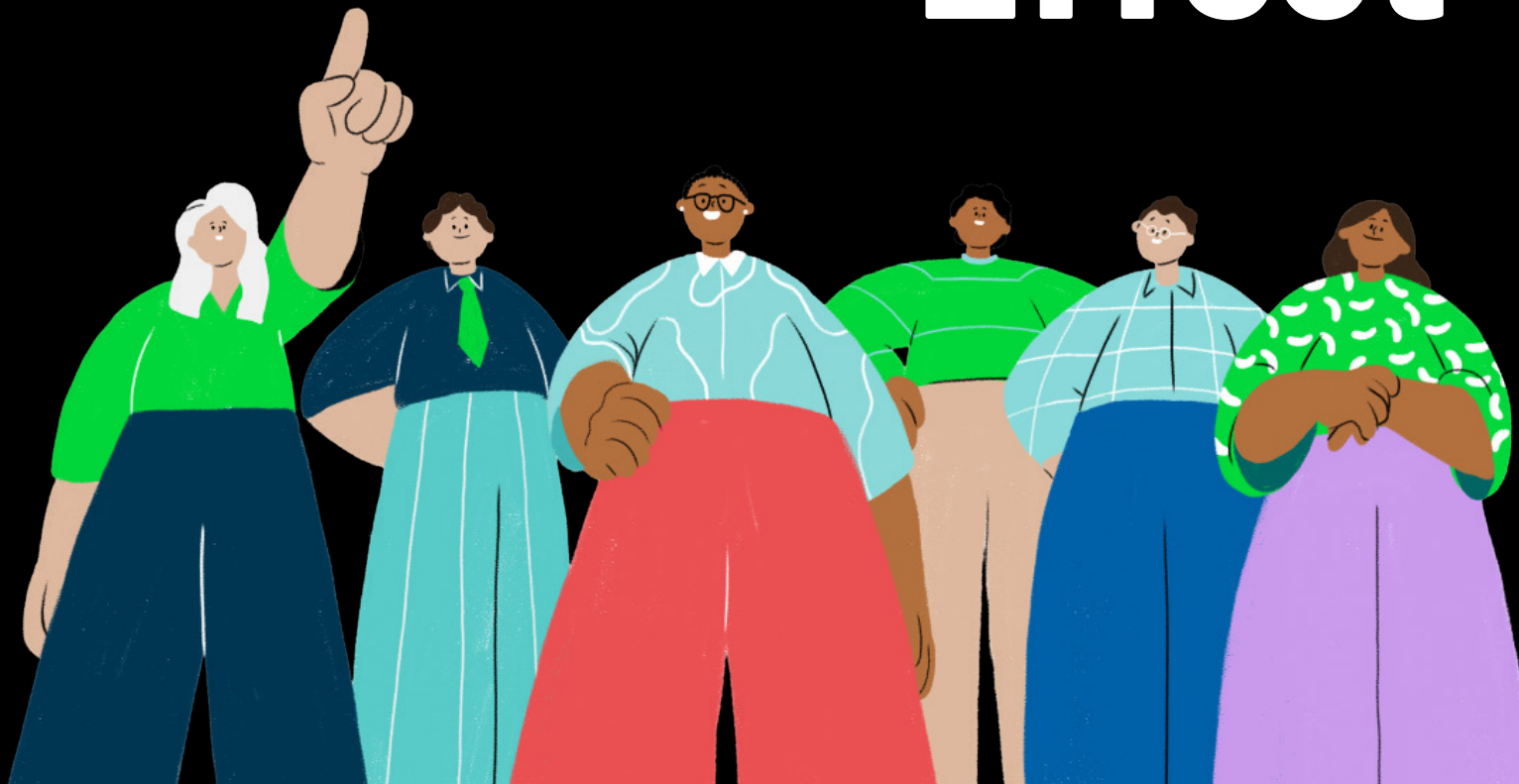# The Multiplier Effect

Sustainability and Society Report 2024

Sage

Welcome

As part of our wider financial and non-financial reporting ecosystem, we're proud to share this annual overview of progress against our 2024 Sustainability and Society commitments.

What's inside?

The Multiplier Effect

Transparent disclosure

GRI 2-2; 2-3

Covering all of The Sage Group plc. entities and businesses for the 2024 financial year (FY) 1 October 2023 to 30 September 2024, this report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards and the Sustainability Accounting Standards Board (SASB) for the Software and IT Services Industry.

Limited Assurance

GRI 2-5

In addition to external "limited assurance" for key metrics in the reporting ecosystem, for the first time this year we have engaged our external assurance provider in verifying key statements and claims across the Sustainability and Society and Climate reports. We have prepared "basis of reporting" information, which defines each of the assured metrics, as well as the approach and scope used for data collection. This information forms the basis for assurance of our sustainability performance data and can be found in the ESG Databook.

Summary Statement from Bureau Veritas UK Limited

Bureau Veritas UK Limited (Bureau Veritas) has provided limited assurance of selected sustainability disclosures included in the Sage Group plc (Sage) Sustainability and Society Report, Climate Report, and ESG Databook for FY24 (collectively the "Report"). The information and data reviewed in this assurance engagement covered the period 1 October 2023—30 September 2024. The full Independent Assurance Report, including Bureau Veritas's assurance conclusion, assessment standard, scope of work, summary of work, and exclusions and limitations, can be found in the FY24 Sustainability and Society Report on .
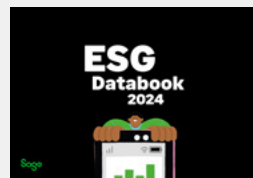
Our reporting ecosystem

Innovating for Growth
Annual Report and Accounts (ARA)

Multiplying action towards net zero
Climate Report[1]

ESG Databook 2024
ESG Databook[2]

Building trust with systematic stakeholder engagement
Materiality Assessment Methodology

UK Gender Pay Gap Report 2024
UK Gender Pay Gap Report

UK Ethnicity Pay Gap Report 2024
UK Ethnicity Pay Gap Report

Human Rights Charter
Human Rights Charter

UK Modern Slavery Act Statement

Check out our Sustainability blogs

Check out our Sound Advice Podcast

View our Trust and Security Hub

1. Includes Task Force on Climate-related Financial Disclosures (TCFD), and Transition Plan Taskforce (TPT) disclosures.
2. Includes GRI Sustainability Reporting Standards and SASB data and indices, and UN Sustainable Development Goal (SDG) progress.

Report highlights

Protect the Planet

Listed in the FT Climate Leaders
top 30 in the FT Europe Climate Leaders 2024

Net zero target validated
by the Science Based Targets initiative (SBTi)

COP28 Report
launched with recommendations for simplifying reporting for Small and Mid-Sized Businesses (SMBs)

16.6% emissions reduction
against 2019 baseline

Tech for Good

Going for Growth Report
launched in partnership with accounting body ACCA and think tank Demos, suggesting artificial intelligence could boost the UK accounting industry by £2bn and create thousands of jobs

Data for Good
website launched

18,750
people equipped with skills to access further opportunity in FY24

Human by Design

World's Best Employers
Forbes

Top Employers for Women
Forbes

Listed in the FT Diversity Leaders ranking
2024

Sustainability by Design

World's Best Companies 2024
ranked 24th out of 1,000 global companies for **Sustainability Transparency** by TIME Magazine and Statista

ESG risk register
developed and integrated into Sage's risk management tool

Human rights
saliency assessment conducted and Charter developed

1,210
sustainability learnings delivered to colleagues

Sage Foundation

13,455
entrepreneurs supported to scale and grow their businesses

$644,858
raised to help our communities thrive

159, 714
hours volunteered by Sage colleagues, partners, families, and friends

Evolved
strategy and governance framework

Ratings and awards

TIME WORLD'S MOST SUSTAINABLE COMPANIES | statista | 2024
World's Most Sustainable Companies 2024
Sage ranked #59 amongst 500 global companies by TIME Magazine and Statista

CDP DISCLOSURE INSIGHT ACTION
A-
CDP leadership rating

MSCI ESG RATINGS | CCC B BB BBB A AA **AAA**
AAA
As of 2024 Sage received MSCI ESG Rating of AAA for 3rd consecutive year

GOLD | Top 5% ecovadis Sustainability Rating JUN 2024
Gold
sustainability rating by EcoVadis

BEST PLACES TO WORK 2024 'GLASSDOOR'
Best Place to Work
UK, Glassdoor

SCIENCE BASED TARGETS
Net zero target validated
by the SBTi

TrustRadius Tech Cares 2024
Tech Cares
Sage won a TrustRadius 2024 Tech Cares award

Sage

SUSTAINABILITY AND SOCIETY REPORT 2024   Welcome   **Leadership reflections**   Our strategy   Protect the Planet   Tech for Good   Human by Design   Sustainability by Design   Reporting and assurance   3

Leadership reflections

GRI 2-22

Our Non-executive Director and Board Sponsor for ESG, Maggie Chan Jones, shares her reflections on a year of progress in an ever-changing global sustainability landscape.

"I am delighted that Sage's performance has been recognised with various accolades, including being listed in TIME Magazine's 2024 World's Most Sustainable Companies and achieving CDP A- rating."

Letter from our Non-executive Director and Board Sponsor for ESG

The global landscape continues to be shaped by profound economic, environmental, and societal shifts—climate change, social injustices, political reforms, increasing regulatory requirements, and technological advancements. All of this results in a turbulent operating environment that presents both challenges and opportunities, and requires sustainability to remain a firm priority for corporates and their boards.

As we navigate this complex and transformative landscape, our Sustainability and Society strategy—aligned with our corporate purpose to knock down barriers so that everyone can thrive—continues to create shared value for stakeholders, supporting the business to innovate for growth.

In FY24, we continued to make strong progress against each of the pillars of our sustainability strategy—Protect the Planet, Tech for Good, and Human by Design. We continued to integrate sustainability into our operations, products, and culture. I am delighted that this performance has been recognised with various accolades, including being listed in TIME Magazine's 2024 World's Most Sustainable Companies and achieving CDP A- rating for climate disclosure and action.

Our ongoing commitment to sustainability is guided by a clear understanding of the interdependencies between economic, environmental, and social systems. Whilst a focus on climate action and moving beyond reducing emissions is paramount, other aspects of the sustainability agenda, such as ethics (particularly in relation to AI), biodiversity, and human rights, will continue to (re-)emerge and rise in importance, demanding similar levels of business attention.

In this, our fourth Sustainability and Society Report, you will read about our performance highlights and challenges as we continue to hardwire sustainability into decision making and advocating for our SMB customers. I believe that the sustainability landscape will continue to evolve at pace, making the need for transparent and accurate reporting stronger than ever—supporting long-term value creation and maintaining trust across our stakeholder groups.

I would like to extend my gratitude to Sage colleagues, customers, partners, suppliers, and broader stakeholder groups, for their combined and continued sustainability efforts, multiplying our impact and working together towards an equitable, sustainable future for all.

Maggie Chan Jones
Non-executive Director and Board Sponsor for ESG

Sage engages
Leadership reflections

In conversation with our CEO, Steve Hare, and our Chief Brand and Corporate Affairs Officer, Amy Lawson

Steve and Amy discuss Sage's sustainability performance and our ongoing work to support SMBs on their net zero journey.

GRI 2-22

Steve Hare
CEO

Amy Lawson
Chief Brand and
Corporate Affairs Officer

How does sustainability contribute to Sage's purpose and evolved commercial strategy?

SH Our purpose to knock down barriers so that everyone can thrive has never felt more relevant—with economic uncertainty, increasing social inequalities, and the effects of a changing climate becoming a fast reality. The barriers faced have become more complex for all of our stakeholders and we have embraced our role in knocking them down. Sage's commercial strategy depends upon us delivering on our purpose with meaningful outcomes for all stakeholders, so we are committed to delivering against our 3 pillars: Protect the Planet, Tech for Good, and Human by Design.

Our strategy and ambition have evolved this year, responding to the pace of digital transformation and the adoption of generative AI. Our ambition to create the world's most trusted, thriving network for SMBs, powered by Sage Copilot, is only possible with AI and data ethics at the core.

How is Sage progressing on its Sustainability and Society commitments?

AL In FY24, we stepped up the delivery of our sustainability commitments across all pillars of the strategy and I would like to call out a few important milestones:

- Our net zero target was validated by the SBTi.
- We evolved the Sage Foundation strategy, building on solid ground to focus on even greater impact.
- In June, we were ranked 59 out of 500 in the TIME Magazine World's Most Sustainable Companies 2024. This is a fantastic achievement, recognising the great work delivered across climate, social metrics, and overall transparency in our external disclosures.
- For a second year, we were named on the Financial Times's 2024 European Climate Leaders list and received a Carbon Disclosure Project (CDP) A- leadership scoring.

What is Sage's position on the future of accounting and AI?

SH AI should be a catalyst for growth, innovation, and economic prosperity. For SMBs, it presents an unparalleled opportunity to boost productivity and strategic value. Our recent **AI policy report**, in partnership with think tank Demos and accounting body ACCA, examined the AI opportunity in the accounting industry and the growth opportunity for the UK economy. The study found that widespread AI adoption in UK accounting practices could add £2bn to GDP and create nearly 20,000 jobs. With growth at the heart of the UK government's legislative agenda, Sage is calling on policymakers to put the right foundations in place to foster an environment that can unleash the industry's potential.

I have been pleased to personally engage with government forums around AI to change the lives of those who build and grow their own businesses. And I am a strong believer that we must prioritise equipping entrepreneurs with future-ready skills to leverage AI to advance their businesses and back-office processes.

How is Sage continuing to support SMBs on their journey to net zero?

AL In 2024, we continued to represent the voice of SMBs to governments, industry and the business sector, highlighting the challenges they face and opportunities they have on the path to net zero. We have made some significant progress. Together with the International Chamber of Commerce (ICC), we have been advocating and championing the importance of SMBs in the climate agenda for many years now. We took part in COP29 and welcomed H.E. Ms. Nigar Arpadarai , UN Climate Change High-Level Champion's decision to place an official focus on SMBs.

At Sage, we are committed to knocking down barriers for SMBs, and enabling them to progress on their sustainability journey, so they can respond to the expectations of their stakeholders and sustain their own growth. With increasing global sustainability reporting regulations being introduced, SMBs are impacted in multiple ways—from rising costs to complex compliance requirements. We believe that the critical contribution SMBs will make to how the world meets sustainability goals should be grounded in simplicity, clarity, and performance measures reliability. Earlier in the year, we participated in the EU Commission consultation process for the Corporate Sustainability Reporting Directive (CSRD) standards for voluntary reporting for SMBs, to provide observations and recommendations on how the standards could be simplified.

How is Sage Foundation evolving?

SH We are incredibly proud of Sage Foundation. Founded on the belief that anyone can make a difference if given the time to do so, Sage colleagues, partners, friends, and families have come together to tackle inequality and create access to opportunity in our communities for the last 8 years. As we navigate the challenging macro environment, I believe now is the time to focus our Foundation's efforts on the areas where Sage can have the greatest impact—empowering the entrepreneurs of today, and tomorrow, to do great things and change the world.

AL Building on the successes to date, the Foundation will continue harnessing what is unique and special to Sage—our colleagues, our technology, our ecosystem—but focusing our efforts on fewer, higher-value partnerships and programmes that support underserved SMB owners and empower our communities with the skills and technology they need to thrive.

A purpose-driven business model GRI 2-6

Sage exists to knock down barriers so everyone can thrive, starting with the millions of small and mid-sized businesses served by us, our partners and accountants. Customers trust our finance, HR and payroll software to make work and money flow. By digitising business processes and relationships with customers, suppliers, employees, banks and governments, the Sage Network connects SMBs, removing friction and delivering insights. Knocking down barriers also means we use our time, technology and experience to tackle digital inequality, economic inequality and the climate crisis.

↗ Learn more about stakeholder engagement in our ARA (pages 48 to 54)

Inputs

Our business model
The breadth of our customer base around the world gives us a unique insight into the needs of SMBs.

Trusted advisor
Sage is a trusted brand providing award-winning customer service, which in turn generates loyalty and advocacy among customers.

People
Caring and engaged colleagues are committed to driving success for our customers.
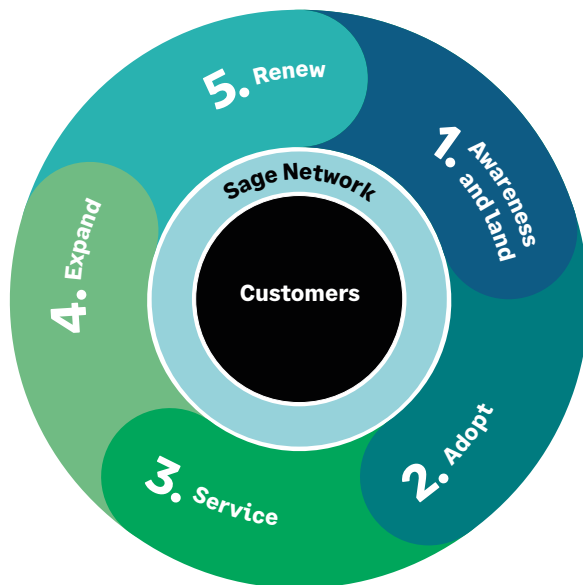
Ecosystem
Sage's scale and reach is expanded through our ecosystem of accountants, resellers, and technology partners.

Innovation
We are investing to ensure our products are differentiated in a changing technology landscape.

How we attract and retain customers

Circular diagram: Sage Network / Customers at centre, with 1. Awareness and land, 2. Adopt, 3. Service, 4. Expand, 5. Renew.

1. Awareness and land
Attract new customers to Sage through brand awareness, targeted campaigns, the sage.com website and partners. Offer guides and trials to prospective customers.

2. Adopt
Sign new customers up to Sage Business Cloud on subscription. For some solutions, Sage or its partners provide training and onboarding to get customers started.

3. Service
Provide digital and human customer support to enhance the customer experience, offering regular check-ins and conducting feedback surveys.

4. Expand
Enable Sage Business Cloud customers to benefit from our expanding portfolio of cloud-based solutions and services. This increases the value of Sage Business Cloud and enables Sage to deepen customer relationships.

5. Renew
Create a seamless experience for customers that drives higher satisfaction, helps retain customers and increases adoption of Sage solutions. New customers are attracted to the network through recommendations and advocates.

Our enablers

More customers
Adding customers, end users and ecosystem participants will improve the network effect and allow Sage to scale new value propositions. Ecosystem participants (attracted by customer volumes) act as amplifiers of the network effect.

More data
With more data and data types from network participants, Sage can capture data flows and transactions both within and outside the network.

More insight
Data drives the development of AI-powered solutions through a combination of understanding customer problems and deploying data science capabilities. This is enabled by a culture of experimentation and innovation.

More value
Solutions are delivered to enhance the customer experience and create value for customers and Sage.

A culture of innovation and experimentation

Continuous innovation at Sage is driven by a collective relentless ambition to transform the accounting industry. We foster a high-performance culture and encourage our colleagues to adopt an experimental mindset to future-fit our workforce to an evolving technological landscape.

Our values

At Sage, we do the right thing and deliver on our promises.
We value being human and bold, creating trust, doing the right thing and simplifying for customers, colleagues, society, and shareholders.

- **Doing the right thing** by acting with integrity, transparency and for the good of all our stakeholders.
- **Being Human** through empathy, care, and strong connections.
- **Being Bold** by being courageous, curious, ambitious, and creative.
- **Creating Trust** by delivering on our promises.
- **Simplifying** by stripping away complexity.

Outputs

Customers
101%
renewal by value

Colleagues
76
employee satisfaction (eSAT)

Community
159,714
Sage Foundation volunteer hours spent helping our communities

Shareholders
23%
earnings per share growth

20.45p
total dividend for the year

£400m
share buyback announced

Our Sustainability and Society strategy

The Sage Sustainability and Society strategy, The Multiplier Effect, supports our purpose and business model. It also represents our commitment to serve all of our stakeholders, including communities and the planet.

The Multiplier Effect

GRI 2-22

Protect the Planet

We will take action within our business, with our customers, and with our suppliers to tackle climate change.

- Get Sage to net zero
- Get SMBs to net zero
- Policy and advocacy

Tech for Good

We will support SMBs to thrive by building a trusted and inclusive digital network and solutions.

- Data for good
- Build digital trust
- Empower entrepreneurs

Human by Design

We will scale and grow sustainably, through a diverse, high-performing, and human culture.

- Diversity, equity, and inclusion (DEI)
- Future-fit work
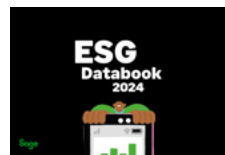- Wellbeing

Sustainability by Design

Integrating sustainability into our operations, products and culture.

Sage Foundation

Knocking down barriers to social and economic inclusion, by providing access to skills and opportunities so that everyone has the chance to thrive.

The 3 pillars are supported by clear commitments and robust action plans. An overview of progress is shown throughout this report, with further detail in our ESG Databook:

Read our ESG Databook

Hardwiring sustainability

GRI 2-24

In FY24, we made good progress in our mission to hardwire sustainability into our operations, products, and culture. This is evidenced in the strengthening of Sage's ESG Principal Risk (**see page 8**), the integration of our ESG risk register into our Enterprise Risk Management Framework, the review of Sage policies from a Sustainability and Society perspective, and the launch of a new Compliance Hub. We also conducted our first human rights saliency assessment as a step change in our work to mitigate any potential human rights risks (**see page 40**).

Building internal capabilities

In the last year, 1,210 colleagues engaged in sustainability learning sessions on some of our most material topics. We have rolled out a Climate Learning programme that focuses on building internal capabilities from carbon literacy to climate leadership.

Engaging stakeholders, particularly colleagues, SMBs, and suppliers, is fundamental to how we operationalise sustainability. To support colleagues with this engagement, we created a Responsible Business Language playbook and developed "anti-greenwashing" learning for our marketing and corporate affairs teams (**see page 40**). Sustainability Week and our first Climate Challenge were calendar highlights, featuring insights from Sage colleagues and external experts.

Multiplying impact with the Sage network

We are proud to announce the launch of our **Net Zero Hub**, which offers advice, Member Masterclasses, Sage University, and access to Sage Earth—all key tools to help guide our customers and prospects on their journey to net zero. We also expanded our Sustainability and Society masterclasses to France, Germany, and Spain. And finally, as part of our Sustainable Supply Chain strategy, we strengthened engagement with our top 100 suppliers to support them on their sustainability journey and enhance due diligence on issues such as human rights. Learn more on **page 39**.

Materiality review

`GRI 3-1; 3-2; 2-29`

As a result of our double materiality assessment conducted in 2023, our reporting is focused on the 8 strategically significant and very important material topics. These were identified through a rigorous process that considered Sage's impact on society and the environment, as well as the risks and opportunities presented to the business.

The detailed process, including stakeholder engagement, can be found in our Materiality Assessment Methodology

Strategically significant topics

Climate change	Cyber security and data privacy
Diversity, equity and inclusion	Innovation to empower customers and SMBs

Very important topics

Colleague development and retention	Local community investment and support
AI and data ethics	Digital equality

Foundational/emerging topics

Business conduct	Governance effectiveness	Tax and regulatory compliance
Wellbeing and colleague health and safety	Human rights	Resource use and circular economy
Pollution	Biodiversity and ecosystems	Water and marine resources

Foundational and emerging topics

As part of the assessment, we identified several foundational or emerging topics. While these are not included in our reporting scope, we continue to monitor and disclose against them. In 2024, we further advanced our analysis to better understand the implications for our business around:

Human rights

We collaborated with Business for Social Responsibility (BSR), an external consultancy, to conduct a human rights saliency assessment. The assessment showed that, overall, our human rights risk profile is low. However, it identified and prioritised potential risks that are most relevant to Sage, our sector and our value chain. These align with existing risks and material topics such as cyber security and data privacy, accessible products, and AI and data ethics.

Biodiversity and ecosystems

In collaboration with the Planetary Accounting Network and aligning to the Taskforce on Nature-related Financial Disclosures (TNFD) framework, we have evaluated the key nature impacts and dependencies based on Sage's business footprint (the nature and location of operations), nature interface, priority locations, and sector activities.

Water and marine resources

We recognise that the technology sector, directly or indirectly, has an important role to play in water conservation. For Sage, the impact is increasingly seen through our value chain—data centres contribute significantly to water consumption due to their cooling processes, and despite some progress on water reporting, industry-wide transparency is still lacking. We will be reporting more on this topic in the year ahead.

Sustainability governance and risk

GRI 2-9; 2-12; 2-13; 2-14; 2-19

Clear governance structures and robust risk management are critical to ensure our Sustainability and Society strategy is current and fit-for-purpose.

Ensuring accountability

Ultimate oversight for sustainability lies with our CEO and Executive Leadership Team (ELT), who delegate sustainability matters to the appropriate committee as required. Key policies are approved by the Policy Governance Forum (PGF) and signed off by the Board. Reflecting our commitment to elevate and integrate sustainability in FY24, Amy Lawson, Sage Chief Brand and Corporate Affairs Officer, became the executive sponsor for the Sustainability and Society strategy. Amy works closely with Maggie Chan Jones, our Non-executive Director and Board Sponsor for ESG. A further key development was merging the management level AI and Data Ethics Council with our Sustainability and Society Committee, to create our Sustainability, AI, and Data Ethics Committee.

Meeting quarterly with regular updates to the Board, the Committee provides strategic direction and ensures that our targets, objectives, and supporting programmes remain relevant, ambitious, and on track for delivery. Chaired by the Chief Brand and Corporate Affairs Officer, its other members include the EVP for Sustainability and Foundation (Deputy Chair), EVP Chief Risk Officer (AI and Data Sponsor), General Counsel and Company Secretary, Chief Product Officer, Chief People Officer, and Chief Technology Officer. Cross-functional working groups are in place for each of the strategic priorities. They include members of the sustainability team and subject matter experts from relevant business functions.
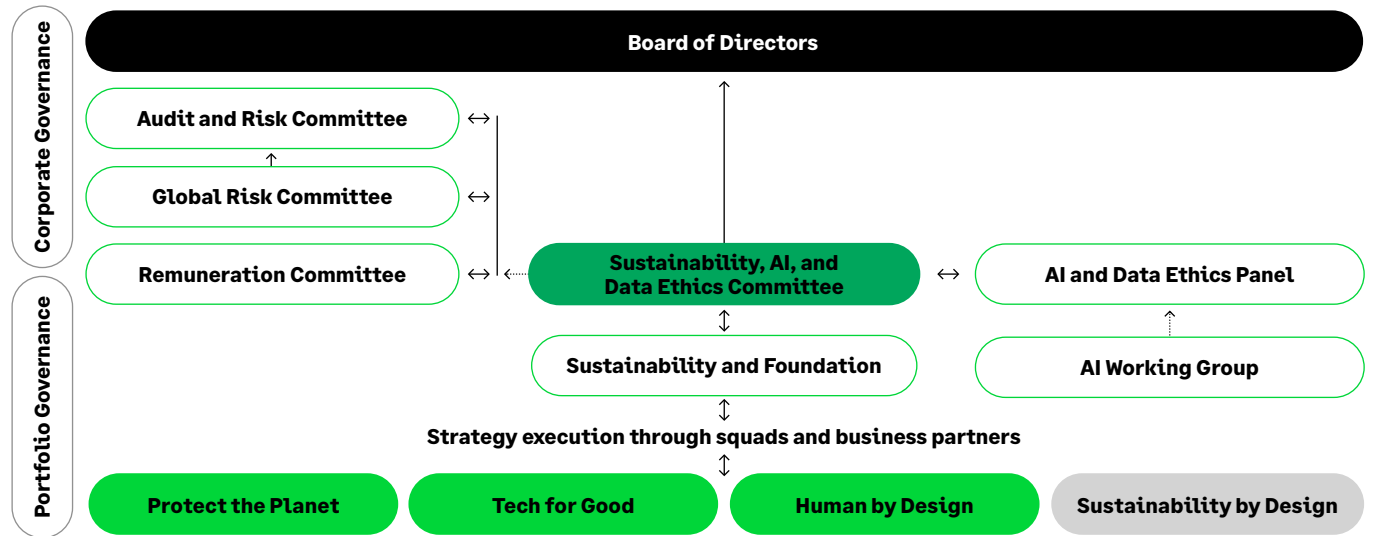
Progress against our Sustainability and Society strategy is measured quarterly, tracking key performance indicators (KPIs) on a dedicated dashboard. Along with a quarterly report, the dashboard is shared at each Committee meeting.

Our annual bonus and long-term incentive plans for the ELT and senior management continue to include measures that support delivery of our Sustainability and Society strategy.
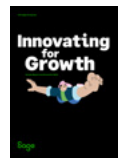
↗ **Learn more in our Annual Report pages 116 to 155**

Sustainability and Society strategy governance framework*

Corporate Governance

Board of Directors

Audit and Risk Committee ↔

Global Risk Committee ↔

Remuneration Committee ↔ → **Sustainability, AI, and Data Ethics Committee** ↔ **AI and Data Ethics Panel**

Portfolio Governance

↕ **Sustainability and Foundation** ↕ **AI Working Group**

Strategy execution through squads and business partners

↕

Protect the Planet   **Tech for Good**   **Human by Design**   **Sustainability by Design**

ESG as a Principal Risk

In FY24, the Global Risk Committee oversaw the evolution of the ESG Principal Risk, including the assessment of risk appetite, integration of controls and mitigating actions required to manage ESG as a Sage Principal Risk.[1]

Alongside the ESG Principal Risk, detailed risk and opportunity mapping of material sustainability topics with Sage's Enterprise Risk Management Framework supported the creation of an ESG risk register. Separate risk registers were created for climate (see our TCFD statement within our **Climate Report, pages 29 to 34**) and human rights (**see page 40**).

"Strengthening our ESG Principal Risk in the last year has been a milestone in our efforts to ensure sustainability isn't a 'bolt-on'; it's 'built in' to our day-to-day systems and decision-making."

Surinder Sond
EVP Sustainability and Foundation

↗ **Learn more in our Climate Report**

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1. Principal Risks are defined as strategic risks to our business model, future performance, solvency, or liquidity (find out more in our ARA, page 72).

* The structure is descriptive of the interactions of the ESG team with the governance mechanisms at Sage (including ELT; Audit and Risk Committee; Global Risk Committee; Remuneration Committee; and the Board). For the full governance structure at Sage, please refer to the ARA page 82.

In conversation on finance, risk, and sustainability

GRI 2-22

Elena Zayakova, our Senior Director of Sustainability, catches up with Vicki Bradin, General Counsel and Company Secretary, and Jonathan Howell, Chief Financial Officer (CFO), to find out how Sage is navigating the intersection of finance, risk, and sustainability in non-financial reporting.

EZ

Elena Zayakova
Senior Director,
Sustainability

VB

Vicki Bradin
General Counsel and
Company Secretary

JH

Jonathan Howell
Chief Financial
Officer

The introduction of the EU CSRD marks a new era in sustainability reporting: one that should bring ESG and financial disclosures closer together by enhancing the quality and consistency of ESG data. With the aim to drive accountability and transparency, while promoting more sustainable practices, CSRD isn't and shouldn't be seen as a reporting exercise only. It represents a huge opportunity to connect teams internally, strengthen understanding of ESG risks and impacts, and how they support strategic objectives, as well as focus on continuous performance improvement.

EZ **What is Sage's view on the growing number of ESG regulations across the globe?**

JH As we see in financial reporting, regulation leads to a more transparent and consistent reporting environment, fostering a greater degree of trust in what we report. Up until now, sustainability reporting has been largely voluntary, and so by introducing consistent regulation, ESG data will become more reliable and useful for our stakeholders.

VB At Sage, our sustainability strategy and performance has evolved significantly in the past few years. As a FTSE 100 business, we are experienced at operating in regulated environments—these new and upcoming ESG regulations are no exception. What is different, however, is the scale and the complexity of some of these regulations. Unpicking the strategic opportunities requires cross-functional attention, skills, and expertise.

EZ **How is Sage approaching complex regulations such as the EU CSRD?**

VB We have taken a forward-looking approach to CSRD. Considering the extent of the requirements, we have started early with a double materiality assessment, analysis of our entities, and understanding the impacts of CSRD on Sage. This year, we also conducted a gap assessment to map our priority areas. Sustainability and Risk teams worked together to update our ESG Risk Register and align the assessment of ESG impacts, risks, and opportunities with Sage's existing Enterprise Risk Management Framework. CSRD is far-reaching and will also impact some of our larger customers. We are therefore continuing to advocate for simplified reporting standards for SMBs by playing an active role in the consultation process for the development of the voluntary CSRD standards for SMBs.

JH Ensuring that Sage can collect, validate, and report accurate ESG data is a critical element in the implementation of EU CSRD regulations. This will require input across many teams within Sage, including Finance. We are supporting our Sustainability team to understand and plan for these upcoming requirements, providing our relevant expertise and insights.

EZ **What is the role of governance in navigating this regulatory landscape?**

VB Governance stands as the cornerstone of any company's operation—facilitating a culture of accountability. At Sage, the ELT has been consulted on CSRD and the EU Taxonomy, and representatives from different functions collaborate with the Sustainability team where required. There is a regular CSRD session in our quarterly Sustainability, AI, and Data Ethics Committee meetings. Finally, the Board receives annual updates on the progress against non-financial regulations, including CSRD and our readiness programme.

EZ **How will this impact the role of your functions at Sage?**

VB General Counsels play a critical role in helping their businesses navigate the world of compliance and are well versed in taking complexity and making it digestible and practical for those they work with. Readying the business for regulations like the CSRD is no different. Through applying the rigour, discipline, and risk awareness our discipline is known for, we can help redefine how business value is being created.

JH Ensuring ESG principles are successfully embedded into Sage's overall strategy and operations will require cross-functional collaboration, bringing together the different skills and expertise that we have within the organisation. In particular, it broadens the scope of how we think about value creation for Sage and its stakeholders, both financial and non-financial.
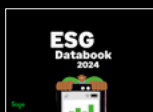
Protect the Planet

We are driving a faster global transition to net zero by cutting down our own emissions and empowering SMBs to take climate action.

Topics covered

- Climate change
- Biodiversity and ecosystems
- Water and marine resources
- Resource use and circular economy
- Pollution

SDG contribution

13 CLIMATE ACTION

You can learn more in our **ESG Databook**

You can learn more in our **Climate Report**

How are we doing?

GRI 3-3-d, e, f

Protect the Planet

Commitment	Targets	FY24 progress highlights
We will get Sage to net zero.	Get Sage to net zero by 2040 and reduce absolute Scope 1, 2, and 3 greenhouse gas (GHG) emissions by 50% by 2030 from a 2019 base year aligned to the SBTi.	• Achieved a "leadership" CDP Climate Change rating of A- (2022: B) and CDP Supplier Engagement of A- (2022: C). • Net zero target of 2040 was successfully validated and approved by SBTi. • Reduced our Scope 1 and 2 emissions by 75% since our 2019 baseline. • Reduced our market based Scope 1, 2 and 3 emissions by 16.6% since our 2019 baseline, and reduced emissions by a further 0.3% in FY24 to 193,430 tCO_2e. • Launched a sustainable commuting and lift-sharing pilot in Newcastle and Dublin, with a global roll out underway. • Launched a personal carbon tracker app for colleagues across our global sites. • Used the planetary boundaries approach to assess our nature-related risks.
We will support SMBs on the road to net zero.	Help our customers reduce their GHG emissions by 2030 by providing access to carbon management solutions and expertise.	• Launched Sage Earth Benchmarking Services, providing generic industry carbon footprints, into the NatWest Carbon Planner. • Sustainability Masterclasses launched in France, Germany and Spain.
We will advocate for enabling policy and disclosure for SMBs.	Put SMBs at the forefront of the transition to net zero by making sure their voice is heard and advocating for simplified standards.	• **Path for Growth** report launched at COP28, highlighting the barriers to reporting that SMBs face. • Continued with our strategic external partnerships. • Engaged in the EU's public consultation on the CSRD Voluntary Standard for SMBs.

Note: Target year refers to end of the respective financial year.
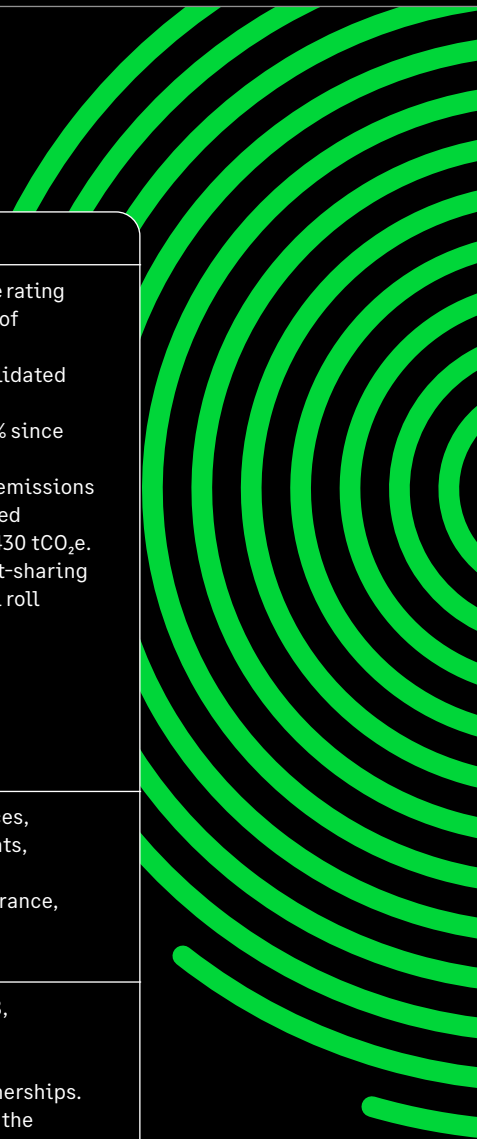
Climate change

With detailed performance shown in our **Climate Report**, this chapter offers a snapshot of progress against our Protect the Planet pillar. Each year, we accelerate actions within Sage and amplify engagement with SMBs and our wider value chain.

Commitments and progress

`GRI 3-3-c, d, e`

Get Sage to net zero

Our net zero 2040 target was successfully validated by the SBTi. The following interim targets, also validated, saw progress since 2019:

- **75%** reduction in absolute Scope 1 and 2 GHG emissions (target: 50% by 2030).
- **13%** reduction in absolute Scope 3 GHG emissions (target: 50% by 2030).
- **15%** reduction in absolute Scope 3 GHG emissions from homeworking, hotel stays, and use of sold products (target: 50% by 2030).

All targets have a baseline year of 2019.

Get SMBs to net zero

- Product life cycle assessment (LCA) methodology was launched to improve emissions accounting.
- Sage Earth is available in AWS Marketplace in the UK and Ireland, with plans to extend to North America and across Europe over the next 18 months.

Policy and advocacy

- Continued to work with Bankers for Net Zero to unlock access to capital by automating GHG emissions reporting for SMBs in the UK.
- Engaged with the UK Net Zero Council and the European Union to advocate for proportionate, simplified sustainability standards for SMBs.

Overview

`GRI 3-3-a, b, e, f`

We are proud to be included in the FT 2024 Climate Leaders list for a second year (improving our ranking to feature in the top 30 businesses). We were also awarded our first CDP leadership rating, improving from a B to an A- rating. This reflects our dedication to environmental leadership, climate action and disclosure, and implementing best practices.

Since 2019, we have made progress in reducing Scope 1 and 2 emissions (by 65% and 79% respectively) thanks to ongoing eco-efficiency and renewable electricity procurement, which now meets 56% of our property portfolio's needs. Against an overall improving trend since FY21, emissions decreased by only 0.3% in FY24. This was caused by a combination of increased business travel, a rise in supply chain spend and an increase in external carbon intensity factors across the key markets of UK, USA, France and South Africa. We remain confident in our transition plan, recognising that the path to net zero is not linear. Sage will continue to monitor the risk of increased business travel and supply chain activity, adjusting our response accordingly.

On Scope 3 emissions, we have worked extensively to support and reward colleagues to reduce their personal climate impact, including active travel initiatives in commuting (**see next page**). In our supply chain, we have continued to provide assistance on carbon target-setting and reduction. Finally, we have introduced our first carbon pricing initiative, applying a shadow price to business travel to encourage low-emission travel choices.

A detailed description of climate-related risks and opportunities is provided in the TCFD disclosure section of our **Annual Report pages 35 to 42**— you can read a summary in our **Climate Report**.

The Sage Board of Directors has oversight of climate-related issues, while accountability for delivering on our ambitious goals rests with the Sustainability, AI, and Data Ethics Committee (**see page 8**).

Our climate reporting ecosystem

Climate Report
This detailed disclosure of our climate strategy, governance, and engagement evidences how we are performing. It includes activities within Sage and with SMBs, as well as advocacy work. Risks and opportunities are assessed within the context of TCFD.

↗ **See our Climate Report**

Net zero glidepath
We've modelled our glidepath to reach 50% emissions reduction by 2030. It maps near-term actions to 2030 and is built on the key levers that we can pull to reduce Sage's emissions across our footprint.

↗ **See page 10 of our Climate Report**

Emissions by scope
Our carbon footprint is segmented into 4 focus areas that are independently validated by external auditors and are calculated in line with the Greenhouse Gas Protocol.

↗ **See page 9 of our Climate Report**

Sage Earth
In FY24, we have expanded the reach of our carbon accounting solutions beyond our own products and suites, to include partners, developers, and SMBs who wish to simply benchmark their carbon emissions.

↗ **See our Climate Report**

ARA
In the Annual Report, we consider how our Transition Plan impacts financial performance in the near term. At present, we do not consider that climate-related matters will have a material impact on the Group's financial results, going concern, or viability for the year ended 30 September 2024, noting no near-term material impacts. However, the impact from climate change and the associated risks are constantly evolving, and we will continue to monitor this risk and consequent impact.

↗ **See our ARA**

ESG Databook
The ESG Databook goes into detail on our year-on-year performance across all core data categories, including commentary on data trends.

↗ **See our ESG Databook**

Strategy in action:
Get Sage to net zero

Colleagues and climate

GRI 3-3-d, e, f

Whilst Sage colleagues directly contribute only a small proportion of our Scope 3 emissions (originating from business travel, commuting, and homeworking), they are an important stakeholder in how we deliver our Net Zero Transition Plan.

Active travel

We've partnered with MobilityWays to provide our colleagues with access to low-emission commuting tools and services. This was informed by consultation with colleagues to understand barriers and opportunities to reduce commuting-related emissions.

Colleagues in our US, Canada, UK, and Ireland sites have access to Personal Travel Plans that help them understand their options when it comes to cutting their commuting emissions. They also have access to Liftshare—a carpooling platform that makes it easier to share journeys into work and limit single-person journeys.

Through FY25, these initiatives will be made available to more Sage colleagues around the world.

We continue to provide our colleagues with access to our electric vehicle purchase scheme and cycle to work benefits. We continue to build on our Sustainable Rewards and Benefits strategy to incentivise new ways for colleagues to cut their direct emissions at work.

Learning opportunities

Established in FY24, the Sage Climate Learning programme offers a tiered pathway for colleagues to improve their climate knowledge. It consists of 3 different learning opportunities for colleagues to progress through, increasing in detail along the pathway. For example, Climate Fresk workshops are available to colleagues in the UK, Ireland, US, Canada, South Africa, France, Belgium, and Morocco. Workshops were delivered to 330 colleagues on the fundamentals of climate change. The Climate Learning programme continues to be rolled out across Sage. At the end of FY24 94% colleagues reported that they have an improved understanding of climate and sustainability topics as a result of the training.

Inspiring wider action

Beyond formal learning, colleagues can now access the Deedster app, which calculates a personal footprint and encourages colleagues to start taking small actions. During our pilot in Newcastle and Dublin, 173 colleagues took 7,263 carbon reducing actions totalling ~30,000 kgCO$_2$e personal carbon saved. We are currently in the process of making the available globally to all colleagues. Figures from our most recent challenge indicate an additional 206 colleagues taking 13,516 deeds totalling ~100,000 kgCO$_2$e personal carbon saved[1].

In FY25, we will be launching new content for colleagues to engage with on the app, including a 1 week sprint that will focus on reducing homeworking emissions.

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1. These emissions savings relate to employee personal behaviour and impact and are not included in our corporate emissions. Carbon saving figures are calculated using Deedster's methodology.

Strategy in action:
Get SMBs to net zero
SMB Carbon Model
`GRI 3-3-d, e, f`

Understanding Sage's customer emissions

Our progress

During FY24, we developed a model to estimate the GHG emissions from our customers. This shows us where these emissions come from, segmented by customer location, sector and business size.

Why this matters

Sage is committed to supporting our customers on their net zero journey. The first step in delivering on this commitment is to establish what our customers' GHG emissions are. Sage serves millions of small and mid-sized businesses around the world, and their total emissions are around 67,000 times higher than our own. Whilst our own net zero programme is important, so is multiplying our impact to help our customers get to net zero.

How did we calculate this?

We developed industry average footprints by combining data analysed from global CDP submissions with multi-regional input-output model emissions factors generated by Small World Consulting (SWC). For each industrial sector, this allows us to match the global pattern of emissions with the magnitude of emissions specific to each country, to generate an industry average carbon footprint specific to each sector and country.

This is possible because the SWC model is designed to reflect the differences in the average carbon intensity of goods and services from each industry, in each country. Combining this regional and sectoral footprint data with our customer demographic data, we are able to generate a model of emissions across our entire customer base. This gives us not only total emissions, but also the distribution of emissions across countries and sectors. This will allow Sage to target the solutions and advocacy actions that support SMBs on their net zero journey.

Strategy in action:
Policy and advocacy
SMBs Path for Growth
`GRI 3-3-d, e, f`

In partnership with PwC, the ICC, and Strand Partners, we launched a report at COP28 highlighting the barriers faced by SMBs to sustainability (and climate) reporting. With direct insights from SMBs, Path for Growth takes stock of the reporting landscape, the motivators, and roadblocks for SMBs, which comprise 99% of all global businesses. It also provides guidance for standard-setters on how to make sustainability reporting work for SMBs.

Based on our research, the report concludes that, if barriers to reporting are removed, we could triple the number of SMBs starting to report in the next 2 years. In other words, 51 million more businesses could be reporting on sustainability. This would signal a serious shift in societal response to climate change and potentially give SMBs increased access to finance, talent attraction, and new business opportunities.

In light of these findings, we issued the following recommendations for standard-setters, governments, and industry leaders:

Standard setters

- Establish consistency in ESG terminology used;
- Work with governments to increase the interoperability of emerging standards with leading market standards;
- Provide user-friendly guides; and
- Consider if reporting asks are proportional for a business with limited resources.

Government and industry leaders

- Build data infrastructure and move reporting towards accuracy and transparency;
- Showcase the importance and benefits of sustainability reporting;
- Promote affordable and automated technologies for reporting; and
- Encourage SMBs to invest in sustainability reporting, considering financial incentives to mitigate up-front costs.

The report is another milestone on our mission to make it easier, and more tangible, for SMBs to take climate action.

↗
Learn more about our Path for Growth report

Environmental stewardship

Beyond managing our climate impact and enabling SMBs to measure their own emissions, we seek to operate within planetary boundaries. This means limiting our impact on the earth's systems to within safe levels.

Overview

GRI 3-3-a, b, c

Acknowledging the interconnections between environmental risks, we continue to work with the Planetary Accounting Network to apply the Stockholm Resilience Centre's **planetary boundaries approach**. This methodology helps us to manage environmental topics beyond climate change, including water, biodiversity, and pollution, which are emerging as growing risks (and opportunities) for our sector and stakeholders, as shown in our **Materiality Assessment Methodology**:

↗
Learn more about our 2023 Materiality Assessment Methodology

Ongoing, we uphold responsible environmental stewardship through the Sage Environmental Policy, which is applicable to all colleagues. Environmental considerations are also part of wider Sage policies, such as procurement, risk, travel, and flexible working.

Assessing nature-related risks

GRI 3-3-c, d, e, f

We're aligning our environmental stewardship with the TNFD recommendations by applying the TNFD's LEAP (Locate, Evaluate, Assess, and Prepare) framework to:

- **Locate** our interface with nature;
- **Evaluate** our dependencies and impacts on nature;

- **Assess** our nature-related risks and opportunities; and
- **Prepare** to respond to, and report on, material nature-related issues, aligned with the TNFD's recommended disclosures.

In FY24, we completed the "Locate" and "Evaluate" phases. The "Locate" phase mapped the location of Sage offices and third-party data centres with locations of high environmental dependencies (e.g. water stress and scarcity, biodiversity, soil conditions, regulatory services etc.). This has illustrated the naturally occurring nature-related risk hotspots for the countries in which we operate or have third-party data centres. It is not reflective of the nature-related risk directly associated with Sage's operations and value chain.

The "Evaluate" phase looked at whether these risks would impact Sage and its third-party stakeholders. The risks were split across 3 types: physical, reputational, and regulatory.

The next phase of this work is to quantify the magnitude of the material risks to Sage. This will allow us to identify the need for processes and procedures to address these risks and opportunities.

The "Evaluate" phase also conducted a Planetary Accounting assessment for the Upstream and Operations components of Sage's value chain across material environmental footprints. This has provided us with a Planetary Footprint for Air Quality, Biodiversity, Deforestation, Water Use, and Waste. These baseline numbers will allow Sage to set science-aligned targets for each of these Planetary Footprints.

Country-specific risk ratings for environmental dependencies
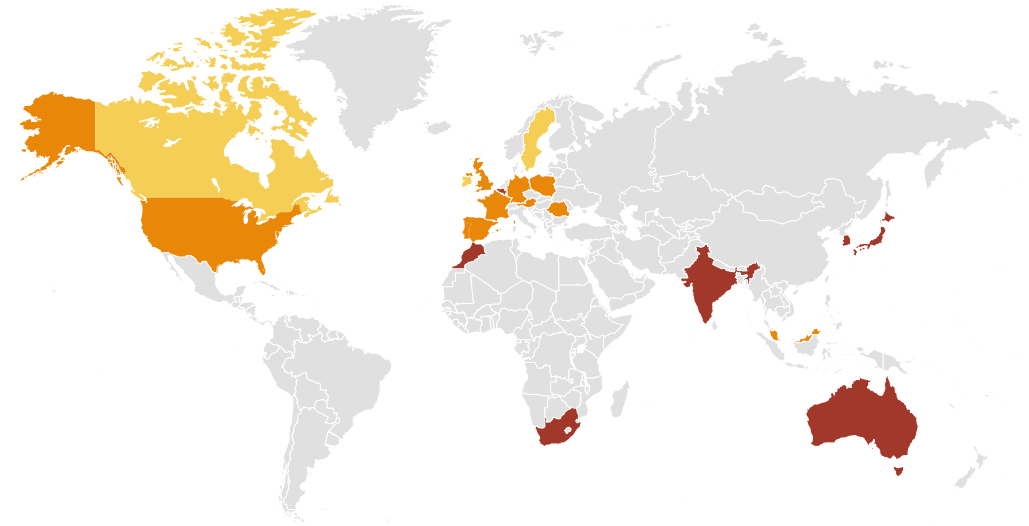
Key ● Extremely high   ● High risk   ● Medium risk

Source: World Wide Fund (WWF) Risk Filter Suite, World Resources Institute (WRI) Aqueduct dataset, and International Union for Conservation of Nature (IUCN) Integrated Biodiversity Assessment.

Protect the Planet: What's next?

GRI 3-3-e

Climate change

We will roll out consistent climate training and engagement programmes globally, as part of our wider programme to integrate sustainability across our business in the year ahead. We will also build on the Path for Growth report to advocate for simplified sustainability reporting standards for SMBs, particularly in the context of the EU's public consultation on the CSRD Voluntary SMB Standard.

Environmental stewardship

We will progress along the 4-stage LEAP framework to prepare to report on material nature-related risks.

This will include the establishment of targets, where appropriate, for impacts not already included within the Planetary Accounting assessment. We will also set science-aligned Planetary Targets for our material Planetary Footprints, with a reduction path where required.
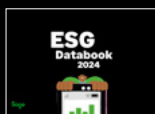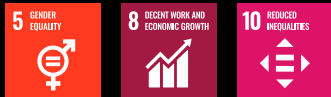
Tech for Good

We support SMBs and communities through our trusted and thriving Sage Network.

Topics covered

- Innovation to empower customers and SMBs
- AI and data ethics
- Cyber security and data privacy
- Digital equality
- Local community investment and support

SDG contribution

You can learn more in our ESG Databook

You can learn more on our Trust and Security Hub

How are we doing?

GRI 3-3-d, e, f

Tech for Good

Commitment	Targets	FY24 progress highlights
We will provide trend insights to help address the challenges faced by SMBs, such as economic recovery, skills gaps, and sustainable growth.	Support SMBs and advance the UN SDGs by using our data to create visualisations (reports, trends, analytics) that can inform better decision making by 2025.	• Data for Good web page launched in all markets, including Insight Search AI chatbot. • Small Business Tracker enhanced and socialised.
We will continue to support our customers in developing confidence and trust with regards to data security.	Expand our Trust and Security Hub to support SMBs to go digital safely by 2025.	• New information provided on AI and data ethics and building responsible AI products on sage.com. • Localised security and privacy content adapted for the French, German, Spanish, and Portuguese markets.
	Embed AI and data ethics into the fabric of Sage by 2025.	• AI and data ethics principles and AI governance framework established. • AI and Ethics training modules, provided by an external partner, are available to all Sage colleagues through the Sage learning platform. • New AI-powered assistants launched—Sage Copilot and Data for Good Insight Search.
	Cloud products to meet Web Content Accessibility Guidelines (WCAG) criteria by 2025.	• In the last 2 years, 4 Sage products (Accounting Individual—UK, Experience Platform—My Sage, SBCP—UK, SFA Client Management—UK) have passed WCAG 2.1 grade AA automated tests. • More than 350 developers undertook mandatory accessibility training.
Through Sage Foundation, we will increase access and inclusion to entrepreneurship, actively seeking out partnerships that increase our ability to make an impact.	Support 34,000 underserved entrepreneurs to scale and grow their businesses and equip 33,000 people with the skills they need to access further opportunity through Sage Foundation by 2024.	• 16,177 young people developed skills in critical thinking, coding, design, and teamwork through First Lego League. • 1,642 young people inspired to explore a future in tech through Teens in AI. • 13,420 small business owners benefitting from loans, grants and support through our partnership with Kiva.
	Help our communities thrive by volunteering a minimum of 400,000 hours by FY24 and raising $5m for non-profits around the world by 2030.	• 159,714 hours volunteered and $644,858 raised to help our communities thrive.

Note: Target year refers to end of the respective financial year.
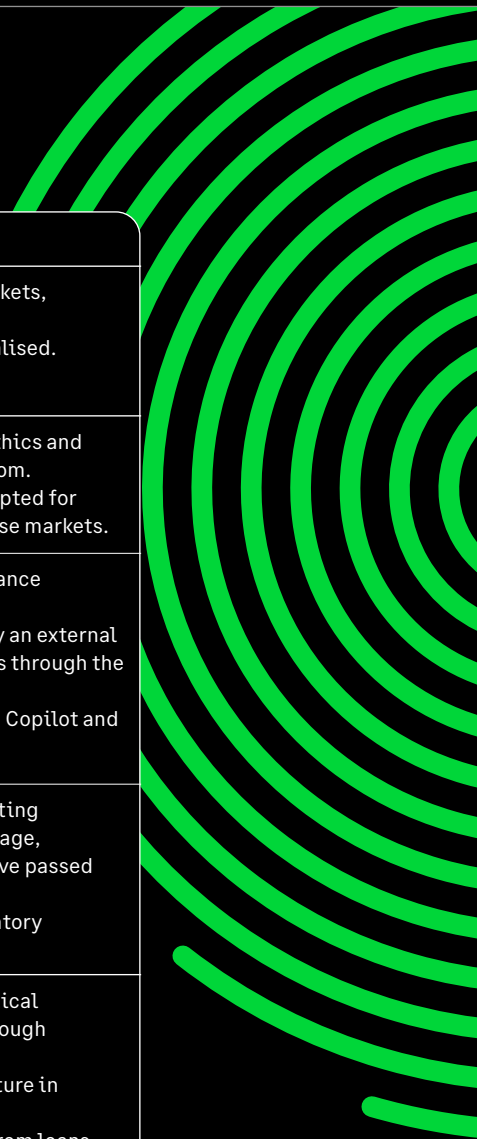
Innovation to empower customers and SMBs

As a leader in accounting, financial, HR, and payroll technologies for SMBs, we have an opportunity to unlock innovation potential for societal good.

Commitments and progress

`GRI 3-3-e`

Support SMBs and advance the UN Sustainable Development Goals (SDGs) by using our data to create visualisations (reports, trends, analytics) that can inform better decision making by 2025

- Data for Good web page launched in all markets, including Insight Search AI chatbot.
- Small Business Tracker enhanced and socialised.
- New AI-powered assistants launched—Sage Copilot and Data for Good Insight Search.

Overview

`GRI 3-3-a, b, c`

At Sage, we're always looking for the next innovative solution to make data work harder and smarter for our customers. Our Data for Good programme, combined with AI-powered products and the Sage Network, is boosting efficiency and productivity for SMBs, enabling them to focus on growing their business and contributing to society.

This remains a material topic in our Sustainability and Society strategy.

Data for Good

`GRI 3-3-d, e, f`

A key development in FY24 was enhancing and socialising the Small Business Tracker, a vast data set showing how UK SMBs are performing in the current economic climate—supporting their contribution to the SDGs. The tracker has attracted coverage from the likes of Bloomberg, the Times, the Independent, Sky, and the BBC. Such coverage helps us to advocate for digital solutions that give SMBs more time and resource to focus on their business.

Another development was the launch of the **Data for Good web page** on Sage.com, bringing together subject matter expertise, including insights from Smart Data Foundry and the Centre of Economic and Business Research.

AI: Powering innovation

`GRI 3-3-d, e`

AI is central to how we innovate on behalf of SMBs around the world. Tens of thousands of Sage customers already have access to the benefits of AI and our ambition is to have AI in each of our key products so that we elevate, not replace, the work of people. In FY24, we expanded our **AI Hub**, showcasing more AI-powered assistants that help customers access accurate information and save time. These included Sage Copilot and a **Data for Good Insight Search** product designed to make insights from our Small Business Tracker report more accessible. Learn about our approach to AI and data ethics on page 20.

Enabling entrepreneurs to focus on growth

`GRI 3-3-d`

The Sage Network is a set of apps, API services, and infrastructure that empower SMBs to thrive by digitally transforming workflows across their business ecosystem. The network is a platform connecting Sage products, customers, and their associated data flows, enabling both fully digital capabilities like e-invoicing as well as AI services like transaction classification.

The Sage Network unlocks new apps and services for customers, like **Futrli** for dynamic cash forecasting, **Sage Earth** for carbon accounting and reporting, and **Sage Connect** for easy customer and supplier collaboration.

The Sage Network promotes confidence and trust with accurate, proprietary models underpinned by clear AI and data ethics principles (see page 20). Upholding our commitment to empower customers and SMBs through innovation, we have identified the following 3 key ambitions:

1. Promote digital invoicing to support small businesses with persistent challenge of cash flow.

2. Progress with open finance to enable better SMB access to finance.

3. Tackle late payments via legislation requiring big businesses to report on their payment practices.

Innovation to empower customers and SMBs continued

🔍 **Strategy in action**

Working smarter with
Sage Copilot

(GRI 3-3-d, e)

In today's challenging economic environment, entrepreneurs need all of the tools at their disposal to drive efficiency and work smarter.

In FY24, we launched Sage Copilot, a new generative AI-powered assistant which is available for users of Sage Active, our newest cloud and AI accounting product for small businesses and accountants across Europe.

Specifically, Copilot enables:

- **Intelligent understanding** with natural language to interpret commands conversationally, customising responses for a more tailored experience;
- **Task management and automation** with personalised lists and prioritisation;
- **Communication and collaboration**, such as the right tone and timing to send reminders or invoices;
- **Data analysis, reporting, and insights** to support decision making, including quick cash flow analysis and recommendations for financial improvements;
- **Integration with other apps,** such as Microsoft Office; and
- **Personalised recommendations** to help improve budgeting and financial planning.

As with all Sage products, data ethics and protection are built into Sage Copilot (**see next page**).

> **I have seen what Sage has been building and it is exciting to know that it won't just be SMBs who will be able to get ahead in their businesses with Sage Copilot. The use of Sage Copilot will elevate my role as a strategic partner even further, allowing me and our firm to support our clients' financial success more accurately and confidently.**

Caroline Armstrong
Director at Infinitas Accountants

AI and data ethics

We unlock the potential of AI for our customers with the peace of mind that ethics, privacy, and security are at the forefront of our product development.

Commitments and progress

GRI 3-3-e

Embed data and AI ethics into the fabric of Sage by 2025

- AI and data ethics principles and AI governance framework established.
- AI and Ethics training modules, provided by an external partner, are available to all Sage colleagues through the Sage learning platform.

Build trust, fairness, and integrity in markets by delivering digital tools that remove errors, reduce the potential for bias, and detect suspicious or fraudulent activity

- Launched new AI-powered assistant, Sage Copilot, with availability across major products planned for FY25.
- AI-powered accounts payable (AP) automation streamlines supplier invoice processing, accelerating tasks such as general ledger (GL) coding and purchase order (PO) matching. Available across our entire product suite.

Overview

GRI 3-3 a, b, c, d, e

We use AI and data insights to highlight the barriers that are holding back SMBs. The combination of digitalisation and authentication within the Sage Network offers a new model for data ownership—giving individuals visibility, control and insights. We are embedding ethics into Sage product development lifecycles, ensuring ethical considerations are integral to the process. We carefully consider the risks of AI used in our products—for example, the risk of hallucinations in AI assistants.

Ethics by design

GRI 3-3 c, d, e

Our **AI and data ethics principles**[1] have been launched, and introduced in the business via the new governance framework. The objective is to ensure ethics are always considered as part of product development and adoption of enterprise tools. Ethics by design means embedding ethical considerations into our AI and data development processes so this thinking becomes second nature for our developers. This is proven to be far more effective and reliable than a separate process, which can also stifle innovation.

Another example of how we are hardwiring ethics into our governance was the integration of our AI and Data Ethics Council with the Sustainability and Society Committee and a creation of a new AI and Data Ethics Panel. Recognising the importance and interoperability between sustainability and AI and data ethics, the Sustainability, AI, and Data Ethics Committee provides strategic direction and ensures that AI and data ethics objectives, and supporting programmes, remain relevant, ambitious, and on track for delivery.

Balancing the risks and opportunities of AI

GRI 3-3 d, e, f

Recognising the immense opportunities, but also the potential for risks presented by AI, we conducted a variety of activities during the year, including:

Our recently launched **AI Hub** provides articles and tools to help businesses understand and harness the power of artificial intelligence. By automating tasks and streamlining processes, AI can increase efficiency and allow employees to focus on more strategic initiatives. The hub also explores the potential of generative AI, provides articles and tools to help businesses understand and harness the power of artificial intelligence. By automating tasks and streamlining processes, AI can increase efficiency and allow employees to focus on more strategic initiatives. The hub also explores the potential of generative AI, and offers insights into implementing AI-driven solutions and the implications of new AI regulation on businesses. These included **EU AI Act: What the artificial intelligence laws mean for businesses**.

Launched training modules, provided by an external partner, for all Sage colleagues on the fundamentals of ethics and their application in the context of AI and data, with the aim of equipping colleagues with the knowledge they need to apply ethical considerations in their day-to-day roles. Dedicated channels have also been launched so that Sage colleagues and customers can raise questions or concerns related to AI and data ethics.

Advocating for standards that drive up trusted adoption of AI by SMEs, including feeding in to the UK Government's forthcoming AI Action Plan and the Georgia state AI Study Group, which have been set up to tackle critical issues surrounding AI policy, regulation, and ethics and explore untapped opportunities to deliver better outcomes from AI.

Based on feedback from customers and extensive research, we launched our **5 AI Commitments** to demonstrate to customers that Sage will never use AI in a way which erodes their to demonstrate to customers that Sage will never use AI in a way which erodes their trust in our products. The Commitments cover how we ensure customers remain in control of how and when AI is used, how we build and use AI models to reduce hallucinations and inaccuracies, how we provide explanations for our AI outputs so customers can understand what they are based on, how we build secure, responsible AI, and how we will support customers to make the most of our AI products.

Focused on ongoing research efforts around building trust and the safe use of large language models (LLMs) within accounting and finance. Hallucinations can be a challenge in LLMs, where model-generated responses can be contextually incorrect or unrelated to the input. Over recent months, we have filed 5 patents on the safe use of these models and Sage is also funding and overseeing PhD research in mitigating hallucinations of LLMs with Newcastle University. Cutting edge academic research such as this supports Sage in its commitment to building AI which our customers can trust.

1. The 8 principles cover Data Security and Privacy, Customer Choice, Customer Benefit, Charging for Access to Data, Using Data for Good, Data Quality, Diversity and Bias Management, and Human Centric AI.

Strategy in action:

Sustainability and AI: Mutually exclusive?

GRI 3-3-d, e, f

In this Q&A, our Climate Change Director, David Harrop, catches up with our Chief Technology Officer, Aaron Harris, and our VP of Public Affairs and Stakeholder Relations, Natasha Thomas, to discuss the role digitalisation and AI can play in business and society, and the link with our sustainability agenda.

David Harrop
Climate Change Director

Aaron Harris
Chief Technology Officer

Natasha Thomas
VP of Public Affairs and Stakeholder Relations

DH — While AI offers many benefits, what are the significant challenges society faces in implementing sustainable AI?

AH — As we've seen with all leaps forward in technology, digitalisation and AI bring business and society immense benefits, but they also raise a range of complex questions and concerns about how technology will affect our planet and society.

We need to develop, deploy, and use AI in a way that is responsible, and promotes positive environmental and social outcomes.

First, the need for vast, accurate, and unbiased data is critical. Obtaining such data is difficult, especially for complex sustainability issues spanning various sectors and regions. This means trust is a significant hurdle. Many AI models, especially deep learning ones, are seen as "black boxes" because their decision-making processes aren't easily understandable by humans. This lack of transparency makes it hard for stakeholders to trust and adopt AI solutions.

Secondly, we need to build trust that AI can be a positive force for good.

This includes reducing the energy consumption of AI systems, the responsible use of freshwater to cool data centres, pushing for greater responsible action by the big tech players, and making clear the need to use clean energy grids for AI development across the lifecycle.

Large language model training also needs to be more efficient, so that when we are scaling models, we are doing so with regard to the environmental impacts so that we are not wasting Graphic Processing Units or producing more carbon emissions to address an issue that can be tackled by a small language model.

This also touches on the culture and practices of machine learning development itself, where developers can share their work more openly to reduce nugatory effort so that there is a more collaborative approach to save time, energy and subsequently environmental impacts.

Finally, ensuring the ethical and responsible use of AI is crucial. The data within these models essentially mirrors our society, capturing everything we leave behind in our digital interactions. Any societal biases and unfairness get encoded into these systems.

AI therefore must address concerns around job displacement, bias and discrimination, privacy violations, autonomous decision making, and the potential for accelerating social inequalities. Crucially, AI is here to augment human intelligence and not to replace it.

DH — If we focus on the climate impact, there is increasing concern around the negative impacts of AI on the planet. How do we balance the benefits and costs of AI?

AH — It's crucial to acknowledge the significant carbon footprint AI leaves behind. AI isn't free; it demands extensive resources and computing power, creating both societal and environmental costs, coupled with the indirect impact of the infrastructure and services required to build and maintain the technology— what we call Scope 3 emissions. This poses a direct challenge to our collective sustainability goals.

This is why we are beginning to see the emissions of major cloud providers rise, driven by the increasing demand for AI services. Some progress has been made on adopting clean energy to power the cloud, with large cloud providers committing to 100% use of renewable energy, but there is more to do.

Therefore, as we advance in our AI capabilities, we must also invest in making these technologies more energy-efficient and sustainable, continually assessing the environmental impact of our AI initiatives. By doing so, we can harness the power of AI to benefit the planet while mitigating its carbon footprint.

DH — How is Sage looking to develop trusted and responsible AI in the future?

NT — Applying principles and standards set by governments for responsible AI development is key to building trust amongst SMBs. We are in dialogue with OECD and governments in our key markets to ensure we can meet requirements to meet common objectives such as transparency and accountability.

Emerging standards from the EU, UK and US are helping us to evaluate and embed effective AI governance to manage risks and deliver on promises made to customers and shareholders. We are embedding an industry standard AI risk and controls framework, adopting the US NIST AI Risk Management Framework as a practical and pragmatic choice that works within Sage's wider Enterprise Risk Management Framework.

AH — How does our AI strategy align with our overall sustainability goals?

DH — Transparency on the risks and opportunities of adopting AI will be critical. Ensuring AI acts a force for good will demand responsible leadership across Sage and our value chain.

If not managed carefully, AI initiatives have the potential to increase GHG emissions, with knock-on biodiversity impacts. Quantifying and disclosing these environmental impacts, as well as social ones, will be important in building confidence.

Equally important will be measuring and assessing the opportunities AI provides, the positive outcomes generated by the use of AI across our stakeholders, from colleagues to society.

Cyber security and data privacy

Upholding the highest standards of AI and data ethics **(see page 20)** means building security into our products from the outset. It also means making sure we collect and use data in a way that is fair and transparent.

Commitments and progress

`GRI 3-3-e`

Expand our Trust and Security Hub to support SMBs to go digital safely by 2025

- New information about AI and data ethics and building responsible AI products on sage.com.
- Localised content adapted for the French, German, Spanish, and Portuguese markets.

Monitoring and improvement

`GRI 3-3-e`

By adopting industry best practices and tools, we are committed to mitigating cyber and data privacy risks, improving compliance, and fostering a culture of continuous improvement. Our Data Privacy framework (with local adaptations) drives continual improvement.

We help validate our security approach using internal and external audits, conducted against Internationally-recognised standards, such as ISO 27001 and Service Organization Controls reports (SOC 2). Cyber security and data privacy due diligence is conducted against suppliers and business partners via our third-party assessment programme, and we work alongside critical vendors to ensure that identified gaps are remediated. Where needed, cyber security and remediation requirements are embedded within contracts.

Overview

`GRI 3-3-a, b, c, d, e, f`

Responding to the fast-moving and increasingly sophisticated nature of cyber security threats, we continually review, test, and evolve our data and cyber security controls, tools, and training and awareness. A comprehensive policy framework, underpinned by robust controls standards, procedures, risk management processes, and training for all colleagues, helps to reduce the likelihood and impact of incidents (see our ARA page 70). We engage SMBs on an ongoing basis, including with security and data privacy support and guidance on our **Trust and Security Hub**.

Sage's Trust and Security Hub

`GRI 3-3-b, d, f`

Through our in-depth research and engagement, SMBs have told us that they need more information, advice, and guidance about protecting themselves against cyber threats. This is why we continue to expand and improve our Trust and Security Hub, designed to give customers confidence their data will be protected by rigorous cyber security controls in Sage products and also support them in keeping their businesses secure. In FY24, we completed the first 2 phases of a project to expand the hub for SMBs to "go digital safely". The first phase included making the Trust and Security Hub available on sage.com, with cyber security and privacy advice for businesses in the UK and US. The second phase included localisation into French, German, Portuguese, and Spanish markets, and new content about AI and data ethics and how Sage builds AI products responsibly.

Cyber security and data privacy continued

Making security second-nature

GRI 3-3- d, e, f

Sage products are developed and launched with cyber security integrated at every step, including code scanning, threat assessments, penetration testing, and bug bounties. All colleagues receive security training, with specialist, tailored plans in place for developers and engineers.

In FY24, we drove further improvements by making a "security mindset" second nature for our colleagues. Other highlights include:

- Refreshed Sage's product security controls standard to reflect latest changes in the threat environment and industry best practice, prioritising automation and improving processes to ensure faster resolution of vulnerabilities.
- Further enhanced Sage's award-winning security culture and awareness programme via an innovative, Sage-wide "trust your gut" campaign, sophisticated bespoke training pathways for engineering and technology teams, and internal events for security champions which include training, internal speakers, presentations, and activities.

- Tested the readiness of our strategic Crisis Management Teams via a programme of global and regional crisis exercises designed to simulate real-world incidents. Continuous stress-testing of Sage's technology environments through sophisticated "red and purple team" testing to mimic the tactics, techniques, and procedures of real cyber attackers.

Security and privacy governance

GRI 3-3- d, e, f

The EVP Global Chief Information Security Officer is responsible for cyber and data security across the organisation. Key security metrics and the progress of the security programmes are presented at every Board meeting, with oversight from the General Counsel and Company Secretary and Chief Executive Officer to ensure effective monitoring of security performance.

Our 24/7 Cyber Defence Operations team continuously monitors the networks, systems, and applications for any unusual or suspicious activity. Sage's industry-leading Security Champion network continues to be an extension of the Global Security team, supporting vulnerability remediation, implementing new security tooling and delivering security upskilling sessions in their engineering and technology teams.

To ensure compliance with applicable data protection laws, Sage has a global Data Privacy Centre of Excellence, which reports into the EVP Deputy General Counsel. This team consists of legal professionals who are accountable for advising the business on ensuring privacy by design when developing new products and services, and the fair and lawful processing of personal data generally. The team also undertakes horizon scanning to ensure that Sage anticipates new legislative requirements, including in relation to artificial intelligence.

The Centre of Excellence is supported by Data Protection Officers in a number of Sage's key European countries, as well as by Sage's regional and Product and Technology lawyers. Sage also engages external legal counsel to ensure compliance with local laws outside of the expertise of Sage's own data privacy team. Data privacy champions are embedded within business units and functions to act as key points of contact on data privacy matters. The Group Global Risk Committee and Audit and Risk Committee are also updated regularly on data privacy compliance and risk.

Digital equality

In today's world, access to opportunities is not always equal. At Sage, our purpose is to knock down barriers so everyone can thrive, starting with the millions of SMBs served by our network and extending to wider communities through the work of Sage Foundation.

Commitments and progress

`GRI 3-3-e`

Equip 33,000 people with the skills they need to access further opportunity by the end of FY24[1]

- Over the three years leading up to the end of FY24, Sage Foundation exceeded its target by equipping 37,353 individuals with the skills they needed to access further opportunity.

Our cloud products to meet WCAG criteria by 2025

- In the last 2 years, 4 Sage products (Accounting Individual—UK, Experience Platform—My Sage, SBCP—UK, SFA Client Management—UK) have passed WCAG 2.1 grade AA automated tests.
- More than 350 developers undertook mandatory accessibility training.

Overview

`GRI 3-3-a, b, c; 413`

According to the United Nations[2], the digital inequality gap is widening and the need for collaboration to address the skills gap has never been greater. Sage Foundation programmes focus on providing underrepresented groups with the skills and technology they need to level the playing field.

We track the progress of all of our digital equality programmes using impact data provided by our non-profit partners, which is shared with the Sustainability, AI, and Data Ethics Committee quarterly. While partnership agreements lay out how and what we measure, developing a consistent methodology for measuring impact remains an ongoing challenge for the social impact sector—the Foundation will be testing a new impact measurement framework in FY25 that underpins its evolved strategic direction (see page 29). In FY24, we continued our key partnerships with non-profits working to build a more inclusive technology sector.

Strategy in action:
Tackling STEM stereotypes around the world

`GRI 3-3-d`

South Africa: Creating economic opportunity with GirlCode

It's estimated[2] that girls and young women in low- and middle-income countries miss out on $15bn in economic opportunities due to gaps in internet access and digital skills, relative to their male peers. Sage Foundation has collaborated with non-profit GirlCode for the last 5 years to empower 1,838 girls with coding and technology training. In FY24, we expanded our partnership to support an additional 1,000 aspiring South African GirlCoders, enabling them to acquire coding and technology skills, which include education and mentorship from Sage experts focused on developing their STEM skills.

"Empowering girls and women in the tech sector from a young age is not only crucial for their personal growth, but also essential for cultivating a future-ready workforce, which is vital for driving economic prosperity."

Zandile Mkwanazi
CEO, GirlCode

→ Learn about our work to inspire more girls into cyber security careers on page 33

1. As measured by Sage Foundation's Science, Technology, Engineering, and Maths (STEM) programmes—see page 25.
2. Statement: Digital skills for life | UN Women—Headquarters.

Digital equality continued

Strategy in action:
Tackling STEM stereotypes around the world continued

GRI 3-3-d, e, f

UK: Building social mobility in the North East

The UK is experiencing a STEM skills crisis[1] to the tune of around £1.5bn a year.[2] With fewer young people pursuing STEM careers, businesses like Sage are struggling to recruit the talent they need. It's a complex challenge encompassing social mobility, perceptions of vocational career pathways, gender stereotypes, and educational inequality. Since 2017, Sage and Sage Foundation have been working to remove stereotypes and support inclusivity in STEM learning around Sage's headquarters in the North East of the UK. Teaming up with FIRST® LEGO® League, the Institution of Engineering and Technology, Education North Tyneside, and more than 53 local schools, we helped to deliver the region's 8th (and largest) FIRST® LEGO® League event and deliver critical thinking, coding, design, and teamwork programmes to more than 15,000 children aged 4-16 in FY24.

Sage collaborated with Newcastle Rugby Foundation and Sportable to enhance STEM education for young people in the North East of England by incorporating sports technology into their learning. What started as a pilot partnership in 2023 has now grown to engage more than 1,200 9-11 year olds in STEM learning across 40 regional schools in 2024. The programme has been recognised by TrustRadius[3] for empowering individuals and communities, promoting STEM education, and addressing educational disparities.

"We started with 20 kids a few years ago and now we have 140 children who come to clubs after school to do LEGO Robotics. It's just absolutely mind-blowing the confidence instilled in these children."

Emily Ord
Tweedmouth West First School

US: Championing entrepreneurs of colour

In Atlanta, we've deepened our partnership with Morehouse College to increase the number of Black-owned businesses in the tech ecosystem. As the nation's only historically Black liberal arts institution dedicated to educating and developing men, Morehouse shares our commitment to training enterprising students to succeed as business owners, with a focus in technology. The 15-week "Micropreneurship" course immerses students, known as "Sage Fellows" in many facets of entrepreneurship—from ideation and market research to financial planning and legal considerations. Fellows receive customised Sage software training and exclusive access to long-term mentoring opportunities with trailblazing Morehouse alumni working as tech executives, as well as Sage's extensive network of successful business leaders and entrepreneurs.

The **Sage-Morehouse** partnership expansion comes at a critical time, when only 8% of workers and just 3% of executives in the US tech industry are Black, according to a 2023 study by the Computing Technology Industry Association.

"Our ongoing relationship with Sage is an example of the kind of partnership of purpose that Morehouse establishes with bold industry leaders who are willing to collaborate with our esteemed faculty, invest in our students, and equip our classrooms with the tools and networks necessary."

Hassan
VP Institutional Advancement, Morehouse

Global: A future in tech for teens

For the last 2 years, Sage Foundation has been helping Teens in AI in its mission to inspire young people to explore a future in tech. Teens in AI's initiatives focus on breaking down barriers across a wide spectrum, ensuring that everyone, regardless of gender, ethnicity, or socioeconomic background, has the opportunity to participate and excel in the evolving world of technology. From Johannesburg to Newcastle, Sage experts in AI and cyber security, (including executive sponsor Aaron Harris, our Chief Technology Officer), mentor young people, set challenges, and share their expertise. In FY24, we once again supported the Techathon for responsible AI and data science. Overall, 1,560 young people took part across 27 locations in 17 languages, with Sage colleagues and Sage Foundation partners volunteering as judges, speakers, and mentors. Sage Foundation renewed its partnership with **Teens in AI** in FY24, committing to a further 2 years of programming, championing diverse perspectives and shaping a more inclusive AI future.

"Seeing other students around me who were passionate coders only helps to drive my goals for the future. As well as this, presenting to the judges was one of the most important experiences that I've ever had."

Aidan
16, Teens in AI Techathon participant

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1. The Manafacturer highlights the UK is experiencing a STEM crisis with a widely reported lack of industry professionals compared to much of the rest of the world.
2. The Institution of Engineering and Technology (IET), highlights the UK's growing STEM skills gap is costing the economy a shocking £1.5bn per annum.
3. Sage was recognised by TrustRadius for empowering individuals and communities, promoting STEM education, and addressing educational disparities.

Digital equality continued

Product accessibility

`GRI 3-3-d, e, f`

In the last 2 years, 4 Sage products (Accounting Individual—UK, Experience Platform—My Sage, SBCP—UK, SFA Client Management—UK) have passed WCAG 2.1 grade AA automated tests. Products are deemed accessible through a process of machine learning and human auditing. Work has now started on the human audits for accessibility which will help us work towards the overall accessibility goal in 2025. In FY24, 15% of participants in our usability tests had additional accessibility needs, bringing real-life scenarios to our inclusive product testing.

Web content accessibility remains an industry challenge. Products evolve all the time, with accessibility checks needed to follow suit. We've introduced several measures to pre-empt accessibility needs in version updates. This includes adding accessibility criteria into Sage product design guidelines, colleague training, and accountability structures. More than 350 developers undertook accessibility training in FY24, with 121 further colleagues accessing video learnings.

Our Chief Product Officer works with the Sustainability, AI, and Data Ethics Committee to oversee progress against our accessibility commitments. Product accessibility issues are reported monthly via a dashboard.

Strategy in action

Global Accessibility Awareness Day

`GRI 3-3-d`

Global Accessibility Awareness Day is an international event held annually to focus on digital access and inclusion for people with disabilities. In FY24, we dedicated the day to raise awareness and foster an inclusive culture through a series of activities and workshops, including:

- **Introduction and allyship in the workplace:** An opening session emphasising the importance of accessibility and allyship.
- **Explaining the European Accessibility Act (2025):** A presentation that demystified upcoming EU accessibility legislation.
- **Accessibility empathy workshop:** An interactive session, where participants experienced using websites with disability simulators.
- **Overcoming challenges to accessibility:** A workshop that provided strategies to tackle common barriers and objections to accessibility.
- **5 things you need to know about HTML:** A session that highlighted essential HTML practices for accessibility.
- **Empathy lab:** A hands-on experience with impairment simulators and assistive technologies, guided by accessibility champions.

Over 100 Sage colleagues attended the Global Accessibility Awareness Day and we are looking at ways to expand on this event on an annual basis.

Inclusive tele-servicing

`GRI 3-3-d, e, f`

With tele-servicing identified as an opportunity for improved accessibility in our UK Customer Service teams, we established a dedicated Customer Service squad, supported by an executive sponsor, to raise accessibility awareness among colleagues who interact with customers by telephone.

A 15-minute self-study digital learning module was piloted in the UK, Ireland, South Africa, and the US, with information and practical tips on how to talk about call adjustments, adjust personal call style, and work with third-party organisations and technology to support customers on calls. In total, 72% Customer Service colleagues now have a foundational awareness of the accessibility challenges that people can face in their day-to-day working. This will undoubtedly support them to provide more inclusive experiences with our colleagues.

Whilst it is too soon to monitor the collective impact on our customer experience measures, we will continue to reinforce messages from the training and monitor colleague feedback and survey sentiment. During FY25, we aim to translate and roll out the learning module globally.

72%

Customer Service colleagues now have a foundational awareness of the accessibility challenges that people can face in their day-to-day working

Local community investment and support

Sage Foundation works with non-profits, Sage volunteers, and Sage partners around the world to tackle inequality and provide access to opportunity.

Commitments and progress

`GRI 3-3-e`

Support 34,000 underserved entrepreneurs to scale and grow their businesses

- 13,455 entrepreneurs supported.
- 25 BOSS Network women received grants, mentorship and training.
- 13,420 small business owners supported with **Kiva loans**.

Help our communities thrive by volunteering a minimum of 400,000 hours by FY24 and raising $5m for non-profits around the world by 2030

- 159,714 hours volunteered and $644,858 raised to help our communities thrive.

Overview

`GRI 3-3-a, b, d, e; 413`

Sage Foundation targets its socioeconomic contributions towards tackling economic inequality and creating access to opportunity in our communities (see page 29 and ARA pages 52 and 53). Through global partnerships, volunteering, and fundraising, we are not only helping to create thriving communities, but creating a more rewarding colleague experience, which helps us retain and attract talent (see page 34).

In 2024, £2.1m was disbursed to 53 charitable partners around the world through Sage Foundation, including provision for emergency support. Sage colleagues, partners, families, and friends volunteered a total of 159, 714 hours to support their communities. These contributions are all the more pertinent when considered against the backdrop of cost-of-living pressures, climate change, and unrest having a disproportionate effect on the most vulnerable and widening the inequality gap.

£2.1m

disbursed to 53 charitable partners around the world through Sage Foundation in 2024

159,714

hours volunteered to help communities thrive

Strategy in action

Investing in The BOSS Network, U.S.

`GRI 3-3-d, e, f`

Women of colour are America's fastest-growing demographic of entrepreneurs.[2] However, it's estimated that they receive only 0.35% of venture capital funding.[3] They also face disproportionate barriers in growing a business and marketing.[4] Now in its 3rd year, Sage Foundation's partnership with The BOSS Network is making venture capital funding more equitable for businesswomen of colour with a $1.5m commitment alongside mentorship, coaching, and education.

In FY24, the Invest in Progress grant programme awarded 25 Black women entrepreneurs a $10,000 grant each, bringing total grantees to 85 Black female founders over the last 3 years. As well as a grant, these entrepreneurs receive a 12-month programme of mentorship, training and support to help them grow their business. Grant winners reported that they were able to hire 40 new team members, while 95% said that they had improved their knowledge in a way that had a positive impact on their business.

> "With Sage and The BOSS Network's support, I've made significant strides toward achieving my business goals, including increasing user acquisition."

CherRaye Glenn-Flowers
Founder of Brownce

> "The training has been priceless and has provided tools to take my business to the next level. For example, the LinkedIn training provided knowledge that I implemented in becoming one of the top 20% speakers on the platform."

Cassandra Hill
Transformation Agent

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1. Sage Foundation's achievement of this commitment will inform future impact targets, which will be baselined and established during FY25.
2. Black Women Entrepreneurs: Growth and Headwinds | J.P. Morgan (jpmorgan.com).
3. Investing In The Future: How Supporting Black Women-Owned Businesses And Entrepreneurs Benefits Us All (forbes.com).
4. Report Reveals Black Women Entrepreneurs Generate Nearly $100B In Revenue, But Highlights Ongoing Challenges— (blackenterprise.com).

Local community investment and support continued

🔍 Strategy in action

Boosting access to microfinance in underserved communities

GRI 3-3-d, e, f

More than 1.7bn people around the world are "unbanked" and can't access the financial services they need. **Kiva** is an international microfinance non-profit with a mission to expand financial access to help underserved communities thrive.

For the past 3 years, Sage Foundation has provided $1m in loans, grants, and direct support for social entrepreneurs through its partnership with Kiva. In addition, the Kiva Credits Programme is bringing together Sage colleagues, customers, and partners who have collectively reached more than 13,420 small business owners in less developed countries since 2021.

Together, we are playing a small part in closing the gap in access to microfinance between those with traditional banking access and those who may not be reached by conventional financial institutions.

$1m

in loans, grants, and direct support for social entrepreneurs

Sage Foundation governance and risk management

GRI 3-3-c; 413

Sage Foundation's work is set out in a strategy and policy framework that includes its approach to grants and investments, volunteering and reporting, and fundraising. It is governed through the Sustainability, AI, and Data Ethics Committee, and sponsored by our Chief Brand and Corporate Affairs Officer and CEO. The Foundation Leadership Team provides quarterly progress updates to the Committee, while Sage Foundation ambassadors build momentum within the business. In FY24, Sage Foundation focused further on creating guidance materials and processes for volunteering and partnerships, while continuing to professionalise and strengthen governance capabilities.

GRI 3-3-d

Sage Legal, Procurement, Public Affairs, and Finance experts conduct extensive due diligence on any beneficiaries or partners, ensuring that they align with the ethical practices outlined in the Sage Code of Conduct, and that financial and non-financial risks are mitigated as per Sage's wider policies. The grant-making platform, Benevity, also vets charitable organisations and offers data-driven insights and tools to ensure transparency, accountability, and alignment with our corporate giving goals.

GRI 3-3-a, e, f

Sage Foundation risks are now categorised under our ESG Principal Risk (**see page 8**), Due diligence and monitoring processes have been significantly strengthened, enabling the Foundation to continue mitigating and addressing risks cited by stakeholders in the materiality assessment. Compliance guidance for Foundation colleagues is now in place to strengthen risk management, in addition to mandatory Code of Conduct training (**see page 39**).

A central risk register is reviewed quarterly by Sage Foundation. Community partners must report updates at least annually, with those receiving more than $50,000 reporting at a higher frequency. Internal and external auditing, as well as best practices identified through our memberships of global and regionally-based professional groups including the Association for Corporate Citizenship Professionals, Business for Social Impact, and the Corporate Volunteer Council, among others, help drive continuous evaluation and improvement.

Sage engages

A new chapter for Sage Foundation

GRI 3-3-c, d, e, f

Building on 8 years of impact, Sage Foundation is evolving its strategy and approach to community investment from FY25. Sage Foundation's VP, Cadence Willis, reflects on achievements to date and discusses what's next for Sage Foundation.

Cadence Willis
Sage Foundation's VP

Reflecting on what's been achieved by the Foundation since 2015, what are you most proud of?

We're incredibly proud of Sage's Foundation. For 8 years, it's been knocking down barriers, tackling inequality, and providing access to opportunity in partnership with non-profits around the world. We've built a community and an amazing vehicle for change. Founded on the belief that anyone can make a difference if given the time to do so, Sage colleagues, partners, friends, and families come together to volunteer and raise funds for their communities—in the last 3 years alone, we have volunteered more than 455,560 hours and raised over $2.4m. Sage Foundation is part of our culture, core to who we are as an organisation and key to delivering on our purpose to knock down barriers so everyone can thrive.

What can you tell us about Sage Foundation's new direction?

We concluded an extensive stakeholder consultation, a global partnership review, and a gap analysis over the past 18 months. From FY25, we will be moving from a dispersed grants model towards a more focused, impact-driven model. Essentially, we will focus our efforts on fewer but more targeted areas that ensure every pound invested, or hour of time spent, has the greatest impact possible. Our evolved strategy is aligned to Sage's business strategy and focuses the Foundation's efforts on empowering the entrepreneurs of today, and tomorrow, to do great things and change the world, ensuring we connect the unique skills and capabilities we have at Sage with the organisations and individuals who can benefit from them the most.

How will you monitor impact?

Our evolved strategy has monitoring and evaluation at its core. We've designed a new impact measurement framework aligned to the Business for Societal Impact (B4SI) Community Investment Framework[1], which we will be testing in FY25 and will serve as a baseline to inform longer-term target setting. We validated this approach with non-profit partners in FY24 and together are committed to bringing the voice of participants and their experiences into the room to inform our programming and how we measure impact.

How will the new strategy help deliver on Sage's purpose?

By connecting Sage talent and technology with Sage Foundation's trusted partnerships and local insight, our goal is to help create thriving communities, opening up the opportunity of entrepreneurialism and improving the digital and tech skills capabilities of our markets—all of which supports our strategic direction. Collaboration and partnerships are more important than ever to delivering on these commitments and we are excited to see what we can achieve alongside our partners in our next chapter.

Tech for Good: What's next?

GRI 3-3-e

Innovation to empower customers and SMBs
We will publish a wider set of payroll metrics from UK data and extend our partnership with Smart Data Foundry. In addition, we aim to create a localised dashboard of SMB performance data, helping local councils with planning.

AI and data ethics
Ethics, data, and AI governance will continue to be embedded into business processes and product development, and a single, global AI inventory will be created. Sage-specific AI and data ethics training will be launched to all colleagues, and a baseline assessment against an industry standard AI risk management framework will be conducted early in FY25.

Cyber security and data privacy
Key updates will continue to be made to Sage's Trust and Security Hub to further support and protect our customers as they go digital safely.

Digital equality
Through our partnerships, we will be scaling our skills programmes with a focus on regional investment, aiming to involve 10,000 students in the 2025 FIRST® LEGO® League in the UK and 4,000 students via Teens in AI in the next 2 years. On web content accessibility, the focus will be on additional human audits to ensure we capture and tackle the variety of accessibility needs. With regards to new products and acquisitions in FY25, we will set a plan for achieving accessibility by ensuring we follow the same roadmap set out for our existing products.

10,000

students in the 2025 FIRST® LEGO® League

Local community investment and support
We will socialise the evolved Sage Foundation strategy and embed new governance and impact measurement frameworks, while connecting more Sage colleagues and partners with opportunities to support the delivery of our programmes.
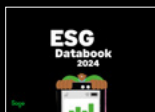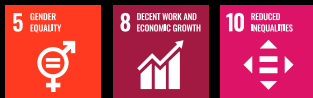
1. https://b4si.net/framework/.

Human by Design

We care for colleagues by championing inclusive, progressive, and healthy working environments.

Topics covered

- Diversity, equity, and inclusion
- Colleague development and retention
- Wellbeing and colleague health and safety

SDG contribution

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

ESG Databook 2024

You can learn more in our ESG Databook

UK Ethnicity Pay Gap Report 2024

You can learn more in our Ethnicity Pay Gap Report

UK Gender Pay Gap Report 2024

You can learn more in our Gender Pay Gap Report

How are we doing?

GRI 3-3-d, e, f

Human by Design

Commitment	Targets	FY24 progress highlights
We are creating an equitable and inclusive environment, attracting talent from a wider pool of candidates to ensure our workforce reflects the rich diversity of our customers and communities.	Achieve representation of no more than 60% of men, women, or non-binary people in any leadership team by the end of FY26.	• Top Employers for Women, Forbes. • FT Diversity Leaders 2024. • Achieved 41% of teams meeting the gender diversity target against FY24 target of 40% (34% in FY23).
	Increase All About Us participation to 65% across all active countries by 2024.	• 64% participation in our All About Us diversity self-declaration programme (56% in FY23). • Delivered All About Us participation rates in UK: 77%; Ireland: 69%; South Africa: 76%; Canada: 63%; and USA: 68%.
	Deliver a greater sense of belonging and inclusion through 20% of colleagues actively participating in a Colleague Success Network by 2024.	• 22% Colleague Success Network participation (18% in FY23).
We are nurturing adaptable capabilities such as digital literacy, critical thinking, collaboration, and continuous learning that are crucial for success as the business grows.	Connect 70% of colleagues to our internal Talent Marketplace and increase internal fill rate to 45% by 2023.	• Completed.
	5,000 future-fit learnings completed by colleagues by 2025.	• Over 4, 367 future-fit learnings accessed by colleagues, supporting how we upskill colleagues on essential skills. • Developed and rolled out sustainability learnings globally, integrating more than 400 sustainability learning videos to colleagues into our Sage Learning platform.
	At least 20% year-on-year increase in our Pathways hires each year up to 2025, with 500+ people globally receiving work readiness training each FY.	• Hired 25 colleagues through the Pathways programme. • 339 colleagues received work readiness training in FY24
By making wellbeing, and health and safety second nature to everyone at Sage, we ingrain a supportive environment where colleagues feel psychologically safe and supported to take care of their wellbeing and the wellbeing of their colleagues.	Roll out our Employee Assistance Programme (EAP) in all countries by 2024.	• Completed.
	Double the number of Healthy Mind Coaches by 2025 from a 2022 baseline of 67 in 4 countries.	• In FY24 we trained a further 64 Healthy Mind Coaches (we had a total of 93 in FY23). We currently have 157 Healthy Mind Coaches based in the UK, Ireland, France, Belgium, Spain, Portugal, South Africa, India, Germany, and Romania.

Note: Target year refers to end of the respective financial year.

Diversity, equity, and inclusion

Knocking down barriers so everyone can thrive starts with our own teams. We foster a culture of inclusion, embracing diverse perspectives that fuel innovation and help us compete in diverse marketplaces.

Commitments and progress

`GRI 3-3-e`

Achieve representation of no more than 60% of men, women, or non-binary people in any leadership team, anywhere at Sage, by the end of FY26

- 41% achieved.

Increase All About Us self-declarations to 65% across 10 participating countries by 2024

- 64% achieved.

Deliver a greater awareness of different lived experiences and insight through 20% of colleagues actively participating in a Colleague Success Network by 2024

- 22% achieved.

Overview

`GRI 3-3-a, b`

Our DEI strategy focuses on 3 priorities: Diverse Teams, Equity by Design, and Inclusive Culture.

The Parker Review—a framework for ethnic diversity of UK boards—requires companies to publish and report progress on a self-declared senior leadership target by the end of 2027. We have set ourselves a target of 20% of our Executive Leadership Team and their direct reports to be from a historically underrepresented race or ethnic group. We began the year at 11% and are finishing at 16%, with an 83% self-declaration rate.

The DEI Accountability Board, which is chaired by our CEO and consists of our Chief People Officer (CPO), EVP of Talent, Capability and Culture, and VP of DEI and Wellbeing, is accountable for the success of the DEI strategy, setting targets, and allocating resource. The DEI Advisory Board, which is chaired by our CPO and consists of our 6 ELT Ambassadors for DEI, our Board Sponsor for ESG, and 4 external DEI experts, is responsible for challenging our strategy, driving constant innovation, and benchmarking Sage against global best practice. Progress against targets is reviewed quarterly by the Sustainability, AI, and Data Ethics Committee. In FY24, our DEI and Wellbeing teams merged, emphasising the links between the 2 topics.

Diverse teams

`GRI 3-3-c, d, f`

We increased our progress on our gender diversity target from 34% in FY23 to 41% in FY24 by combining various best practices. Our DEI Accountability Board agreed changes to create a more equitable and inclusive hiring approach. This has included mandating that a diverse group of interviewers in terms of gender, ethnicity, and age is present throughout the interview stages, and for selected roles, we share questions with candidates prior to an interview when assessing for reactive thinking is not necessary, and delaying the start of the interview process until a diverse shortlist is available.

We have also raised the visibility of our DEI strategy on our careers website, and incorporated best practices for equity and inclusion through leadership training within some of our individual business functions. ELT ambassadors oversaw pilot projects around diversity in career progression and neuro-inclusion, as well as mental health

(**see page 34**). Thanks to an increase in the number of colleagues voluntarily sharing personal information about their protected characteristics combined with more advanced reporting, we have a clearer picture of diversity at Sage. This has enabled us to more accurately understand our baseline and set team gender diversity and representation targets for each Executive Leadership Team member. We have also focused on improving diversity data self-declaration with our ELT and next layer of leadership. This is showing that 16% of this group are from a historically underrepresented race or ethnic group—a metric we have tracked for the first time.

Always seeking to improve our approach to building and tracking diverse teams, live data dashboards can be accessed at any time by our ELT and their teams, to provide insights when making decisions about future workforce planning, restructures, recruitment, and talent development.
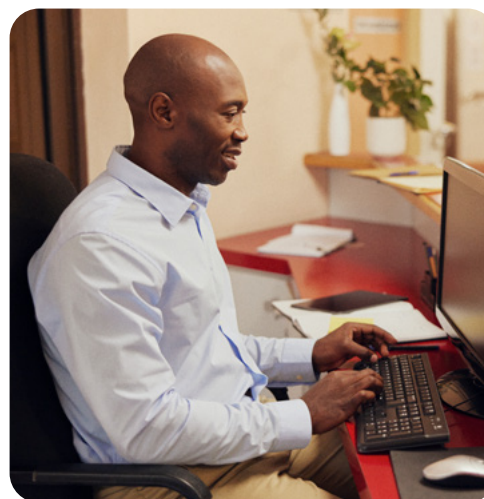
Strategy in action

Expanding DEI self-disclosure

`GRI 3-3-d, e, f`

Our gender, racial and ethnicity representation goals are based on self-declared colleague data collected in our All About Us survey programme. We currently ask for information from colleagues in the US, Canada, South Africa, Portugal, Spain, Germany, Austria, and France. We believe that our open culture is demonstrated by the high degree of declaration we receive in many of these regions. In FY24, we sought to understand and boost self-declaration levels in regions with lower disclosure, including Portugal and Spain, and our Global Customer Services function. This sensitive programme involved a 5-month engagement exercise localised and translated. As a result, we saw the global self-declaration rate increase by 8%.

Throughout the year, we share examples of how we use anonymised self-declaration data with Sage colleagues to build trust in why we request such information.

We continue to embed our All About Us data into our People process equity reviews to evolve the maturity of our data analysis and forecasting against DEI targets.

Diversity, equity, and inclusion continued

Equity by design

`GRI 3-3-d, f`

During the year, we piloted 3 projects to support our goal to build equity into operational processes and create the conditions to improve underrepresentation within teams.

The first pilot explored new ways of increasing diversity of candidates for our US Sales function to ensure that we are representative of our customers and are building teams where a mix of skills, backgrounds, and lived experiences foster innovation and high performance. This pilot led to the creation of our diverse hiring principles that are now being rolled out globally.

The second pilot focused on our UK Customer Service teams to build diversity, equity, and inclusion education into the Manager Development Programme. Inclusion content will feature through all Customer Services Manager training in FY25 focussing on topics such as creating a neuroinclusive team environment. By removing barriers for colleagues we know that our customers will receive an even better experience.

The third pilot aimed to increase female applications and promotions in Finance by implementing an Allyship train-the-trainer programme for all leaders in the Finance team. This initiative ran alongside the "Women in Finance Accelerator" programme, which supports women in advancing their careers through 1-2-1 coaching, personal brand development, and sharing professional skills with people looking for work from marginalised communities. In partnership with the DEI team, this cohort of Finance colleagues were trained to build awareness across their teams on 3 key skills, namely empathetic listening, speaking out, and sharing stories to inspire action. By developing a culture of allyship alongside specific skills training for women, we are expecting to see the number of female applications and progressions into leadership roles increase. We will be tracking the change over the next 2 years.

Inclusive culture

`GRI 3-3-d, e, f`

Designed by colleagues, for colleagues, at a regional level, our Colleague Success Networks offer opportunities for diverse networking, mental wellbeing support, and awareness raising. With participation increasing to nearly a quarter of all colleagues in FY24 (18 networks, including a new Inclusion Network in South Africa), membership is tracked monthly using data from Viva Engage, our internal social network platform.

Over the past financial year we introduced a centralised Network Leader role to support consistent governance, without losing local adaptation. We also introduced "Leading a Network" training to support new Network Co-Leads, as well as quarterly networking sessions and resources to support them. Based on colleague feedback for additional peer-to-peer support, we established new communities within our Colleague Success Networks. These now include carers, menopause support, fertility support, endometriosis support, women in technology, neurodiversity, and support for non-binary colleagues. In addition, topic-specific squads, led by members of the DEI team, have delivered new intranet hubs for neurodiversity, disability, carers, and LGBTQ+.

In FY24, Sage integrated equity and inclusion programmes, focusing on accessibility and disability inclusion under Executive Disability Ambassador, Vicki Bradin. We launched 3 programmes within Talent Acquisition, IT, and Customer Services functions, with network members delivering a Hidden Disabilities Sunflower pilot to 60 colleagues in the UKIA. Each programme addressed unique challenges to create accessible experiences for candidates, colleagues, and customers. We shared accessibility information about daily-used tech, introduced training to customer service team members to ensure customers with disabilities receive high quality service, and built greater awareness about supporting colleagues with non-visible conditions.

Anti-discrimination and harassment

`GRI 3-3-c; 406`

We have established a standalone global Anti-discrimination, Bullying, and Harassment policy (separate from our DEI policy). It outlines our zero-tolerance approach and provides guidance on grievance and remediation procedures, as overseen by our People Business Partnering team and/or Employee Relations team. All cases are recorded within our people system and reviewed at least quarterly. In the UK and Ireland, we have introduced criteria to enable deeper monitoring of the root cause of incidents.

Overall, in FY24, we saw a decrease in discrimination-related grievance cases particularly in the United States where we have increased awareness about different forms of discrimination through specific discrimination-related leader training, additional colleague learning resources, increased colleague network visibility, and closer monitoring and analysis of our cases. Where we have seen an increase in case numbers our priority remains to continue to handle these concerns on a case-by-case basis, monitor for patterns, provide additional leader training whilst continuing to improve awareness of the support available to colleagues.

→ **See our 6 DEI Commitments here**

Strategy in action

Getting more gender and ethnic diversity into cyber security

`GRI 3-3-d, e, f`

The cyber security sector currently lacks diversity with women and people from historically underrepresented ethnic groups. For a number of years, we have been playing our part to raise awareness of inclusive careers through events and training for underrepresented groups in this industry.

In FY24, we sponsored EmPowerCyber, EmPowering-You, Seidea, and STEMFest, as well as furthering direct college and university engagement, in parallel with our long-standing work to close STEM skills gaps (**see page 24**). We also helped enable:

- 1,200 school-age girls in Newcastle to receive introduction to cyber security training and exposure to local and national organisations during a 2-day event.
- 60 women in cyber to be sponsored through the EmPowering-You leadership training programme; and
- 25 women from historically underrepresented ethnic groups, sponsored through a 12-week cyber security bootcamp.

We will continue on this path, as events like EmPowerCyber grow and gain momentum each year, offering increasing opportunities for younger demographics and people from historically underrepresented genders and ethnic groups.

Wellbeing and colleague health and safety

At Sage, we foster a culture of care and openness, where colleagues feel confident in talking about their mental, financial, physical, and social wellbeing in line with our shared value to do the right thing.

Commitments and progress

`GRI 3-3-e`

Roll out EAP in all countries by 2024

- Completed.

Double the number of Healthy Mind Coaches by 2025 from a 2022 baseline of 67 in 4 countries

- 157 in 10 countries.

Overview

`GRI 3-3-a, b, c, f; 403-1`

Prioritising colleague wellbeing, health, and safety helps drive a high-performance culture, reduces presenteeism, and attracts and retains talent. We take a holistic approach to wellbeing, considering mental wellbeing, physical wellbeing, financial wellbeing, social wellbeing, and career wellbeing. Our new Wellbeing policy promotes an inclusive culture where colleagues can openly discuss wellbeing without stigma, and receive the support they need. The policy outlines the range of services available to support colleagues and is applicable to all colleagues globally. All managers are given the opportunity to check in on wellbeing as part of the performance review process, encouraging an open dialogue and providing early intervention on any wellbeing concerns.

By the nature of our operations, workplace safety is not a material risk for Sage. However, our ISO 45001-aligned Health and Safety management system ensures that robust mechanisms are in place to reduce the risk of accident or injury.

Equitable access

`GRI 3-3-c, d`

We have successfully transitioned our Employee Assistance Programme to cover 100% of our regions, meaning all Sage colleagues can now enjoy the same access to emotional, financial, physical, social, and workplace wellbeing support.

In FY24, colleagues were able to access the programme for various reasons, including but not limited to the following: crisis, relationships, family, money worries, housing, debt concerns, legal concerns, work life balance, stress, anxiety, work worries, bereavement, new parent, depression, loneliness, health worries, and more.

Strategy in action

Supporting our Healthy Mind Coaches

`GRI 3-3-d, e`

Having surpassed our target to double the number of Healthy Mind Coaches in FY24 (with 157 in the UK, Ireland, France, Belgium, Spain, Germany, Portugal, South Africa, Romania, and India), we have acted on feedback to implement a continual learning model that supports our coaches.

The model involves quarterly training led by a specialist counsellor, covering 9 themes rotating over 2–3 years. In FY24, 11 training sessions were delivered, involving 82 coaches and receiving an average feedback score of 92%.

Our ELT ambassador for Disability attended Healthy Mind Coach team sessions regionally throughout the year to gain insights, support our coaches and understand any themes that require immediate business interventions. We continue to grow the Healthy Mind Coach programme, with more coaches and more country- and culturally-relevant support added every year.

Sage
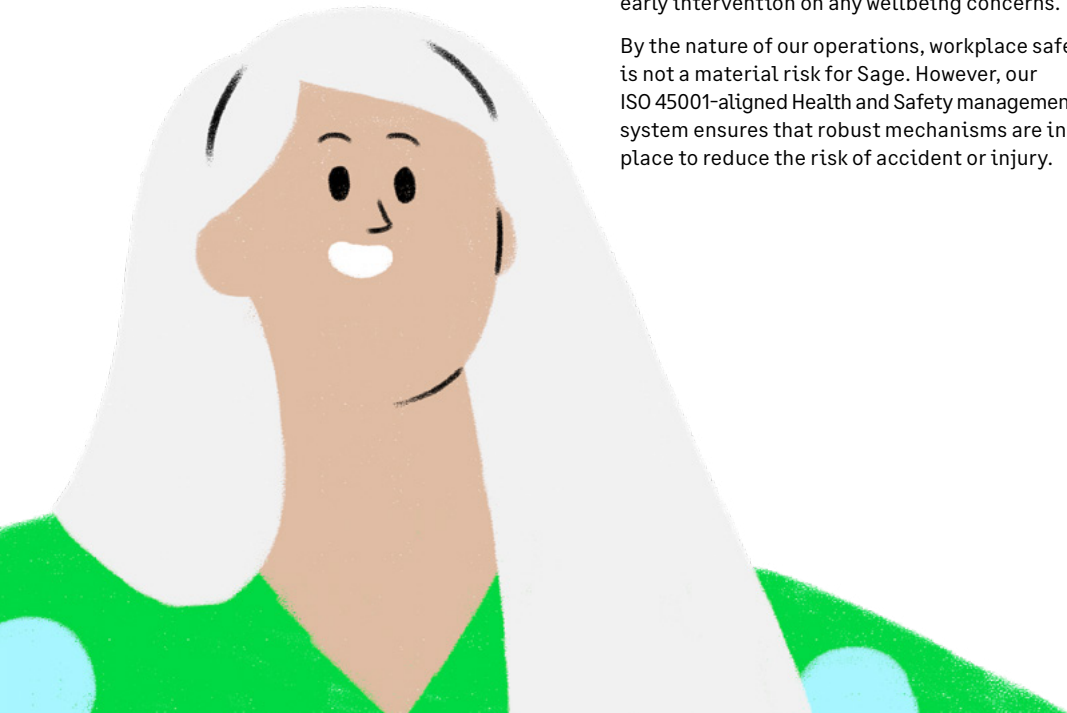
Wellbeing and colleague health and safety continued

Amplifying wellbeing support

GRI 3-3-d, e, f

We recognise that times have been particularly challenging in recent years for colleagues and their families. Macroeconomic forces have created a cost-of-living crisis in many countries, adding to ongoing upward trajectories in stress, anxiety, and other mental health issues.

For this reason, we're scaling up our wellbeing offer at Sage and making it consistent across our geographies. We have added further resources to our intranet Wellbeing Hub, including support around cancer care and menopause, as well as making the Calm app freely available to colleagues and their family members. A "wellbeing gig" saw a cohort of colleagues from different functions and countries directly contribute to the improved design and development of the hub. And we have expanded our webinar programme to cover sensitive topics such as suicide prevention, anxiety, and financial stress, as well as introducing a wellbeing session within onboarding inductions.

During FY24, our performance development approach has evolved to promote clearer and more honest conversations between leaders and their team members. This in conjunction with enhanced family support resources and workshops for parental returners, fosters a healthier work-life balance, and reduces stress by providing critical resources for those with caregiving responsibilities.

Continuous improvement

GRI 3-3-f

We will listen to and act on suggestions for improving or designing new wellness activities via colleague feedback channels such as the annual Pulse Survey.

This will inform our shift of emphasis from wellbeing initiatives to a longer-term focus, with the removal of barriers and the prevention of negative impacts caused by our working practices. As part of achieving meaningful change in FY25, we will review a selection of our highly-used operations, policies, and processes with a wellbeing lens, challenging ourselves to think and act better daily.

Wellbeing governance has been enhanced with the merging of Wellbeing and DEI teams in FY24, with the announcement of our Chief of Staff, Jonathan Cowan, as our ELT Ambassador for Wellbeing.

Strategy in action

Winnersh: a wellbeing blueprint

GRI 3-3-d, e

In the UK, our Winnersh office was over-sized and lacking in energy and atmosphere. With our experience showing that a hybrid-oriented working model fosters social cohesion, innovation, inclusion, and wellbeing, we set out to create a great office for colleagues, without leaving the Winnersh neighbourhood.

Having leased a new workplace, we then applied an inclusive design standard to refurbish and fit out the office. The standard included the flexibility for hybrid working, as well as informal and formal collaboration spaces reflected in a range of furniture styles. Winnersh offers a collaborative space for people to connect and work. We have created dedicated spaces for wellbeing and quiet time, and provided multi-faith rooms, while incorporating natural foliage, woodland and lake views, inspiring artworks, and even soft music in the café area. Neuro-inclusion principles have been applied,

such as a soft colour palette, clear distinctions between surfaces, quiet spaces, and dimmable lights. 2 large cycle cages in the car park cater to active travel commuting, while approximately 20% of desks are height adjustable for superior ergonomics.

So far, colleague reactions to the new office have been very positive and we will continue to track their feedback, including establishing a colleague focus group and measuring attendance rates. For future office design, we will incorporate the learnings from the Winnersh inclusive design standard. This will inform our approach, whilst taking local needs into consideration. In this way, we are demonstrating that inclusive design principles support wellbeing too. We know that the environment we're in can impact how we feel.

Future-fit work

Empowering colleagues to learn, grow, and perform with confidence is material to the success of our business.
Investing in a growth culture, future-fit working practices, and the next generation of talent is an ongoing priority.

Commitments and progress

`GRI 3-3-e`

Complete 5,000 future-fit learnings by colleagues by 2025

- 4,367 future fit learnings by colleagues
- 577 colleagues registered on the BeInnovate! platform.

At least 20% year-on-year increase in our Pathways hires each year up to 2025, with 500+ people globally receiving work readiness training each FY

- Hired 25 colleagues through the Pathways programme
- 339 colleagues received work readiness training in FY24

Overview

`GRI 3-3-a, b, c, d, f`

At Sage, skills such as leadership, design thinking, sustainability, data innovation (including AI), and collaboration are instrumental to how we service our customers and remain competitive.

By cultivating a continuous learning and high-performance culture, we foster an environment where development is a constant, integral part of our work. Our approach is to make learning simple and accessible, delivering the right learning at the right time to meet the evolving needs of our colleagues and the organisation.

Career-long learning at Sage

`GRI 3-3-c, d, e, f; 404-2`

In FY24, we improved and fully embedded our learning and development operating model, with simpler processes, enhanced feedback mechanisms, and clearer accountability. To meet the growing demand for data-driven decision making, we introduced data literacy training, empowering colleagues to analyse and interpret data effectively, as well as conducting a review of AI capability across Sage, which informed our plan on how to increase our colleagues' skills in AI and deliver learning.

Additionally, to further embed innovation skills that drive greater productivity and customer-centricity. We created BeInnovative! an e-learning course with real examples of how Sage colleagues and other businesses are pioneering innovative solutions. By the end of the year, 577 colleagues were registered on BeInnovate! (exceeding our target of 500).

 A critical way to develop future-fit skills at Sage is through our Leadership Academy, which expanded to offer in-person and self-service options across 5 areas: Aspiring Leader, Manager Essentials, Leadership Essentials, Senior Leadership Programme for Directors, and Senior Leadership Programme for VPs.

Workshops on Leading Extraordinary Teams were delivered to 1,673 people leaders, providing clarity on the leaders role in developing a high-performance culture. We are tracking the Academy's progress with dedicated objectives for sponsors and business leaders', as well as establishing a measurement strategy to monitor reach and impact consistently across the various learning academies.

In FY24, more robust support was introduced for colleagues and managers to set objectives and drive meaningful performance conversations. We focused on enhancing feedback, communication and performance management across the organisation. This is ensuring colleagues understand and embrace their responsibilities to drive performance and results.

➡ **For sustainability-related learning and engagement, see page 13.**

4,367

future fit learnings by colleagues

Skills pipeline

`GRI 3-3-d, e, f; 404-2`

In FY24, 405 apprentices, interns and graduates were involved in our careers programme, which we have improved further thanks to fresh branding to better engage with our wide target audience. Additionally, we deployed behavioural based AI-supported recruitment technology that brought more objectivity and inclusivity into the career hiring process. These developments are helping to remove bias, improve inclusivity, and enhance recruitment efficiency.

Sage IGNITE, our product and technology graduate programme, continued to systematically build skills and insight, including leadership skills.

In addition to championing talent from underrepresented groups through the Sage Partner Academy and the **Pathways** programme (see next page), we have continued to invest in the future skills pipeline around the world, with highlights including:

- **South Africa:** Recruiting interns who are living with disabilities and facing barriers to job market entry.
- **UK:** Partnering with **Journi**, an organisation that focuses on improving the career progression of high-potential professionals who are Black, female, or from low-income households, to recruit for our graduate programme. We also sponsored the Reframe Women in Technology conference, including a panel on "courageous changemaking" and a workshop on "AI for a greener world", hosted by 2 female tech leads and 4 Sage AI and machine learning graduates.
- **Spain:** Collaborating with **Fundación Adecco** in Barcelona, the world's leading talent advisory and solutions company, to support and recruit individuals with disabilities who have retrained in tech via a boot camp.

➡

Future-fit work continued

Future-fit working practices

`GRI 3-3-d, f`

The way we all work has evolved, particularly since the Covid-19 pandemic. We offer a hybrid working model that enables sustained high performance, helps colleagues connect with Sage's purpose, and supports them in doing their best work.

Sage's hybrid-first approach highlights the importance of human connection and the value of our colleagues getting together at Sage venues while we continue to provide flexible solutions such as our work-away policy.

Colleagues have actively engaged in developing future-fit skills, focusing on essential human skills such as building relationships, providing feedback, and fostering innovation. They have also accessed digital skills, including AI proficiency, to stay competitive in an evolving landscape. Additionally, key managerial skills like coaching have been emphasised to ensure effective leadership and team development.

Workshops such as Strengthscope and TetraMap are helping teams communicate, collaborate, and solve problems, while also supporting colleagues to identify individual strengths and enhance communication and collaboration through understanding diverse perspectives.

1. Careers Returner Indicator 2024.

🔍 **Strategy in action**

Pathways to bridge the talent gap

`GRI 3-3-d, e, f; 404-2`

In FY24, we launched the Sage Career Returners programme, an initiative that falls under the umbrella of the **Pathways** programme and seeks to engage potential candidates for Sage.

Returners are experienced professionals re-entering the workforce after a career break. They bring a unique blend of transferable skills acquired through previous work experience and personal development during their time away. This offers a significant opportunity to enhance diversity and support individuals who may face challenges accessing traditional employment channels.

Research indicates that the return to work can be daunting, with 92%[1] of returners reporting difficulties and 32%[1] citing loss of confidence as a major barrier. By supporting returners, Sage is addressing a critical social issue while also reaping significant business benefits.

Investing in returner programmes can significantly improve gender diversity at leadership levels and boost employee retention. In fact, 97%[1] of returners surveyed expressed a preference for supportive returner programmes. Aligned with our commitment to fostering diverse and inclusive workplaces, Sage Pathways has launched a Career Returner programme to support individuals with non-traditional career paths in tech.

By empowering returners, Sage is not only creating a more equitable workplace but also contributing to a stronger, more resilient community. The launch event attracted over 100 returners who benefitted from work readiness training facilitated by Sage, including senior hires into teams like that of the EVP Global Chief Information Security Officer.

We are further expanding our efforts with the planned UK launch of a returnship programme in FY25. The success of these initiatives will be measured by the number of returners hired and their career progression within Sage.

In South Africa, the **Pathways** programme has been concentrating on offering internships to individuals living with disabilities, with 57 young people securing internships in the past 4 years. We plan to launch a similar programme in Spain.

Human by Design: What's next?

`GRI 3-3-e`

DEI: Building on successes and learnings from our progress against our DEI targets and our pilot projects in FY24, we will further progress equity by design into key people processes and enhance leadership and allyship training. We will further expand our data capture, with a focus on India's recent entry to All About Us, as well as focus activities that consolidate progress on gender and ethnicity, while also working on neuro-inclusion and carers support.

Wellbeing: We will continue to monitor and look for improvements on our Wellbeing provisions with a focus on prevention. This will be supported by a survey to establish a baseline and target areas for improvement. Our approach will favour data-driven interventions and further socialising our support offer to maximise impact.

Future-fit work: By working with business leaders to understand their skills requirements, we will identify critical skills needed for the future. We will also continue to develop strong leaders who can navigate change and support their teams in becoming future-fit and high performing.
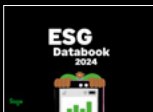
Sustainability by Design

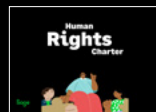Hardwiring sustainability into every decision at every level of our business—from process and policy, to products.

Topics covered

- Business conduct
- Human rights
- Tax and regulatory compliance

SDG contribution

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

You can learn more in our ESG Databook

You can learn more in our Human Rights Charter

Business conduct

Ethical, transparent decision-making is what our customers trust us for—it is also fundamental to business continuity.
Our Code of Conduct outlines our commitment to conduct business lawfully, appropriately, and with honesty and integrity.

Overview

`GRI 3-3-c, d, e, f; 2-15; 2-16; 2-23; 2-24; 2-25; 2-26`

The Code of Conduct applies to all Sage colleagues and is supported by legal compliance policies. Colleagues undertake mandatory e-learning on the Code, with recertification every 2 years. In FY24, we also launched e-learning and attestation for our external Partner Code of Conduct.

A summary of our suite of policies[1] which underpin the Code on material topics and referred to throughout this report is available on page 40 of our **FY23 Sustainability and Society Report**. These policies are embedded through a combination of all-colleague e-learning and communications, and more targeted training for colleagues deemed to be in higher-risk roles. Internal registers capture gifts and hospitality, and conflicts of interest declarations (including annual Executive Leadership, EVP and key VP-level conflict attestations).

In FY24, we further embedded controls identified as part of our review of policy control effectiveness. This included introducing an anti-financial crime procedure, which confirms reporting mechanisms where colleagues detect or suspect "red flag" behaviours and arrangements that indicate potential links to money laundering, fraud and/or tax evasion, a process underpinned by reference to guidelines and country lists issued by the Financial Action Task Force.

We also launched a new Compliance Hub of information, resources, learning content, contacts, and reporting channels on legal compliance and ethical business topics.

1. Including Anti-Bribery and Corruption; Gifts and Hospitality; Whistleblowing; Conflicts of interest; Sanctions; Competition Law; Personal Data Protection; and Procurement.

ESG due diligence

`GRI 3-3-a, b, c, d, e, f; 2-23`

We continue to monitor and address material risks to our business continuity and reputation, particularly with regard to human rights and social injustice, financial crime, and/or bribery and corruption.

Our Third-Party Due Diligence policy sets out circumstances in which we must carry out due diligence checks on third parties (including on all of our business partners) before entering into business with them, in order to promote strong compliance practices. Where due diligence reveals potential risks or concerns, we reach out to customers, suppliers, and partners (and other third parties) for assurances from risk assessments carried out in accordance with our due diligence processes. An important step in FY24 was incorporating anti-financial crime risk into our third-party due diligence framework. We also implemented a series of controls for identifying and mitigating risks related to competition law, and we updated policies on Sanctions and Anti-Bribery and Corruption, in line with annual data analysis, to identify territories of objectively higher risk. We continue to work with our M&A team to conduct ESG due diligence on all potential targets.

Sustainable supply chain

`GRI 308`

We aim to mitigate supply chain ESG risk by setting clear expectations through the Supplier Code of Conduct. Additionally, in FY24, we evolved our Sustainable Supply Chain strategy focusing on engaging our top 100 suppliers (by emissions) on ESG. We screen all new suppliers above a financial threshold for ESG risk, and ask all our suppliers at contracting to complete an EcoVadis assessment covering issues such as environment, labour and human rights, ethics, and sustainable procurement.

In FY24, Sage's Sustainable Supply Chain strategy resulted in having 70 out of the Top 100 suppliers engaged in the EcoVadis assessment process. We received primary GHG emissions data via CDP for 100 suppliers, representing 29% of supply chain spend. We achieved an overall CDP Supplier Engagement rating of A- (2022: C). 57 out of Sage's Top 100 suppliers have committed to or already set science-based targets via the SBTi. The Sustainable Procurement score for Sage's EcoVadis assessment increased from 42/100 to 70/100.

↗ **Learn more in our Climate Report**

> **Through investment in resources and learning, we have continued to upskill the Procurement function on sustainability matters.**

Claire Brockdorff
VP Procurement

Business conduct continued

Reporting and remediation

`GRI 2-25; 2-26`

We have a number of methods through which business conduct concerns or grievances can be reported by colleagues, contractors, and representatives of partner organisations. This includes anonymous reporting via a confidential, independently managed hotline or web disclosure. An investigation is conducted when further inquiries are warranted, especially when there are suspected violations of the law or regulations, or when there is a suspicion of misconduct. In FY24, our new internal Compliance Hub introduced a new facility for colleagues to report suspicious activity, with instant messaging links to dedicated inboxes and links to new and improved conflict of interest declaration forms.

Continuous improvement

`GRI 3-3-e, f; 2-25`

We have had success in promoting our various compliance policies and embedding them in business operations. Nevertheless, we continuously seek to identify opportunities for improvement in both design and implementation of our controls and processes. For example, we periodically assess the impact of our e-learning modules and other training methods and refresh them, taking into account feedback from colleagues and our Learning and Development team. In FY24, our Legal and Risk teams worked together to design and implement a number of additional controls relating to compliance with competition law, anti-bribery and sanctions. This work will continue into FY25 and form part of a continuous review.

🔍 **Strategy in action**

Human rights risk management

`GRI 3-3- c, d; 2-23`

In the last year, we conducted our first human rights saliency assessment. Working with a reputable third party, we sought to better understand Sage's potential human rights risk across our value chain. Whilst the assessment showed that our overall human rights risk profile is low, it identified 8 potential risks that align with Sage's Principal Risks and materiality assessment.

Following this assessment, we developed a Human Rights Charter to outline our commitment to the UN's Guiding Principles on Business and Human Rights, and our most salient risks.

We are working to embed our approach by developing a human rights risk register to track the ongoing mitigation of these risks. In FY25, we plan to evolve our Sustainable Supply Chain strategy to enhance due diligence for higher-risk procurement categories, and will strengthen our policy commitments to ensure that we continue to effectively communicate our human rights approach to our stakeholders.

↗ **See our Modern Slavery Statement for further information**

↗ **See our Human Rights Charter for further information**

79%

confidence level reported by participants

Preventing greenwashing

`GRI 3-3- d, e, f`

Green- or social-washing is used to describe misleading and exaggerated statements about the environmental or social impact of a business and its products and services. We've created a "sustainability claims playbook" for colleagues to identify and prevent green- and social-washing. The playbook contains a set of guidelines designed to promote transparency, integrity, and credibility in how we talk about sustainability-related topics within our communications. The content is aligned to guidance set out by the **UK Competition and Markets Authority**. Such messaging is also made clear in our Communication and Social Media policies and is important in helping us to mitigate reputational or operational risks relating to credibility.

Sustainability claims learnings have been rolled out to key teams, starting with 560 colleagues from Marketing and Corporate Affairs. Following the learning sessions, colleagues stated a 79% confidence level in applying the concepts learned and where to go for guidance and support.

Tax transparency

Through transparent tax contributions, we help build Sage's resilience to risk, while also contributing to SDG 8: Decent work and economic growth.

Tax strategy

GRI 3-3-a, b, c

As outlined in our Tax strategy, and reflected in our double materiality assessment, tax is an important aspect of our corporate responsibility and how we create value for society. Findings from the materiality assessment showed that our stakeholders not only value our ability to contribute to economic stability through tax compliance, but also recognised the influence we have on SMBs through our accountancy products and services, as well as advocacy for simple, pragmatic tax regulation.

The strategy sets out our commitments to manage our tax affairs in a responsible and transparent manner in order to comply with relevant legislation, to file all relevant tax returns on time, and to ensure the timely payment of all relevant tax liabilities.

Internal controls and escalation procedures are in place to identify, quantify, and manage key tax risks, ensuring compliance with UK Senior Accounting Officer legislation. These risks are monitored in the context of business, policy, and legislative changes, with updates as required.

The Audit and Risk Committee oversees this through the review of the external Tax strategy annually. The Tax Committee, which includes the Chief Financial Officer and the EVP Group Financial Controller, continues to hold quarterly meetings to ensure appropriate governance and oversight of all operational tax matters.

Appropriate training is given to colleagues involved in tax activity. In cases of uncertainty regarding the application of tax laws, external advice is sought to support the Group's decision-making process.

Additionally, we may look to engage with global tax authorities to disclose and resolve issues, risks, and uncertain tax positions. Breaches of policy may therefore result in disciplinary action being taken in accordance with Sage disciplinary procedures, which comply with local laws and legislation. Contractors or agency workers representing Sage, who breach this policy, may be liable to sanctions.

Learn more in our Annual Report page 43

Sustainability by Design: What's next?

GRI 3-3-e

Business conduct: We will further embed sustainability into our policies and into our ongoing due diligence processes. This will include strengthening how we communicate our human rights approach based on the findings of our human rights saliency assessment.

Tax strategy: We will continue to ensure that our Tax strategy is aligned to regulatory requirements and investor expectations.
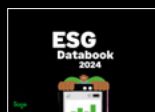
Reporting and assurance

About the report

The GRI Content Index and SASB reporting (available in our **ESG Databook**) direct the reader to content included in our broader reporting ecosystem, as well as on the Sage Group website. Together, these sources set out our sustainability approach and performance for the stated reporting period, when we continued to focus on our most material topics.

Our **Climate Report** is aligned with the TPT Framework and covers all the required TCFD requirements. A summary of alignment to the TCFD is also included in the **ARA pages 35 to 42**.

We continue to be guided by the GRI Standards principles of reporting, and the content of our reports has been defined through various internal and external processes, including materiality assessment, stakeholder engagement, and risk management.

↗ **You can learn more in our ESG Databook**

↗ **You can learn more in our Climate Report**

↗ **You can learn more in our Annual Report**

Independent assurance report

To: The Stakeholders of Sage Group plc

1.　Introduction and Objectives of Work

Bureau Veritas UK Limited (Bureau Veritas) has been engaged by Sage Global Services Limited to provide limited assurance of selected sustainability disclosures (21 KPIs and 12 Qualitative Statements) included in the Sage Group plc (Sage) Sustainability and Society Report (SSR), Climate Report (CR), and ESG Databook for the financial year 2024 (collectively the 'Report'). The objective is to provide assurance to Sage and its stakeholders over the accuracy and reliability of the reported information and data.

2.　Scope of Work

The scope of our work was limited to assurance over the following information included within the Report for the period 1 October 2023 – 30 September 2024 (the 'Selected Information'). The Selected Information covers KPIs and data points related to Environmental, Social, Foundation & Tech for Good topics and a set of key qualitative statements (specified in the Conclusion section below):

- Energy consumption within the organisation (including natural gas, diesel, petrol, electricity and other non-renewable sources)
- GHG Emissions including total Scope 1, Total Scope 2 (Location-based and Market- based), and selected Scope 3 (Categories 1, 2, 3, 4, 5, 6, 7, 11, and 15)
- Percentage reduction in reported Scope 1, Scope 2, and Scope 3 emissions against 2023 reporting year
- % electricity consumption from renewable sources
- New suppliers that were screened using environmental criteria
- Total number of new hires
- Percentage of employee turnover
- Average Hours of Training per employee per year
- Mean gender pay gap - hourly pay (% difference – UK only)
- Mean gender bonus pay gap - bonus pay (% difference – UK only)
- Mean ethnicity pay gap – hourly pay (% difference – UK only)
- Mean ethnicity bonus gap – bonus pay (% difference – UK only)
- Total number of senior management and governance bodies members (by gender) – for Non-Executive Directors (NED), Executive Leadership Team (ELT) and Executive Team (ET)
- Total number of senior management and governance bodies members (by age group) - for NED, ELT and ET
- Percentage of teams with no more than 60% of men, women or non-binary people, in any leadership team to ELT minus four
- Average inclusion score from spring engagement survey (Global DEI Glint Score)

- eSAT (employee satisfaction %)
- Percentage of senior leadership (ELT and ELT-1 combined) who are from an historically underrepresented race or ethnicity
- Number of underserved entrepreneurs supported to scale and grow their businesses by 2024 (covering FY22, FY23 and FY24)
- Number of people equipped with the skills they need to access further opportunity by 2024 (covering FY22, FY23 and FY24)
- Number of Sage products (under 'Tech for Good' theme/initiative) that have embedded functionality for carbon accounting
- 12 key qualitative statements included in the SSR and CR

3.　Reporting Criteria

The Selected Information needs to be read and understood together with the "GHG Emissions Methodology" and "Basis of Reporting", as outlined in the 'Sage ESG Databook 2024' (pages 6-17 and 56-69, respectively), set out at www.sage.com/en-gb/company/sustainability-and- society.

4.　Limitations and Exclusions

Excluded from the scope of our work is assurance of information relating to:

- Any financial data feeding into the Selected Information, such as but not limited to spend or revenue data input for Scope 3 Categories 1, 2, 11, and 15 calculations, which is subject to financial audit and was relied on by Bureau Veritas where applicable;
- Select input data obtained via third parties was checked for alignment and not traced back through third party calculations to source, including but not limited to GHG emissions data reported by suppliers to CDP used for Scope 3 Category 1 calculations and number of people supported and equipped with skills provided by partners for the KPIs "Number of underserved entrepreneurs supported to scale and grow their businesses" and "Number of people equipped with the skills they need to access further opportunity";
- Activities outside the defined assurance period;
- Positional statements of a descriptive or interpretative nature, or of opinion, belief, aspiration, or commitment to undertake future actions; and
- Other information included in the Report other than the Selected Information.
- The following limitations should be noted:
- This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails;
- The reliability of the reported data is dependent on the accuracy of metering and other production measurement arrangements employed at site level, not addressed as part of this assurance; and
- This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

Independent assurance report continued

5.   Responsibilities

This preparation and presentation of the Selected Information in the Report are the sole responsibility of the management of Sage.

Bureau Veritas was not involved in the drafting of the Report or of the Reporting Criteria. Our responsibilities were to:

- Obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria;
- Form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- Report our conclusions to the Directors of Sage.

6.   Assessment Standard

We performed our work to a limited level of assurance in accordance with International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after December 15, 2015), issued by the International Auditing and Assurance Standards Board.

7.   Summary of Work Performed

As part of our independent assurance, our work included:

1.   Conducting interviews with relevant personnel of Sage and third party consultants responsible for collecting and compiling the Selected Information;

2.   Reviewing the data collection and consolidation processes used to compile Selected Information, including assessing assumptions made, any estimation methodologies, and the data scope and reporting boundaries;

3.   Reviewing documentary evidence provided by Sage;

4.   Agreeing a selection of the Selected Information to the corresponding source documentation;

5.   Reviewing Sage systems for qualitative statements, quantitative data aggregation and analysis;

6.   Reperforming a selection of data aggregation and greenhouse gas emissions conversions calculations feeding into the Selected Information;

7.   Comparing the Selected Information to the prior year amounts taking into consideration changes in business activities, acquisitions and disposals; and

8.   Assessing the disclosure and presentation of the Selected Information in the Report to ensure consistency with assured information.

A 5% materiality threshold was applied to this assurance. It should be noted that the procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

8.   Conclusion

On the basis of our methodology and the activities and limitations described above nothing has come to our attention to indicate that the Selected Information is not fairly stated in all material respects.

Except for, materiality related with exclusion of company owned vehicle milage/fuel data (classified as 'unknown'[1]) accounted under Energy consumption and GHG Scope 1 emissions (also % Reduction in GHG emissions) could not be determined due to absence of supporting rationale.

The table below contains a copy of the Selected Information:

KPIs

Disclosure	Verified value
Energy consumption within the organisation (GJ)	52,054
GHG Emissions, including total Scope 1, total Scope 2, and selected Scope 3 categories (tCO$_2$e)	Scope 1 – Direct GHG emissions – 1,399 Scope 2 – Electricity indirect GHG emissions – (market-based) – 1,879 Scope 2 – Electricity indirect GHG emissions – (location-based) – 3,236 Scope 3 – Other indirect GHG emissions: Category 1 – Purchased goods and services – 79,527 Category 2 – Capital goods – 1,056 Category 3 – Fuel- and energy-related activities – 1,017 Category 4 – Upstream transportation & distribution – 398 Category 6 – Business travel – 9,286 Category 7 – Employee commuting – 10,189 Category 11 – Use of sold products – 88,541 Category 15 – Investments – 106
Percentage reduction in reported Scope 1, 2 and 3 emissions against 2023 reporting year (%)	Considering location-based – 0.5% Considering market-based – 0.3%
% electricity from renewable	54%
New suppliers that were screened using environmental criteria	12%
Total number of new hires	872
Percentage of employee turnover (%)	13.5%
Average Hours of Training per employee per year	11.30
Mean gender pay gap – hourly pay (% difference – UK only)	4.8%

1   unknown fuels relates to company vehicle milage that is not categorised by engine/fuel type.

Independent assurance report continued

KPIs continued

Disclosure	Verified value	Disclosure	Verified value
Mean gender bonus gap – bonus pay (% difference – UK only)	16.0%	Percentage of teams with no more than 60% of men, women or non-binary people, in any leadership team to ELT minus four (%)	41%
Mean ethnicity pay gap – hourly pay (% difference – UK only)	5.4%	Average inclusion score from spring engagement survey (Global DEI Glint Score)	77.67
Mean ethnicity bonus gap – bonus pay (% difference – UK only)	34%	eSAT (employee satisfaction %)	76%
Total number of senior management and governance bodies members (by gender) – for NED	Female – 4 Male – 4	Percentage of senior leadership (ELT and ELT-1 combined) who are from an historically underrepresented race or ethnicity	16%
Total number of senior management and governance bodies members (by gender) – for ELT	Female – 4 Male – 6	Number of underserved entrepreneurs are supported to scale and grow their businesses by 2024 (covering FY22, FY23 and FY24)	38,029
Total number of senior management and governance bodies members (by gender) – for ET	Female – 29 Male – 42	Number of people equipped with the skills they need to access further opportunity by 2024 (covering FY22, FY23 and FY24)	37,353
Total number of senior management and governance bodies members (by age group) – for NED	Greater than or equal to 56 – 5 Between 46-55 – 3	Number of Sage products that have embedded functionality for carbon accounting (under 'Tech for Good' theme/initiative)	2 products: • Sage Business Cloud Accounting (SBCA) • Sage 50
Total number of senior management and governance bodies members (by age group) – for ELT	Greater than or equal to 56 – 5 Between 46-55 – 3 Between 36-45 – 2		
Total number of senior management and governance bodies members (by age group) – for ET	Greater than or equal to 56 – 14 Between 46-55 – 35 Between 36-45 – 18 Between 26-35 – 4		

Independent assurance report continued

Qualitative Statements

Ref. Report	Statements
SSR (Pg. 8)	Alongside the ESG Principal Risk, detailed risk and opportunity mapping of material sustainability topics with Sage's Enterprise Risk Management Framework supported the creation of an ESG risk register.
SSR (Pg. 8)	A further key development was merging the management level AI and Data Ethics Council with our Sustainability and Society Committee, to create our Sustainability, AI, and Data Ethics Committee. Meeting quarterly with regular updates to the Board, the Committee provides strategic direction and ensures that our targets, objectives, and supporting programmes remain relevant, ambitious, and on track for delivery.
SSR (Pg. 12)	We have introduced our first carbon pricing initiative, applying a shadow price to business travel to encourage low-emission travel choices.
SSR (Pg. 18)	Another development was the launch of the Data for Good web page on Sage.com, bringing together subject matter expertise, including insights from Smart Data Foundry and the Centre of Economic and Business Research.
SSR (Pg. 28)	Compliance guidance for Foundation colleagues is now in place to strengthen risk management, in addition to mandatory Code of Conduct training.
SSR (Pg. 32)	The DEI Accountability Board, which is chaired by our CEO and consists of our Chief People Officer (CPO), EVP of Talent, Capability and Culture, and VP of DEI and Wellbeing, is accountable for the success of the DEI strategy, setting targets, and allocating resource.
CR (Pg. 7)	With ESG a Principal Risk for Sage, climate is prominent within the Sage Enterprise Risk Management Framework. In line with TCFD recommendations, we systematically assess the severity of risks, and the value of opportunities, as overseen by the Sage Global Risk Committee and managed in line with existing and emerging regulatory requirements.
CR (Pg. 13)	We're taking a proactive approach by piloting a Lifecycle Carbon Assessment (LCA) to map cradle to grave emissions, starting with 2 products. The outcome of the 2 LCAs confirmed that Intacct hosted in the cloud resulted in the lowest emissions, followed by Sage 100 hosted in the cloud, and, finally, Sage 100 hosted on an on-premises server.
CR (Pg. 14)	In FY24, 31 of our top 100 suppliers (representing 60% of supply chain emissions) shared such information.
CR (Pg. 18)	We launched a programme with Deedster to provide colleagues with access to the Deedster personal actions app. By combining education and action through the app, we can help colleagues to better understand their personal footprints and provide guidance on what they can do to reduce their impact
CR (Pg. 24)	We have had new product introductions, launching an API version of the core Sage Earth carbon accounting platform, which has been released onto AWS Marketplace.
CR (Pg. 21)	We are pleased to have formalised an agreement with a new supplier using this new process

9. Statement of Independence, Integrity and Competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 190 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a certified[2] Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, quality reviews and applicable legal and regulatory requirements which we consider to be equivalent to ISQM 1 & 2[3].

2   Certificate available on request
3   International Standard on Quality Management 1 (Previously International Standard on Quality Control 1) & International Standard on Quality Management 2
4   International Federation of Inspection Agencies – Compliance Code – Third Edition
5   Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA)[4], across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and high ethical standards in their day-to-day business activities. We consider this to be equivalent to the requirements of the IESBA code[5].

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London, 29th November 2024

Get in touch

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Sage