeholders

Sustainability Mission

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

"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



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 longterm profitable growth



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

CUSTOMERS AND

TECHNOLOGY

- NRR (net retention rate) of 107 (vs 104 in 2022)
- Information security training rate 93% (vs. 88.5% in 2022)
- Data protection training rate 75% (vs 80% 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)



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)



CliCE-DiPP

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



iECO

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



REVAMP

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



HYSouthMarmara

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

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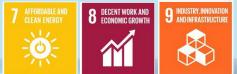
KI4ETA

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

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SynErgie 3

Synchronized and energy-adaptive manufacturing engineering for flexible alignment to a fluctuating energy supply. Find out more



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

DESPRIMA

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



KLIPS

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



SENATOR

Governance schemes for urban planning policies. senatorproject.eu





Clean-tech use cases

Our contribution to sustainable IT solutions



SMC

Smart connectivity of IoT sensors to reduce energy consumption



Nucleus3

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

<u>Find out more</u> ↗



Greenflex

Use of integrated IoT sensors to measure and control energy equipment

Find out more **7**



STW

Particle emissions reduction via smart data collection and predictive maintenance

Find out more **7**

- 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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Find out more 7

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" (<u>Allianz der Chancen</u>) 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 <u>UN Global Compact</u> that promotes alignment with universal principles on human rights, labour, environment and anti-corruption in the business world. (Go to our <u>Human-Rights</u> <u>Commitment</u>)





Carbon neutrality

A step-by-step approach



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

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

(Report available via the CDP website)



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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