

Multiplying action towards net zero

Climate Report 2024



Sage


Welcome

TPT 1.1 GRI 2-3

Alongside our **Sustainability and Society Report**, this Climate Report provides an update of our net zero journey for Sage stakeholders.

What's inside?

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The Multiplier Effect

Reporting Transparency

Sage has reported in accordance with the Global Reporting Initiative (GRI) Standards for the period 1 October 2023 to 30 September 2024. Sage's reporting suite has also been prepared using the Sustainability Accounting Standards Board (SASB) Sustainability Accounting Standard for the Software and IT Services Industry. This report is in alignment with the Transition Plan Taskforce (TPT) Disclosure Framework.



Full disclosures in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) are available in the Annual Report and Accounts, pages 35 to 42.

➔ You can read a summary on pages 29 to 34 of this report

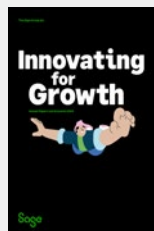


Limited assurance

GRI 2-5

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 the financial year (FY) 2024 (collectively the 'Report'). The information and data reviewed in this assurance engagement covered the period 1 October 2023 to 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 pages 43 to 46.**

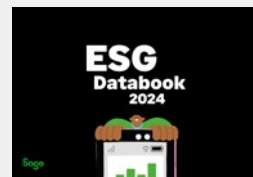
Our reporting ecosystem



Annual Report and Accounts (ARA)



Sustainability and Society Report



ESG Databook¹



Materiality Assessment Methodology



UK Gender Pay Gap Report



UK Ethnicity Pay Gap Report



Human Rights Charter

 [Protect the Planet at Sage.com](#)

 [Check out our Sustainability blogs](#)

 [Check out our Sound Advice Podcast](#)

 [UK Modern Slavery Act Statement](#)

 [View our Trust and Security Hub](#)

1. Includes GRI and SASB data and indices, and UN Sustainable Development Goal (SDG) progress.

Leadership reflections

TPT 3.2

GRI 2-22



With nothing less than committed focus and deliberate action will society meet the goals of the Paris Agreement to limit warming to 1.5°C and reach net zero by 2050.

Andrew Duff

Chair of Sage Board of Directors

2024 has been a year marked by much change around the world.

Through this turbulence, corporates must keep sight of the need for action. Namely, a rapid and far-reaching transition across all sectors to achieve sustained emissions reductions and secure a sustainable future for all.

With nothing less than committed focus and deliberate action will society meet the goals of the Paris Agreement to limit warming to 1.5°C and reach net zero by 2050.

It's this message that sets the tone for Sage's FY24 Climate Report.

In this report, we outline our climate strategy, including Sage's Net Zero Transition Plan, and our progress in FY24 towards achieving our carbon emission reduction targets.

Protect the Planet is Sage's commitment to fight climate change and drive a faster global transition to net zero. We aim to deliver on this commitment by halving our emissions by 2030 and reaching net zero by 2040. We are proud that both targets have been validated by the Science Based Targets initiative (SBTi).

To date, Sage has delivered a 16.6% reduction in carbon emissions, against a 2019 base year. We have made particularly good progress in reducing the emissions that we have more direct control over, Scope 1 and 2, which we have reduced by 75% from our 2019 base year. However, we know that to achieve net zero, we will have to focus on reducing emissions from our supply chain and products which fall under Scope 3. These remain a challenge, with increased Scope 3 activity contributing to a smaller reduction of 0.3% of our FY24 emissions.

Our achievements to reduce Sage's impact on the natural world, have come with several external recognitions. I'm particularly proud that Sage has been named in the Financial Times's 2024 European Climate Leaders list (ranking 30th amongst European companies) and that we featured in Time Magazine's 'World's Most Sustainable Companies'—ranking highest amongst our peers across the UK. Sage has also achieved an A- score from the CDP—demonstrating the leadership role that Sage is taking to drive a faster transition to net zero.

Our commitment to climate action comes with an unwavering focus on knocking down barriers to participation by small and mid-sized businesses (SMBs). In FY24, we continued the roll out of Sage Earth, notably developing a new partnership with Amazon Web Services (AWS) to integrate Sage Earth on its marketplace platform, enabling more SMBs to make informed decisions around accounting, finances, and their environmental impact.

I am also proud of Sage's work on advocacy for simplified standards and policies for SMBs, given their climate impact and the influential role they play in the economy.

In partnership with PwC, the International Chamber of Commerce (ICC) and Strand Partners, the 'Path for Growth' report was launched at COP28. With insights from SMBs, it takes stock of the reporting landscape, providing guidance for standard-setters on how to make sustainability reporting work for SMBs.

I am encouraged by the progress we have made in a short amount of time. However, we know that the journey to net zero will not be easy. Guided by our Net Zero Transition Plan, Sage will continue to push for further decarbonisation across our full footprint and continue to champion SMBs in the wider climate discourse.

The Board will continue to provide regular oversight of climate-related issues and monitor our progress towards net zero. As Board Chair, I am committed to keeping our climate strategy high up on the Board agenda and ensuring that environmental impact is a consideration in our decision making.

This Climate Report has been prepared in line with leading voluntary standards and emerging regulations. I hope the Report provides all our stakeholders with a transparent view of progress made to date, at the start of our net zero journey, and the future ambitions we have in this space.

Andrew Duff

Chair of Sage Board of Directors

Sage engages In conversation with our Sustainability and Climate leaders

GRI 2-22

Private sector momentum around net zero accelerated further in FY24, as did the myriad associated regulations, standards, and frameworks. Our EVP for Sustainability and Foundation, Surinder Sond, speaks to David Harrop, Climate Change Director, to understand how the Sage Net Zero Transition Plan is reducing our greenhouse gas (GHG) emissions and multiplying positive impact beyond Sage.



Surinder Sond
EVP Sustainability
and Foundation



David Harrop
Climate Change
Director

What achievements from FY24 are you most proud of?

SS Throughout FY24, we've built on strong foundations, underpinned by our Protect the Planet strategy and Net Zero Transition Plan, and taken direct action to tackle the climate crisis across our key material impact areas.

There is so much to be proud of this year. We have made significant strides to empower our colleagues to join us on our journey to net zero. We have also led a number of innovative programmes with partners to assess the impact of our software products on the environment.

The recognition we've received from external stakeholders including increasing to a CDP A- leadership rating and being named as a climate leader in Europe by the Financial Times, affirms that we are making meaningful progress towards achieving the goals of our Protect the Planet strategy.

What challenges does Sage face in meeting our near-term and 2040 targets?

DH Like many similar organisations, our greatest challenge is our ability to control and reduce Scope 3 emissions. This challenge is compounded by our ability to influence our suppliers, which often can be proportional to our spend with them. Furthermore, our ability to switch suppliers can be limited. Even where there is an alternate supplier, the carbon impact may not be comparable.

What is Sage doing to overcome those challenges?

DH Aligning our supply chain on the same net zero journey is the first step. Our Sustainable Supply Chain strategy sets out how we engage with our suppliers, from setting SBTi targets to the provision of primary emission data. This will involve collaboration, not only directly with our suppliers but more broadly across industry. By taking collective action and implementing a common set of shared climate goals and standards throughout the supply chain, Scope 3 emissions can be effectively managed and reduced.

What is Sage doing to multiply its impact and support SMBs to reach net zero?

SS We are continuing our work to remove the significant barriers that SMBs face on their journey to net zero. It is imperative that we simplify the path to sustainability so that SMBs can participate, and we're committed to knocking down barriers in their way. We have partnered with ICC to bring the voice of SMBs to the UN climate negotiations, and we're proud that COP29 in Azerbaijan will have a specific focus on SMBs.


Multiplying our impact goes beyond advocating for change. By sharing our experience and data, we can help drive awareness and best practice.

Through our partnerships with Bristol University, Eunomia, and Small World Consulting, we have developed a Lifecycle Carbon Assessment (LCA) for software products. Addressing the complexity of Scope 3 emissions requires a granular understanding of product-level environmental impacts. We have shared the challenges and opportunities for improvement, so as an industry we can move towards providing accurate product-based emission data.

“Throughout FY24, we've built on strong foundations, underpinned by our Protect the Planet strategy and Net Zero Transition Plan, and taken direct action to tackle the climate crisis across our key material impact areas.”

Surinder Sond
EVP Sustainability and Foundation

FY24 Progress at a glance

Key  Target complete

Achieve net zero across absolute Scope 1, 2, and 3 emissions

(SBTi validated)

16.6% reduction

We are here

2030 target



Progress percentage reduction

2019 baseline

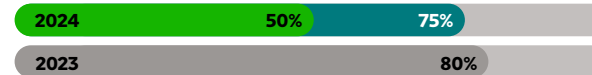
Reduce absolute Scope 1 and 2 GHG emissions by 50%

(SBTi validated)

75% reduction

2030 target

We are here



Progress percentage reduction

2019 baseline

Reduce Scope 3 GHG emissions by 50%

(absolute and optional absolute emissions, SBTi validated)

13% reduction

We are here

2030 target



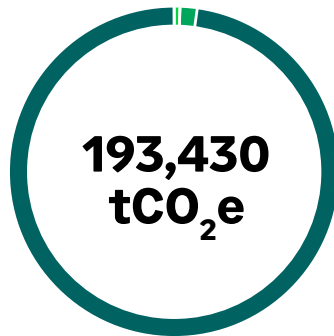
Progress percentage reduction

2019 baseline

Emissions

Total emissions chart for 2024

(Scope 1, 2, and 3 combined)

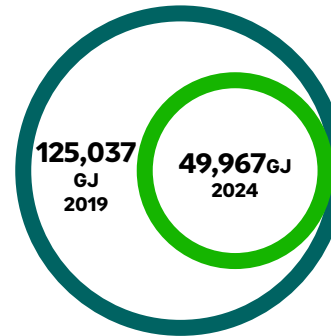


- Scope 1 0.7%
- Scope 2 1%
- Scope 3 98.3%

Energy

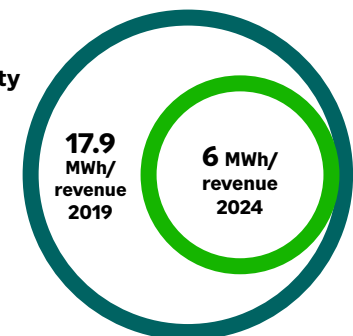
Total energy consumption GJ

60% reduction from baseline



Energy intensity (MWh/revenue)

66% reduction from baseline



Ratings and awards



World's Most Sustainable Companies 2024

Sage ranked #59 amongst 500 global companies by TIME Magazine and Statista



A- CDP leadership rating



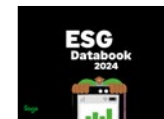
Gold sustainability rating by EcoVadis



SCIENCE BASED TARGETS

Net zero target validated by the SBTi

ESG Databook



For more information on our climate performance, please refer to our ESG Databook by clicking on the tile.

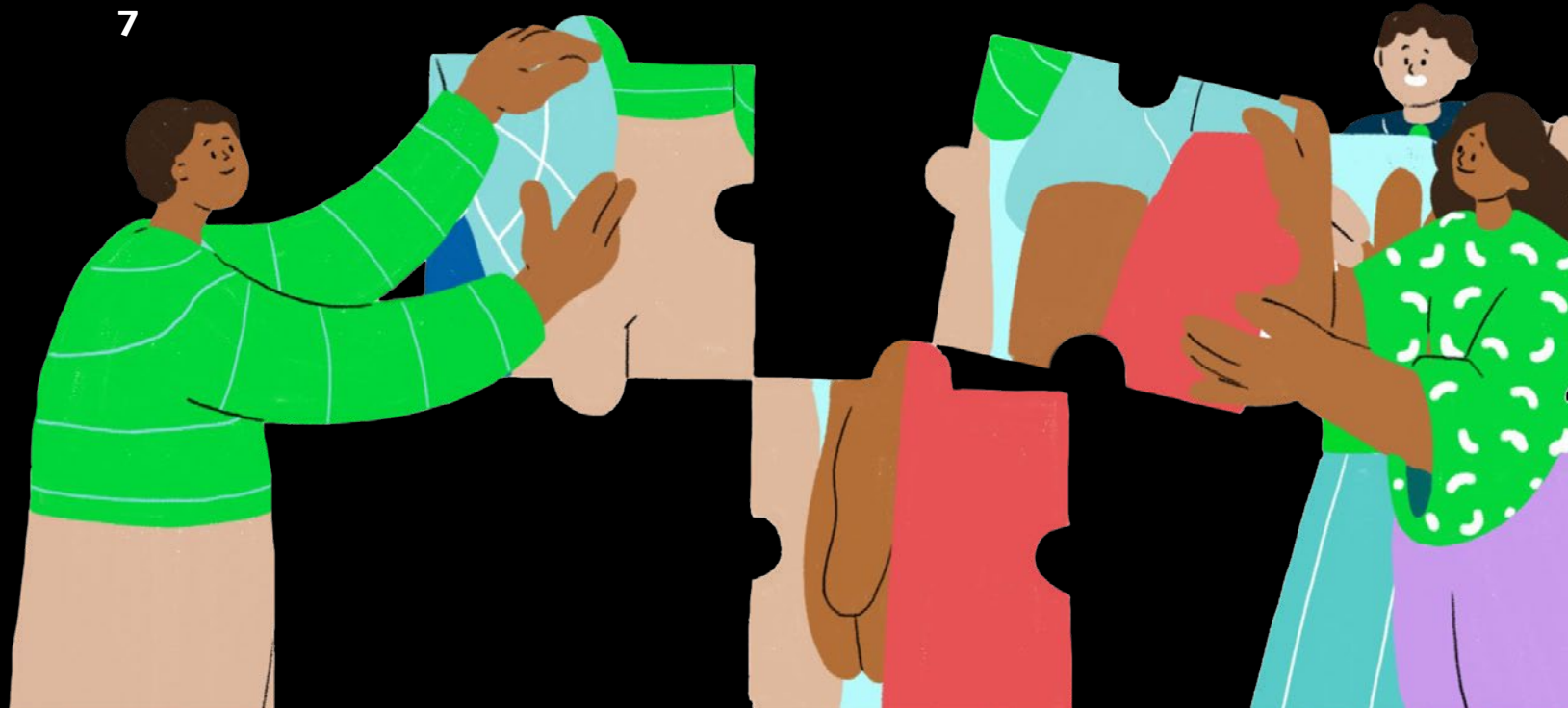
The ESG Databook goes into detail on our year-on-year performance across all core data categories. We go into further detail by providing some commentary on the movements in data and what is causing it.



Strategy

Strategy 6

Governance and risk management 7



Strategy

TPT 1.1; 4.3 GRI 3-3-c, e

Climate at Sage

Protect the Planet is our commitment to take action to tackle climate change within our business, with our customers, and with our suppliers. It is 1 of 3 pillars in the Sage Sustainability and Society strategy.

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 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
- Future-fit work
- Wellbeing

Protect the Planet commitments

We are committed to fighting climate change and driving a faster global transition to net zero. We're doing this through 3 Protect the Planet commitments.

1. Get Sage to net zero:

We commit to reduce absolute Scopes 1 and 2 GHG emissions by 90% by FY40 from a FY19 base year, as validated by SBTi. Interim (2030) targets (also validated) are to:

SBTi validated

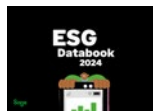
- Reduce absolute Scope 1 and 2 GHG emissions by 50% by 2030.
- Reduce absolute Scope 3 GHG emissions by 50% by 2030.
- Reduce absolute Scope 3 GHG emissions from business travel, employee commuting, and use of sold products by 50%.

2. Get SMBs to net zero:

Help our customers reduce their GHG emissions by 2030 by providing access to carbon management solutions and expertise.

3. Policy and advocacy:

Put SMBs at the forefront of the transition to net zero by advocating for simplified standards and making sure their voice is heard.



See detailed data trends and commentary in our ESG Databook

Environmental stewardship GRI 2-23

Beyond managing our climate impact, we seek to ensure that we operate within 'planetary boundaries', minimising our resource consumption and waste, while protecting the natural world. This is set out within our Environmental Policy and includes considering emerging risks and opportunities for our sector and stakeholders.

For example, it is increasingly recognised that nature and biodiversity loss need to be addressed with the same urgency as climate change, with reporting frameworks including the Taskforce on Nature-related Financial Disclosures (TNFD) and the EU Corporate Sustainability Reporting Directive (CSRD) setting critical requirements in this context. In FY24, we engaged the Planetary Accounting Network to complete a nature-related risk assessment according to TNFD LEAP (Locate, Evaluate, Assess and Prepare) guidelines, completing the Locate and Evaluate phases.



Learn more in our Sustainability and Society report



“Over the past year, our focus has been on maintaining the pace of execution, building upon the launch of our first climate transition plan in 2023. From our products to our supply chain, our colleagues to our partners, we’re embedding climate awareness and action into our day- to-day business at Sage. There is still a long way to go, but we are making solid progress.”

David Harrop
Climate Change Director

Governance and risk management

TPT 4.1-2; 5.1-5

GRI 2-12; 2-13; 2-19; 3-3-e; 201-2

Our Chief Executive Officer (CEO) and Executive Leadership Team (ELT) are accountable for the delivery of our overall Sustainability and Society strategy, including the Protect the Planet pillar and associated targets.

In FY24, Amy Lawson, Chief Brand and Corporate Affairs Officer, became the executive sponsor for the Sustainability and Society strategy. The EVP of Sustainability and Foundation, and the Climate Change Director are responsible for designing and implementing the Protect the Planet pillar, with support and oversight from our Sustainability, AI, and Data Ethics Committee.¹ This senior leader led Committee meets quarterly, sharing discussion outputs with the CEO and ELT through regular briefing sessions, and with the Board, including via Maggie Chan Jones, our Non-executive Director and Board Sponsor for ESG.

The Sage Board provides oversight of the strategic direction of our Protect the Planet pillar, progress against commitments, and approving relevant policies, with actions delegated to the Committee as required.



You can find the full governance framework on page 8 of the Sustainability and Society Report



Incentives and remuneration

Remuneration incentives—including the successful delivery of our Protect the Planet targets—are in place for our ELT.

We also include ESG performance measures in our Performance Share Plan which are aligned to our Sustainability and Society strategy. These include metrics linked to our progress in reducing carbon emissions against our SBTi approved Net Zero Transition Plan and enabling customers on their net zero journey through access to carbon accounting functionality. Introducing such incentives ensures that climate action has leadership accountability, is embedded across the organisation, and that functions are appropriately engaged in delivering against our targets.



For more details on Director-level incentives and remuneration, please consult our Annual Report, page 150

Climate risks and opportunities

Climate change has the potential to present multiple challenges for Sage. Physical risks like flooding, water stress, and extreme weather events could disrupt our direct operations and affect our value chain.

Additionally, the shift to a low-carbon economy introduces risks such as evolving customer behaviours and future carbon costs, while also offering opportunities to innovate and provide new products and services to our customers. You can see a detailed list of key climate risks and opportunities in the final chapter of this report (**pages 29 to 34**)

We fully recognise the risks posed by climate change to our business and our stakeholders. We also recognise commercial and other opportunities associated with taking concerted action towards net zero. 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.

Our Annual Report (pages 35 to 42) details our material TCFD disclosures against the requirements of the Financial Conduct Authority Listing Rules and Companies Act. This includes descriptions of our climate governance, strategy, and wider risk management processes at Sage. At present, we do not consider climate change to have a material impact on the Group's critical accounting estimates and judgements 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.

1. Formerly the Sustainability and Society Committee, but renamed in FY24 following merging with the AI and Data Ethics Council.

Get Sage to net zero

Our Net Zero Transition Plan sets our path to deliver our climate commitments. The near-term focus is to reduce absolute Scope 1, 2, and 3 GHG emissions by 50% by 2030. We have also committed to reach net zero across Scope 1, 2, and 3 absolute emissions by 2040.

GRI 3-3-d, e

Commitment

We will get Sage to net zero.

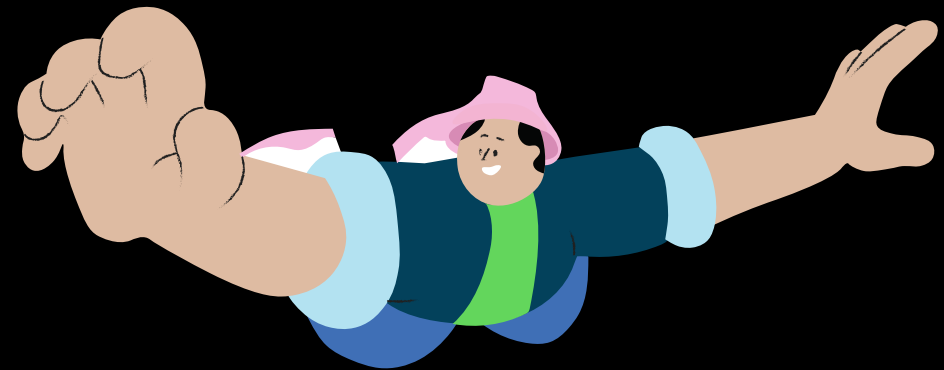
Target

Get Sage to net zero by 2040 and reduce absolute Scope 1, 2, and 3 GHG emissions by 50% by 2030 from a 2019 base year aligned to the SBTi.

Performance FY24

- Target successfully validated and approved by the SBTi, alongside interim targets.
- 75% reduction in absolute Scope 1 and 2 GHG emissions from a 2019 base year (target: 50% by 2030).
- 13% reduction in absolute Scope 3 GHG emissions from a 2019 base year (target: 50% by 2030).
- 15% reduction in absolute Scope 3 GHG emissions from homeworking, hotel stays, and use of sold products from a 2019 base year (target: 50% by 2030).

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Supply chain	14
Colleagues	17
Property	19



Overview

TPT 1.1; 4.3 GRI 3-3-d, e, f

With both near and mid-term climate targets validated by the SBTi, FY24 was focused on hardwiring our Net Zero Transition Plan across Sage—from our culture and product development, to our buildings and supply chain.

Independently reviewed by ERM, a world leading sustainability consultancy, the Transition Plan includes the detailed actions that we shall take in order to meet our near-term and net zero targets. In order to reach our near-term (2030) interim targets, we have also published a glidepath (see next page), which is built on the key levers that we can pull to reduce Sage’s emissions across our footprint.

We are proud that our progress has been recognised by improved ratings from both the CDP and Financial Times during FY24.

Top 30

For the second year, we are proud to be recognised as a Climate Leader by the Financial Times, moving into the top 30 highest rated companies.



Received A- (2023) rating—a leadership position for climate action disclosure and implementing best practices. Sage was rated B in 2022.

Net Zero Transition Plan priorities

To drive progress against our Net Zero Transition Plan, we focus on 4 priority areas:

1. Products 46%

The carbon emissions related to the use of sold products account for the highest proportion of our carbon footprint.

2. Supply chain 42%

We support our highest-emitting suppliers to reduce emissions in our value chain, halving emissions by 2030 (net zero by 2040).

3. Colleagues 10%

Our colleague strategy aims to drive climate awareness and enable colleagues to take positive climate action.

4. Property 2%

We have made significant progress to reduce emissions related to our property portfolio.

➔ See our performance across all GHG emissions scopes on page 11

Evolving journey

While we have made good progress on our net zero journey, we understand the need to remain responsive to how we and our stakeholders achieve net zero. Global temperatures in 2024 once again exceeded all records. While this does not yet mean that society has collectively failed in its commitments (as the Paris Agreement’s average is measured in decades rather than years), it is a sobering reminder that continued urgent action is needed. As a business, we remain prepared to flex our approach to changing environmental conditions, including evolving regulatory and stakeholder expectations.

Over the past year, we have noted the updated guidance from the SBTi on how companies can go beyond their value chains by investing in mitigation efforts outside of their operations, thereby contributing to achieving societal net zero. We also welcome the consultation by the SBTi to review its Corporate Net-Zero Standard. Ongoing stakeholder engagement will be critical, evaluating the broad range of challenges companies are facing on their net zero journey.

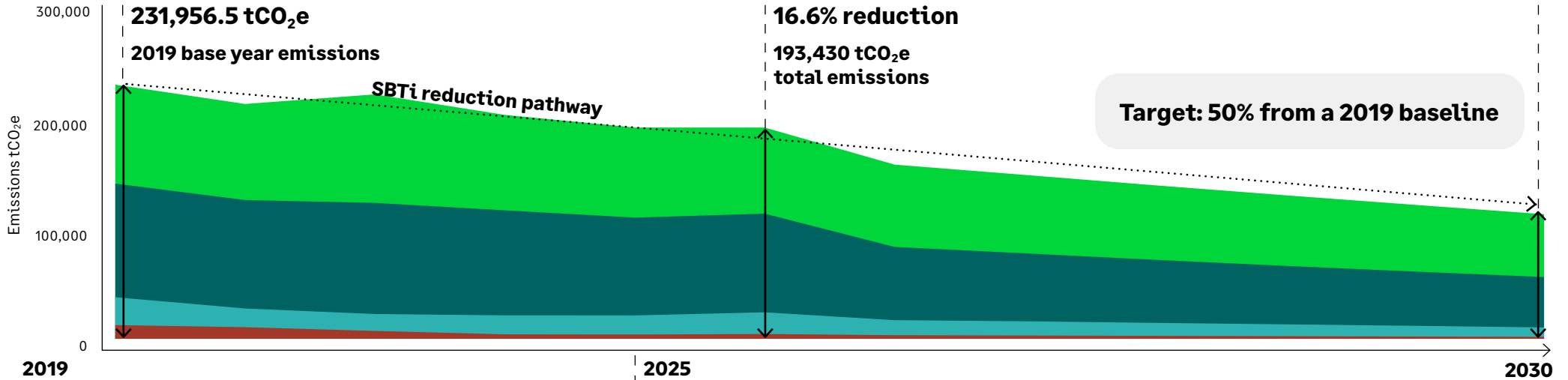
“As a business, we remain prepared to flex our approach to changing environmental conditions, including evolving regulatory and stakeholder expectations.”

David Harrop
Climate Change Director

Net zero glidepath

GRI 3-3-d, e GRI 305-5

Key ● Products ● Supply chain ● Colleagues ● Property



2019 Completed projects from 2019 to 2024

- Transitioned our Sage-managed properties to certified renewable energy.
- Streamlined and optimised our property portfolio.
- Engaged with our landlords in landlord-managed properties requesting more action on energy efficiency.
- Introduced a business travel dashboard that empowers colleagues with their personal data and provides simple ways they might be able to reduce their impact in the future.
- Developed a rewards and benefits programme that provides colleagues with the tools to reduce their commuting and homeworking emissions.
- Mapped the carbon impact of our products and identified priority action areas for the future.
- Introduced a new Supply Chain strategy that includes new sustainability requirements as part of the procurement process.
- Engaged with our top 50 emitting suppliers and collaborated for greater climate action.

2025 Active/ongoing projects

- Transitioning remaining Sage sites to high-quality renewable energy.
- Optimising new and existing Sage-owned sites to the highest levels of energy efficiency and sustainability.
- Supporting colleagues, where business travel is required, to use the most sustainable available option.
- Empowering colleagues to commute to their local Sage office using locally available, low-/zero-carbon options.
- Supporting colleagues to make their homeworking environment more sustainable and efficient.
- Encouraging customers to utilise more efficient cloud-hosting solutions.
- Supporting new/existing customers to adopt Sage cloud-based products.
- Ensuring use of primary data as it becomes more readily available from suppliers.
- Increasing % of suppliers with SBTi-aligned net zero targets.
- Collaborating with our highest-emitting suppliers, ensuring their climate commitments are aligned to Sage's targets.

➔ Additional data on Sage's emissions footprint can be found on pages 3 to 17 of our ESG Databook.

Emissions performance

TPT 1.1; 4.3 GRI 3-3-d; 305-1, 2, 3, 5

The majority of our GHG emissions are Scope 3, namely the use of our sold products and purchased goods and services.

Thanks to the concerted efforts against the climate strategy cumulative emissions have reduced by 16.6% since the 2019 baseline.

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.

All data is independently validated by external auditors in line with the Greenhouse Gas Protocol.

All emissions Scopes (tCO₂e)

1. 1,399

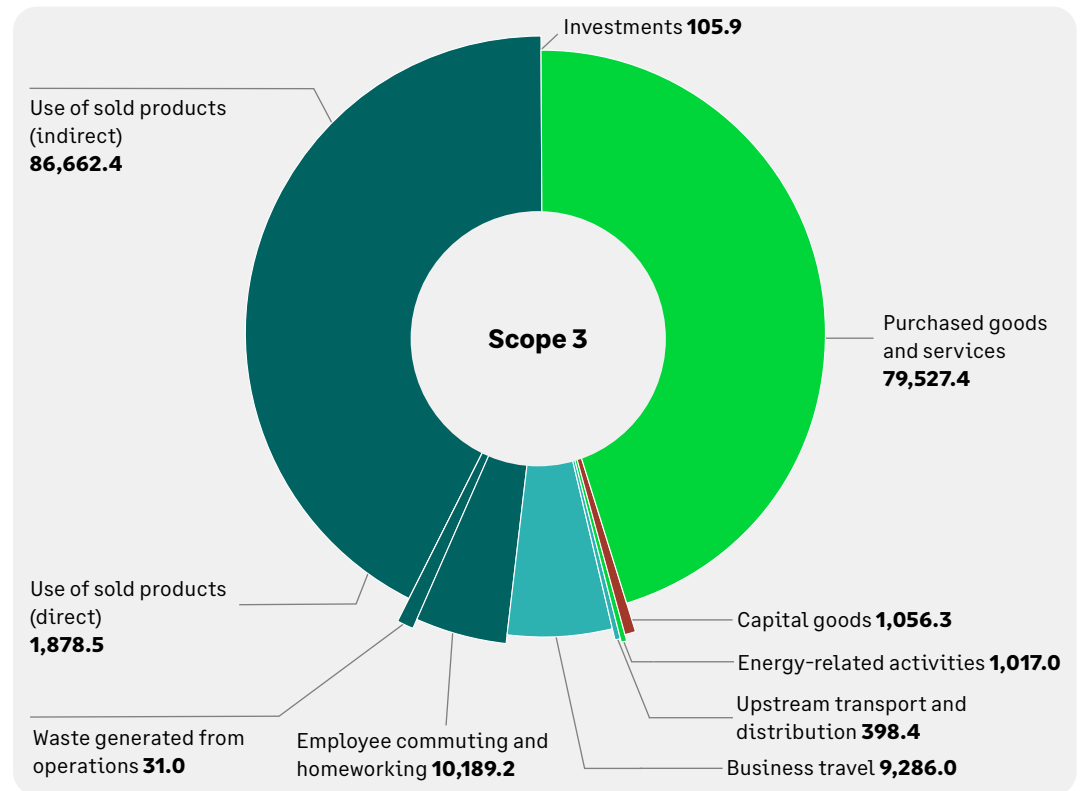
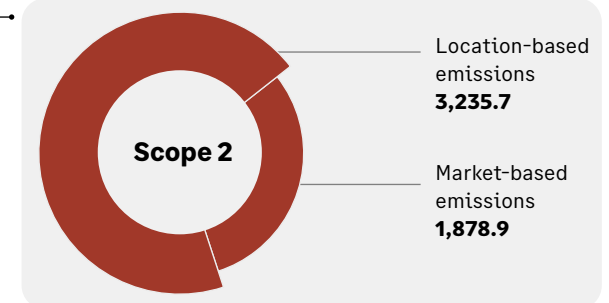
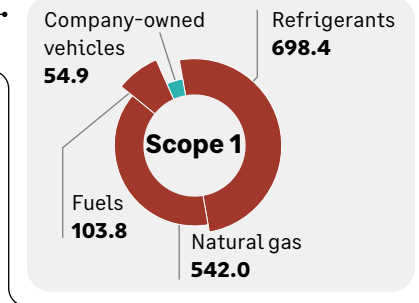
2. 1,879

3. 190,152

Key

- Property (2%)
- Supply chain (42%)
- Products (46%)
- Colleagues (10%)

Total gross emissions (market-based) – 193,430



Products

TPT 1.1-2; 2.2; 2.4; 4.3

GRI 3-3-d, e; 305, 3

The indirect emissions related to the use of our products account for (46%) of Sage’s carbon footprint. Our product strategy continues to align with our net zero ambition. By delivering on our business plan, and as we see our customers continue to adopt the benefits of the cloud, we expect the emissions associated with products to reduce in line with our 2030 targets.

Approach

The majority of emissions related to use of sold products are due to customers running Sage solutions on their own hardware premises, with our Sage 100, 200, and 300 product franchises being the largest contributors. Below is a breakdown of our product emissions for FY24. Emissions related to our products have declined by 13% from our 2019 base year. This is in line with our glidepath.

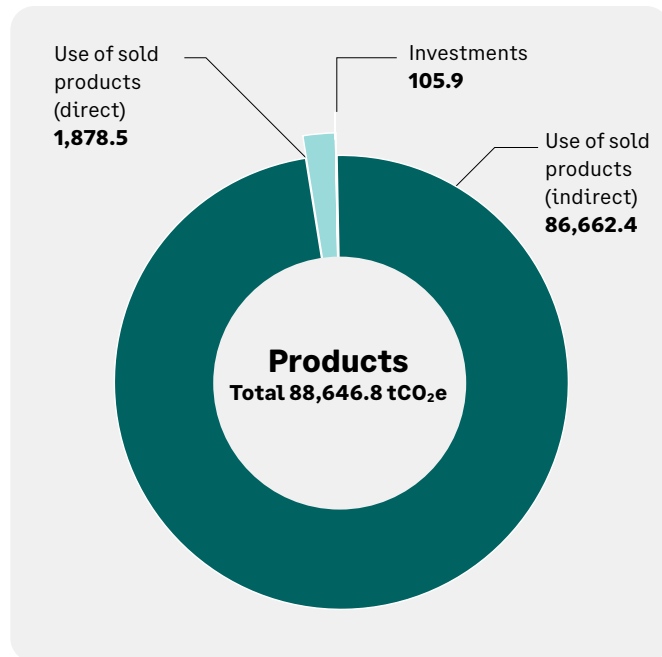
Increasing penetration in cloud solutions

Our ambition is to drive cloud adoption amongst our customers, harnessing the environmental benefits of efficient, modern cloud environments. We have continued the roll out of cloud solutions such as Sage Intacct and Sage Active across more of our markets, particularly in Europe. At the same time, we are offering our customers solutions such as Sage Partner Cloud to move their on-premise Sage server to the cloud.

Towards a lifecycle approach

We currently use an activity-based approach to estimate the emissions related to the use of our sold products, as documented on page 13 of our ESG Databook. To improve this approach, in FY24 a key focus was understanding the full carbon lifecycle of our products, using a Lifecycle Carbon Assessment (LCA). Such an approach improves transparency, identifying hotspots and opportunities for the more efficient build and use of software. It also allows our customers to make informed environmental choices.

➔ **Read on to learn how we are measuring the impact of both on-premise and cloud-based software**



Actions to net zero

2024

- Developed a Lifecycle Carbon Assessment for software products to model cradle to grave emissions.
- Continued roll out of cloud solutions such as Sage Intacct and Sage Active.
- Offered Sage Partner Cloud to our customers to move their on-premise Sage server to the cloud.

➔ **Read more about products on our glidepath on page 10**

2025–2030

- Continuing to encourage the use of more efficient cloud-hosting solutions by customers.
- Supporting adoption of Sage cloud-based product solutions for new and existing customers.
- Reporting on the carbon impact of our products.

Strategy in action:
Get Sage to net zero

Greenhouse gas emissions impact of our software, from design to data transfer

GRI 3-3-d, e

Despite the use of software products being the greatest contributor to our sector’s overall emissions, a consistent and accurate methodology to quantify these emissions remains immature. We’re taking a proactive approach by piloting a Lifecycle Carbon Assessment (LCA) to map cradle to grave emissions, starting with 2 products.

There were 4 main objectives of the LCA:

- Quantify the relative emissions of the 2 different software products, and explain the variance(s).
- Quantify the relative emissions of different hosting pathways, e.g., on-premise compared with the cloud.
- Support future product design decisions to reduce carbon emissions impacts.
- Provide a white paper on the complexity, constraints, and opportunities associated with the methodology for LCAs of software products. This was to contribute to the sector’s understanding for calculating the lifecycle emissions of software.

What we did

In the last year, we have taken considerable steps to quantify the impact of cloud-based products compared with traditional on-premise servers. As quantifying CO₂e emissions from software products is relatively new, we used 2 different methodologies to quantify any differences in impact of cloud-based and on-premise servers.

By using 2 methodologies, we have established the variances between them to inform how to improve and/or simplify how CO₂e emissions from software products are quantified. Completing the LCA involved detailed data collection, modelling, reporting, and peer review. Data from Sage developers, call centres, engineers, and on storage, computers, Virtual Machines, usage, and data transfer, were included. The impact of back-office staff was out-of-scope.

Our initial focus has been on 2 products—Sage 100FR and Sage Intacct. These products were selected as they target different-sized businesses:

- **Sage 100FR:** Targeting smaller businesses, this scalable solution is available as both an on-premise and cloud-based product. It automates processes and provides visibility into the business.
- **Sage Intacct:** Purely cloud-based and targeting larger businesses.

What we found

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.

A further notable finding is the higher emissions for hosting Sage 100 in the cloud, compared with Intacct. The data centre emissions for Sage 100 are 968 gCO₂e per user per month, compared with 234 gCO₂e per user per month for Intacct.

Our methodology to produce these results follows ISO 14067, which follows the principles of lifecycle stages. It also followed the GHG Protocol’s ICT Sector Guidance in developing the carbon footprint of the products. The carbon footprint itself is in conformance with the GHG Protocol Product Standard.

234 gCO₂e

per user per month for Intacct

968 gCO₂e

Sage 100 data centre emissions

As we move increasingly from software installed using on-premise servers to a combination of cloud-based and on-premise servers, the comparability offered by LCAs will be important to both our own emissions measurement and reporting, while also paving the way for customers to compare products based on carbon impact and make informed choices.



Next steps

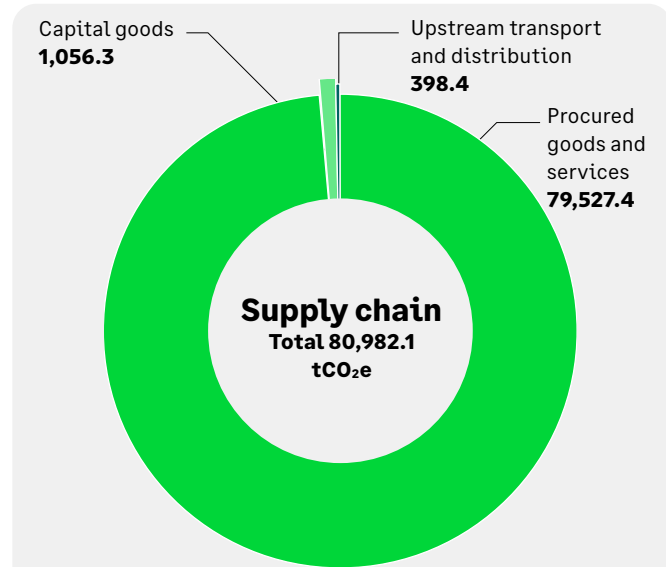
Our immediate priority is to develop a calculator for customers to understand the emissions hotspots of using Sage’s software. We will also publish an external white paper to share our findings and inspire wider collaboration and action. The paper will provide extensive context on the nuanced and complex challenges of measuring software emissions.

Supply chain

TPT 1.1-2; 2.2; 2.4; 4.3

GRI 3-3-d, e, f; 305-3; 308-2

Our Scope 3 supply chain carbon emissions (Category, 12 and 4) account for the second highest proportion of Sage’s carbon footprint (42%). We therefore tackle purchasing emissions (primarily from IT, Marketing, and Corporate Services) as part of our Net Zero Transition Plan.



We currently calculate our emissions related to purchased goods and services (Scope 3, category 1) by applying an industry average carbon intensity factor associated with the level of spend, a common and widely accepted approach. However, the only way to reduce emissions using this methodology is by reducing spend.

Approach

Our approach to managing a Sustainable Supply Chain is available for our suppliers [via our website](#) and outlines our targets, objectives, and expectations for all Sage suppliers.

Below is a breakdown of our supply chain emissions for FY24.

In our **Supplier Code of Conduct**, we set out our expectation that suppliers seek to improve their climate performance through environmental policies, objectives, and targets.

Our Sustainable Supply Chain strategy helps us to further embed climate and other sustainability criteria as part of our supplier selection and contracting process, and aims to secure emissions reduction commitments from our high-emitting suppliers. We want to work with suppliers who share our vision. We ask all suppliers managed by our Procurement team to agree to:

- **Disclose Scope 1, 2, and 3 emissions annually via the CDP or EcoVadis:** By ensuring emissions are requested and validated by an independent third party, we seek to mitigate the risk of inaccuracies associated with simply calculating emissions based on supplier spend. We work with the CDP to obtain more accurate emissions data, either market-based or using primary data direct from our suppliers. Data disclosure via EcoVadis is also acceptable.

- **Complete an annual sustainability assessment with EcoVadis,** one of the world’s largest sustainability ratings providers. By disclosing through EcoVadis, our suppliers can better understand their ESG maturity and areas for improvement. Likewise, we get a clear picture of key risks, including climate, and we can track progress year on year.
- **Commit to disclosing targets to SBTi:** The rigorous process involves the validation of suppliers’ plans to achieve specific targets within a specific timescale.
- **Adhere to Sage’s Supplier Code of Conduct:** It sets out the same ethical standards that we ourselves commit to as a business.

Enhancing supplier disclosure

Our Sustainable Supply Chain strategy involves a request for carbon emissions data annually. In FY24, 31 of our top 100 suppliers (representing 60% of supply chain emissions) shared such information. This includes primary GHG emissions data via the CDP.

In FY24, 100 suppliers provided this data within our calculation (representing 29% of Sage’s supplier chain spend). We have achieved an overall CDP Supplier Engagement rating of A- (Leadership) (2022: C).

Actions to net zero

2024

- Continued use of primary data as it became more readily available from suppliers.
- Increased proportion of suppliers with SBTi-aligned net zero targets.
- Worked with our highest-emitting suppliers to ensure they have set ambitious emissions reduction goals consistent with our own.

2025–2030

- Improving supplier disclosure of primary data through the CDP and EcoVadis.
- Encouraging suppliers to set net zero targets with SBTi alignment.
- Continuing to focus on our highest-emitting suppliers and alignment to Sage’s targets.
- Encouraging SMB suppliers to get started with emissions reduction.

➔ [Read more about supply chain on our glidepath on page 10](#)

 **Strategy in action:**
Get Sage to net zero

Decarbonising our supply chain: Examples from 2 marketing partners

GRI 3-3-d, e

As the highest contributor to our supply chain emissions, representing 15% in FY23, media procurement is a key focus in our Scope 3 reduction efforts. So, when our media contract came up for tender in FY24, we made sustainability central to the tender process, including clear criteria around sustainability and highlighting our expectations for a partner that shared our commitment to tackling climate change.

Dentsu, one of the largest global marketing and advertising agency networks in the world, stood out for its long-standing commitment to sustainability. In fact, it was one of the first companies in the world to have its net zero target recognised and formally validated by the SBTi, covering its international operations and aims to achieve net zero by reducing absolute GHG emissions by at least 90% across its entire value chain by 2040 against a 2019 baseline.

Dentsu's innovative carbon calculator will provide us with accurate emissions data for our media spend, enabling us to embed carbon emissions reduction in the day-to-day operation of the contract by providing a view of the potential carbon emissions from different types of campaign. This is significant progress towards net zero media planning, with insights paving the way for how we reduce wider supply chain emissions. Overall, our partnership with Dentsu highlights that bold supply chain engagement on sustainability can have meaningful impact.



“Dentsu is excited to begin a partnership with Sage based on our shared commitment to building brands through sustainable marketing and media. It is inspiring that a shared sustainability programme should feature so prominently in a new business pitch for media. It’s a clear demonstration of Sage’s credentials as an innovator in this space.”

Sean Healy
Head of Integration Growth, Dentsu

We have also worked closely with Chemistry Marketing. This creative agency, based near our HQ in the North East of the UK, is a long-standing supplier and also a Sage customer. Since establishing our Net Zero Transition Plan, Chemistry has been one of many suppliers that have shown heightened interest in taking action themselves. The team at Chemistry recognises that taking small steps is not only achievable and the right thing to do, but that it makes good business sense—from cost efficiencies in reducing business travel, to building a sense of common purpose among colleagues passionate to play their part. Sustainability can even add a competitive edge when competing for new work. The agency is now using Sage Earth to calculate its emissions and is working with EcoVadis to identify environmental ‘hotspots’ to prioritise. Once this is complete, we look forward to engaging further to set pragmatic reduction targets.



“We’re a small, close-knit team. It’s important to us that everyone within the business has sight of what we’re doing and why we’re doing it, so they can get involved, have a voice, and feel part of the journey.”

Emma Hill
Partner, Chemistry Marketing

Our collaborations with Dentsu and Chemistry showcase the power of partnership and a shared commitment to sustainability. As we continue to work with all our suppliers, including SMBs, and shine the spotlight on sustainability, we will activate the Multiplier Effect further. As Emma Hill from Chemistry puts it, “we might each be small, but together we can be mighty”.

[**➔ Learn about how we are engaging further suppliers around green energy on page 21**](#)

15%
media procurement contribution to Sage’s supply chain emissions

Sage engages

The role of carbon offsetting in our Net Zero Transition Plan

GRI 3-3-d, e

In May 2024, we were pleased to announce that our net zero targets had been validated by the SBTi. At the heart of the SBTi Standard is the ‘mitigation hierarchy’. This means companies should commit to reducing value chain emissions and implement strategies to achieve these targets as a priority, ahead of actions or investments to mitigate emissions outside their value chains. Duncan Oswald, our Climate Science Lead, tells us about the complexity of carbon offsetting and our plan ahead.



Duncan Oswald
Climate Science Lead

What is the wider context around offsetting?

Sage recognises the ongoing debate on how to advance global decarbonisation, specifically the challenges Scope 3 presents in making progress at the speed the climate crisis requires. Core to our Protect the Planet strategy is supporting SMBs to net zero and advocating for simplified reporting standards. This is a complex issue where the role of standards and regulation is critical. They can serve as a major catalyst in accelerating climate action at scale. The announcement by the SBTi on 9 April, and subsequent consultation in the summer of 2024 that the use of ‘environmental attribute certificates’ may be allowed to abate some Scope 3 emissions, has further energised this debate. Central to this discussion is the role of the carbon markets in corporate net zero plans and whether they accelerate or delay global decarbonisation. Critically, the SBTi has reiterated that direct decarbonisation (actual emissions reduction) must remain the priority for corporate climate action.

What is Sage’s position on carbon offsetting?

Our strategy remains aligned to the SBTi’s Corporate Net-Zero standard. It is critical that direct emissions reduction (decarbonisation) is prioritised and only then are residual emissions neutralised (if applicable), in line with SBTi criteria, before reaching net zero emissions.

In practical terms, neutralisation refers to the measures we would take to remove carbon from the atmosphere and permanently store it to counterbalance the impact of emissions that remain unabated, the final 10% or more of residual emissions that cannot be eliminated.

In FY24, our ongoing carbon removal strategy evaluated how, to what extent and what type of carbon removals can be used to reach net zero GHG emissions, including the future cost of carbon and the range, quality, and permanence of carbon removal options, from technological removals (i.e. Direct Air Capture (DAC) with geological storage) to nature-based solutions (i.e. reforestation).

Actual emissions reductions will continue to remain our priority. However, we remain committed to evaluating robust, science-based frameworks that will support delivery of our net zero ambition and, more critically, have a meaningful impact on the transformation needed for society and business to achieve net zero.

What needs to happen in the wider offsetting standards market?

To ensure that the pace of climate action is accelerated, we see an urgent need for a common standard and a robust certification framework for carbon removal, alongside clarifying their role within the Corporate Net-Zero Standard. Such a framework should focus on carbon removal with high-quality and environmental integrity.

Net zero standards such as the SBTi play a critical role in driving consistent action. Uncertainty can lead to hesitation, at a time when the opposite is needed. We need to accelerate the pace of action.

The SBTi has played a major role in bringing thousands of companies on board to reduce their emissions, with the goal of ultimately achieving net zero. We will follow and input into the ongoing work by the SBTi to revise and update the Corporate Net-Zero Standard. The SBTi and wider community have a unique opportunity to refine standards in a way that accelerates environmental action without compromising integrity. In doing so, collective action can drive meaningful progress towards a sustainable future.



Colleagues

TPT 1.1; 4.3 GRI 3-3-d, e, f; 305-1, 3

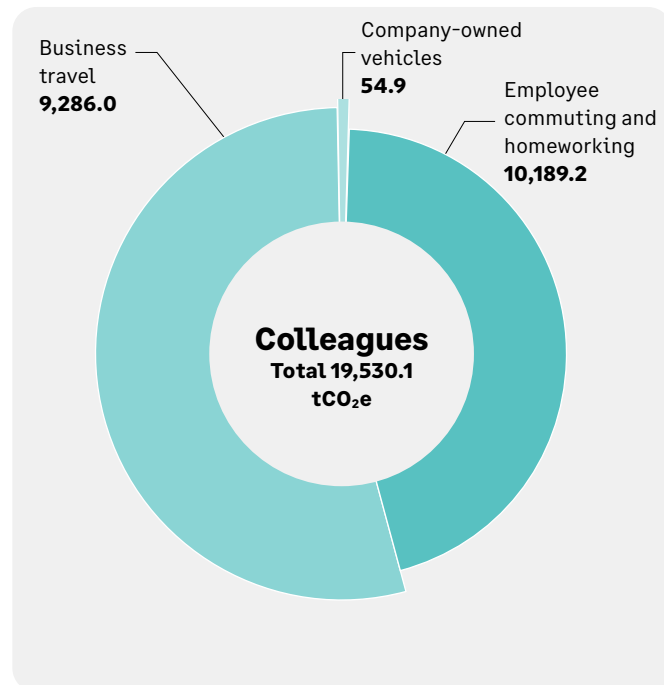
Our colleagues are key enablers of our Net Zero Transition Plan. We can only meet our climate targets if our colleagues are engaged and active in helping us to reduce our operational emissions.

Approach

Colleague emissions related to commuting, homeworking, and business travel make up 10% of Sage’s footprint. Although colleagues are contributing to a small percentage of Sage’s overall footprint, they play a key role in delivering on our climate commitments.

Our colleague strategy drives climate awareness, an understanding of what Sage is doing to Protect the Planet, and enables our colleagues to take positive climate action at work and at home.

Below is a breakdown of our colleague emissions for FY24.



Strategy in action

Climate learning anytime, anywhere

GRI 3-3-d, e, f

At Sage, our Climate Learning programme offers a tiered pathway for colleagues to build their climate knowledge, whatever their starting point. Expanded in FY24, the programme consists of 3 different learning opportunities:

1. Sustainability Unlocked

Alongside formal training, we’ve provided all colleagues with access to the Sustainability Unlocked platform—enabling them to learn about environmental and climate topics that interest them in a self-paced manner.

2. Climate Fresk workshops

Available in the UK, Ireland, US, Canada, South Africa, France, Belgium, and Morocco, these sessions cover the fundamentals of climate change and empower colleagues to act. In FY24, 330 colleagues participated—taking their climate knowledge to the next level and learning from their peers in an interactive and engaging setting.

3. Advanced Climate Leadership programme

Launched late in FY24, external specialists facilitate reflexive and solution-oriented workshops with colleagues in climate-related roles.

We’re proud of the reach that our learning programme has had into our business so far and, in FY25, we will continue the roll out of the programme.

Most notably, though, we can see that we’re having an impact with our colleagues—94% of colleagues who have taken part in the programme report confidence in applying their climate knowledge in a home or work setting.

Actions to net zero

2024

- Developed sustainable rewards and benefits programme.
- Worked with partners to roll out active travel initiatives.
- Created climate learning programme for colleagues to upskill in climate-related topics.
- Launched challenge with colleagues to reduce their personal footprints.
- Developed homeworking initiatives to launch in FY25.

→ Read more about colleagues on our glidepath on page 10

2025–2030

- Supporting colleagues, where business travel is required, to use the most sustainable available option.
- Empowering colleagues to commute to their local Sage office using locally available, low-/zero-carbon options.
- Supporting colleagues to make their homeworking environment more sustainable and efficient.
- Expanding climate learning programme to reach more colleagues across Sage’s global footprint.

Strategy in action:
Get Sage to net zero

Making lower-carbon choices easier at Sage

GRI 3-3-d, e, f

In the last year, we have expanded the support on offer for colleagues to reduce their carbon emissions associated with work. These Scope 3 emissions include business travel, commuting to work, and homeworking. At the same time, we have formalised benefits associated with more sustainable actions.

Commuting

Sage has partnered with MobilityWays to provide colleagues with access to tools that help them to reduce their commuting footprint.

Colleagues in North America and the UK and Ireland now have access to a Personal Travel Plan. This provides colleagues with personalised recommendations to get into a local office using the most sustainable locally available option. Furthermore, we have started to roll out access to Liftshare amongst our colleagues. Liftshare is a platform that encourages and facilitates carpooling between our colleagues—thereby reducing the amount of individual car journeys taken to our sites.



Tom is driving

●-----●

Durham DH1 UK Newcastle upon Tyne NE27 UK


Regular journey

MON TUE WED THU FRI

Leaving 08:00 returning at 17:30
Times are flexible by ± 30 minutes

[Ask to share](#)

Any questions? [Message Tom](#)



We continue to encourage active and low-emission commuting by providing colleagues with access to our electric vehicle purchase scheme, offering cycle to work schemes and discounted travel passes on public transport.

Business travel

We believe it is important to empower colleagues to make the right choices. Our corporate travel policy requires all colleagues to be aware of their carbon footprint when travelling and review whether travel is necessary. In instances where travel is necessary, colleagues are encouraged to prioritise the use of low-emission modes of transport.

This commitment is enabled through our Travel Insights Dashboard, providing colleagues with key insights into their own travel data using information provided by our corporate travel company, Egencia. In FY24, the dashboard was enhanced to include a shadow carbon price. This means that, for every trip booked, a notional cost based on the carbon emissions of that journey is applied, helping us better understand the environmental impact of our travel.

We hope these changes will provide further transparency on the indirect environmental costs associated with our travel choices, encouraging more responsible decision making.

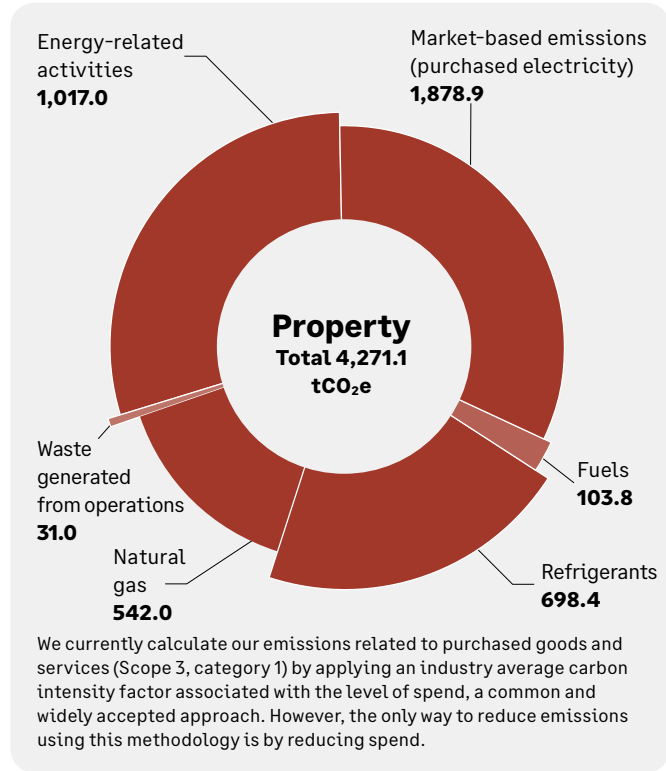
Actions at home

We continued to offer a hybrid working model, giving colleagues flexibility to spend part of their working week working from home. This year, 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. After a successful pilot in Newcastle and Dublin, the programme was launched to our colleagues globally in July. 379 colleagues participated in our first Climate Challenge, and completed 13,516 climate-friendly deeds.

Property

TPT 1.1; 2.1; 4.3 GRI 3-3-d, e; 305-1, 2

The Sage global property portfolio, consisting of Sage-owned and landlord-managed properties, makes a relatively minor (2%) contribution to the Sage carbon footprint. However, championing efficient buildings and renewable energy sends a clear message—both within and outside of Sage—that we are climate-committed.



Approach

Since 2019, we have reduced our market-based property emissions by 70%. This has been achieved through transitioning Sage-managed properties to certified renewable energy and consolidating our property portfolio for higher efficiency.

Renewable energy procurement

As of the end of FY24, 21 out of 54 office locations were on renewable energy contracts, accounting for 54% of our total electricity (up from 12% in 2019). In the last year, we have progressed our renewable energy procurement by specifically targeting partners that can demonstrate real time green energy supply and report accurate data to us. On the next page, we share an overview of the renewable energy mix across our geographical locations.

Evolving our portfolio

As our business evolves, so does our property portfolio. Our next generation workplaces, such as our new offices in Toronto, Vancouver in Canada, and Winnersh in the UK (see the next page), are designed to provide us with inspiring, highly flexible, and inclusive hubs, that represent Sage's values and ambitions. We recognise the operational control limitations regarding our landlord-managed estates. During FY24, a review of non-renewable sites was undertaken to evaluate further opportunities to increase adoption from our current level.

Actions to net zero

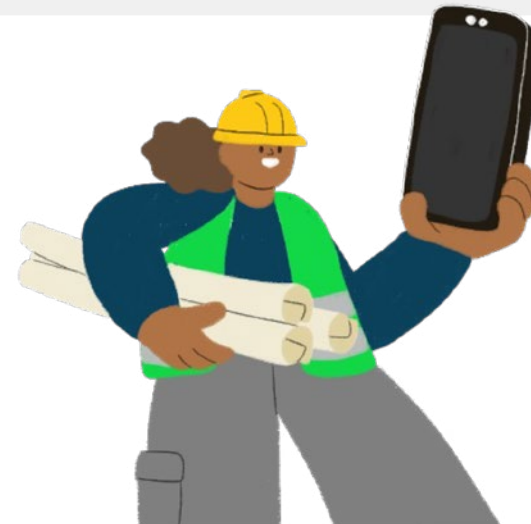
2024

- Moved to new office locations in Toronto, Vancouver, and Winnersh, that have been designed with sustainability principles built in.
- Worked with Good Energy to procure carbon-free energy at our Cobalt site in Newcastle.

➔ Read more about property on our glidepath on page 10

2025–2030

- Transitioning remaining Sage sites to renewable energy and carbon-free contracts.
- Optimising new and existing Sage-owned sites to the highest levels of energy efficiency and sustainability.
- New North America site in Ponce City Market, Atlanta, to open in spring 2025.



Strategy in action:
Get Sage to net zero

Next generation workplaces

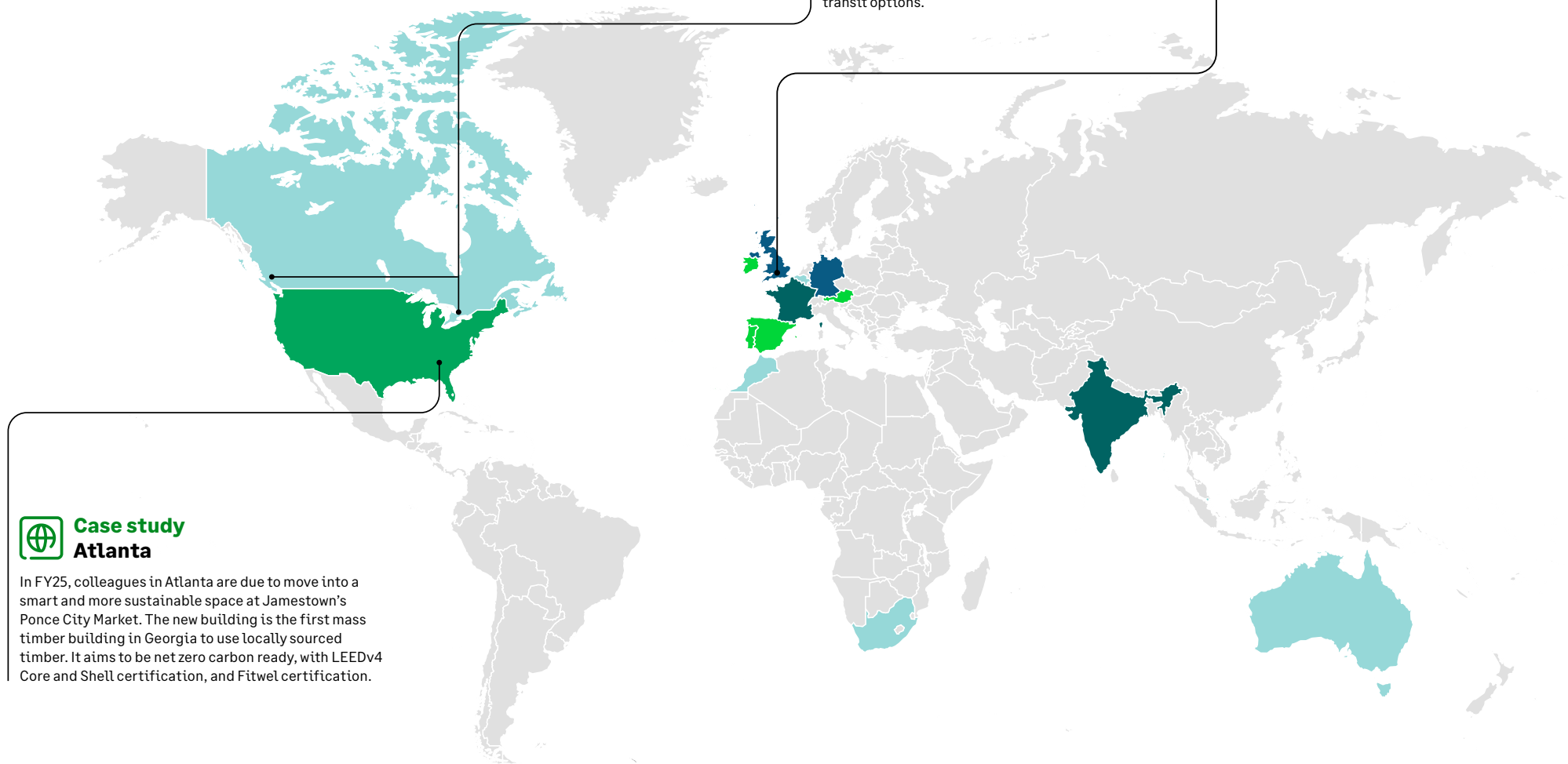
GRI 3-3-d, e; 302-1

Case study
Toronto/Vancouver

In Canada, we moved into new offices at Scotia Plaza, Toronto, and in the Waterfront Hub complex in Vancouver. Sustainability was an important consideration in selecting these locations, with the Vancouver site earning top marks in LEED (Leadership in Energy and Environmental Design) certification and our Toronto site utilising renewable energy cooling with water from Lake Ontario. Colleague experience is further enhanced with improved accessibility to amenities and seamless public transit options.

Case study
Winnersh

Our new Winnersh office has applied sustainable design principles as part of its next generation refurb. As a template for future renovations, Winnersh is brimming with natural sunlight, incorporating natural foliage, woodland, and lake views, and intelligent lighting and blind systems. 2 large cycle cages cater to active commuting.



Case study
Atlanta

In FY25, colleagues in Atlanta are due to move into a smart and more sustainable space at Jamestown's Ponce City Market. The new building is the first mass timber building in Georgia to use locally sourced timber. It aims to be net zero carbon ready, with LEEDv4 Core and Shell certification, and Fitwel certification.





Strategy in action: Get Sage to net zero

Exploring carbon-free energy

GRI 3-3-d, e

In the UK, the Sustainability and Workplace management teams have been working together to procure genuinely carbon-free energy. But what do we mean by ‘carbon-free’?

These days, it’s easy to buy green electricity in the UK. However, the quality of ‘green tariffs’ is variable and can be difficult to discern. What most suppliers mean by a green tariff is that they have purchased as much electricity as possible from renewable sources, as measured over a year (rather than in real time). In other words, they buy renewable generation when it is available, but the electricity they supply to customers as they need it might be generated from fossil fuels.

The unfortunate reality is therefore that most businesses think their electricity use causes no GHG emissions when in fact it does. As well as causing them to underreport their climate impact, this can lead to increased emissions, as businesses are less concerned about energy efficiency if they think that using ‘green electricity’ does no harm.

To navigate this issue, we’ve been working with green tariff pioneers Good Energy. Together, we’ve added new criteria to our electricity tender procurement process, requiring suppliers to do their best to match generation to demand in real time—what is known as ‘production matching’. They should also report back to us on how well they have managed to do so by matching generation data to our office smart meter data.

By implementing this new process, we will be able to more accurately calculate our Scope 2 emissions from electricity and work with our suppliers to monitor performance in real time. We can also improve production matching so that we eventually eliminate emissions from electricity consumption.

We are pleased to have formalised an agreement with a new supplier using this new process. Once fully up and running, we will be publishing the process so that our customers may also consider adopting a similar approach.

“We’ve added new criteria to our UK electricity tender procurement process, requiring suppliers to do their best to match generation to demand in real time—what is known as ‘production matching’.”

Duncan Oswald
Climate Science Lead

Get SMBs to net zero

Our latest research evidences that SMBs face disproportionate barriers to decarbonising. We've made a strategic commitment to help our customers reduce their GHG emissions by 2030 by providing access to carbon management solutions and expertise.

GRI 3-3-d, e

Commitment

We will support SMBs on the road to net zero.

Target

Help our customers reduce their GHG emissions by 2030 by providing access to carbon management solutions and expertise.

Performance FY24

- Sage Earth API available on AWS Marketplace so that more SMBs can calculate and reduce emissions.
- More than 6,000 SMBs now leveraging the Sage Earth API through partners, with active growth continuing.
- Carbon benchmarking tool released for SMBs to produce industry benchmark.
- New measurement model designed to understand total upstream and downstream emissions of our customers.
- Sustainability Masterclasses programme available in France, Germany, and Spain.



Overview

TPT 1.1; 3.1 GRI 3-3-d, e, f

SMBs are the backbone of the global economy and play a vital role in creating jobs and driving growth. Our joint research with PwC, the ICC, and Strand Partners¹ shows this means they are also responsible for a significant proportion of global carbon emissions, but less likely than larger companies to have the resources to measure and reduce those emissions.

In the UK alone, SMBs account for 44% of total UK non-household emissions, while their contribution to Gross Domestic Product is estimated at £1 trillion, or 50% of the UK's total GDP². However, our study shows that they report facing key barriers in their ability to understand, measure, and ultimately report on their sustainability performance. For example, less than 2% have a designated employee who is responsible for this reporting. This may limit their ability to track and demonstrate their progress to stakeholders and understand which actions will be most effective.

As a technology company working directly with millions of SMBs worldwide, we believe that the challenges can be reduced through digital and automated reporting approaches. For example, carbon accounting solutions, such as Sage Earth, our carbon accounting software, is helping SMBs more easily measure, report, and reduce their environmental impact. In FY24, we partnered with AWS to enhance Sage Earth's capabilities with artificial intelligence (AI).


We are always looking for more ways to enable SMB climate action, including building data infrastructure, promoting the use of digital technologies for sustainability reporting, and advocating for clear rules to easily determine material topics and metrics for reporting.

SMB insight-sharing

We continue to role model our own climate journey, including the challenges we face as a large corporation. We also convene SMBs and invite them to share their own experiences of decarbonisation through our masterclasses, insight articles and podcast.


We launched the 5th series of our **Member Masterclasses** in FY24—featuring sessions on sustainable innovation. Overall, our sustainability related Masterclasses have had 106,844 unique hits. We also published 2 more blogs targeted at SMBs but available to all.

They include:

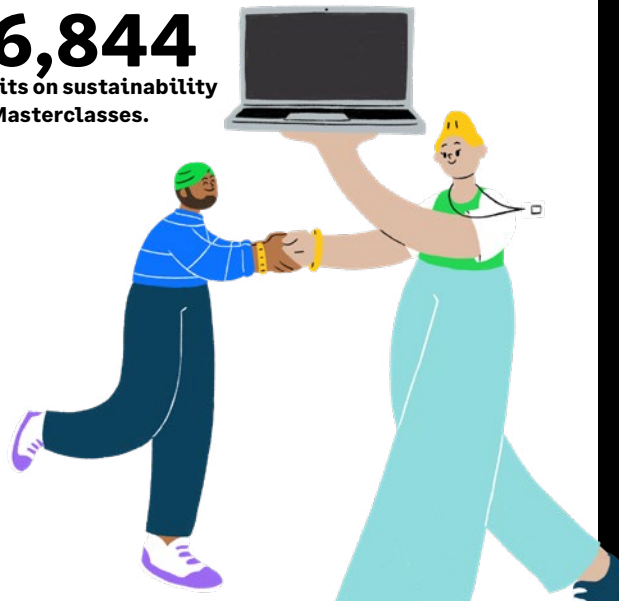
 **COP28: Why sustainability reporting matters to your small business**

 **A profitable planet: How climate literacy can boost your bottom line**

And finally, our **Sound Advice** podcast featured an episode from British meal kit retailer, Gousto, on **How AI is helping win customers and cut carbon**.

 **Check out our Sound Advice Podcast**

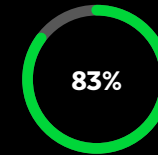
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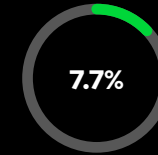
GRI 3-3-d, e

Sustainability and SMBs: The opportunity-action gap

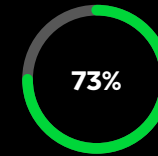
Our COP28 report showed that there is a stark gap between aspiration and action when it comes sustainability disclosure and activity in the SMB sector:



Over 8 in 10 SMEs (83%) say that **sustainability is important** to their business, up from 76% among those surveyed in 2022, and just **over half** (58%) are making commitments about their sustainability.



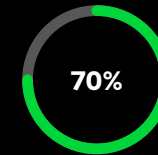
Just 7.7% of SMEs say **that they are undertaking sustainability reporting**.



73% of SMEs are concerned about the **up-front costs** of reporting and 65% of SMEs describe the current reporting standards as **complex**. These present the 2 key “up-front” barriers to sustainability reporting.

1 in 5

1 in **5 SMEs** are highly engaged with the sustainability agenda—including talking about their sustainability impacts externally—but are not yet reporting on them.



Digital technologies could play a key role in helping these SMEs to report. 70% identified them as having the potential to make reporting easier.

51m

We see the potential to triple the number of SMEs who report in the coming years. Globally, this could represent 51 million extra SMEs proactively taking measured and effective action on sustainability challenges.

1. Path for growth: Making sustainability reporting work for SMEs (2024).
2. The Climate Impact of SMEs: Evidence from the UK and South Africa (2022).


Strategy in action:
Get SMBs to net zero

Making carbon accounting simple with Sage Earth

GRI 3-3-d, e, f

In the last year, the second full year since acquisition, we continue to see organic growth of SMB customers for Sage Earth Carbon Accounting.

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. The API version is also leveraged by banking partners and >6,000 SMBs are now actively using the solution. In May 2024, we introduced a standalone carbon benchmarking solution, enabling SMBs to produce an industry-specific benchmark. We've seen a positive uptake on this solution, with 1,580 industry average footprints created between May and July.

As we have added these new solutions, this has enabled us to expand our scope. 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 benchmark their carbon emissions. Our vision is to continue expanding the overall portfolio of solutions, as well as direct and indirect ability to reach SMBs globally in the coming year.

We want to ensure that Sage Earth is discoverable when SMBs are searching for carbon accounting support. In FY24, we signed an agreement with AWS, enabling thousands of SMBs to find Sage Earth when searching for carbon accounting software in the AWS Marketplace. Achieving this has been the result of 18 months of due diligence on both sides, offering peace of mind to AWS customers that they are accessing a safe product, from a trusted Amazon partner.

Meanwhile, we've continued to work with our banking partners to make Sage Earth available to many more thousands of SMBs via financial products. Throughout the year, our Customer Insights and Success teams have tracked the SMB's experience using surveys, interviews, and user panels. This feedback has enabled us to optimise the product and further inform design development as part of a circular, iterative improvement process.

Challenges the carbon accounting industry faces

An ongoing challenge continues to be the balance between accuracy versus quantity of data disclosure. On the one hand, we want SMBs to be making reliable calculations that consider certain sectoral and contextual nuances, and on the other we want as many SMBs reporting as possible. This tension requires us to continuously weigh up the extent to which we deploy AI and machine learning models versus human feedback and manual enhancement, for example. A further challenge has been navigating the different expectations on SMBs in different geographies amidst changing legislative goalposts. We are optimistic that expectations will become clearer and more consistent, thanks to advocacy by businesses such as Sage ([see pages 26 to 28](#)).

Collaborating to overcome our shared challenges

Working closely with our peers and through net zero industry initiatives is important to how we scale carbon accounting among SMBs. For example, through Bankers for Net Zero, we've been involved in Project Perseus for automated carbon reporting. So far, we've created a technical demonstrator to show reporting linking automatically with utility billing, for example. This prototype is in its early days, but it shows what the potential could be for mainstream, large-scale, and credible carbon accounting for SMBs.



“This collaboration signifies a shared vision between Sage and AWS to transform accounting solutions for small and mid-sized businesses, focusing on simplifying carbon reporting and accounting for our customers and the wider business community. We are committed to harnessing the power of technology to drive innovation, enhance operational efficiency, and pave the way for sustainable growth among SMBs.”

Walid Abu-Hadba
Chief Product Officer, Sage



“Sage Earth has played a crucial role in integrating sustainability into our core business practices. It fosters a culture where sustainability is part of normal business operations, promoting transparency and accountability. The collaborative efforts of Sage and AWS in developing Sage Earth demonstrate how SMBs can effectively balance streamlining operations with their environmental responsibilities.”

Liana Fricker
Founder, Inspiration Space, and Sage Earth customer

Sage engages Customer carbon modelling

GRI 3-3-d, e; 305-3

Sage exists to knock down barriers so everyone can thrive, starting with the millions of SMBs served by us, our partners, and accountants. The combined GHG emissions generated by our customers is estimated to be around 67,000 times higher than our own impact as a business. By enabling even 1% of our customers to reduce their footprint, we could multiply the impact of our Net Zero Transition Plan hundreds of times. This is why SMB engagement is a key pillar of our strategy—and it begins with measuring customer emissions as accurately as possible. David Harrop spoke to Duncan Oswald about how our SMB carbon model works.



David Harrop
Climate Change Director



Duncan Oswald
Climate Science Lead

DH **How does the SMB carbon model work?**

DO Every year, we run a complex model to estimate the GHG emissions of our customers. The model is based on a combination of data from Sage Earth (which generates a suite of industry average carbon footprints), Sage Business Cloud Accounting, the CDP, and other sources. It returns a complete typical carbon footprint for any business, based on its sector and revenue. As the demographic data we have on our customers includes their sector, location, and revenue, we can combine the datasets to estimate the total emissions of our customers. We use the emissions intensity factors developed by Small World Consulting to provide greater detail for the calculation of upstream emissions in different countries.

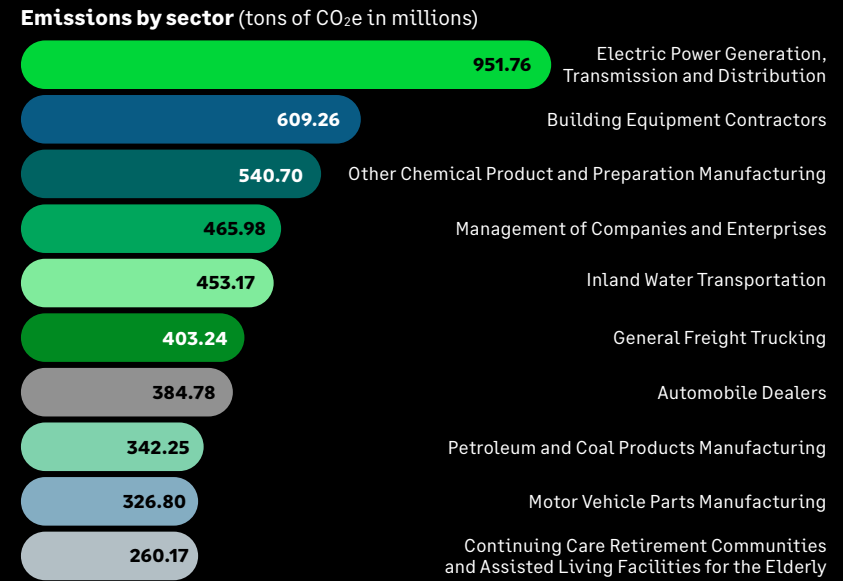
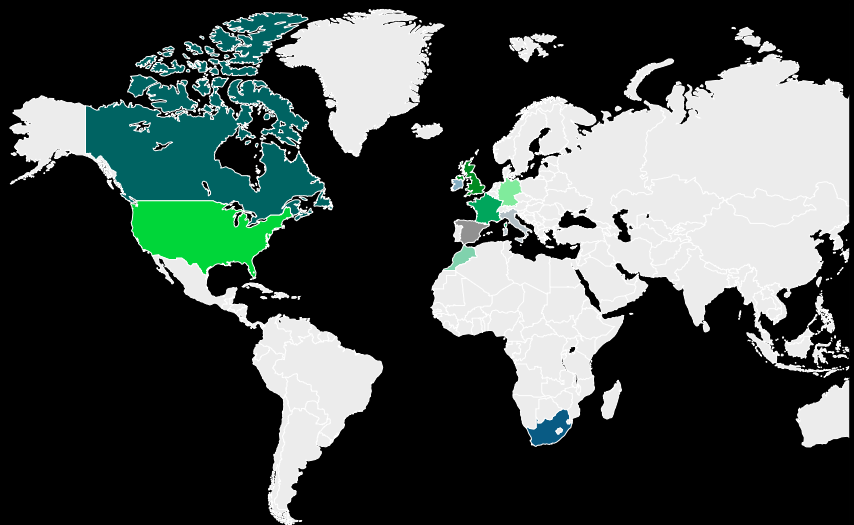
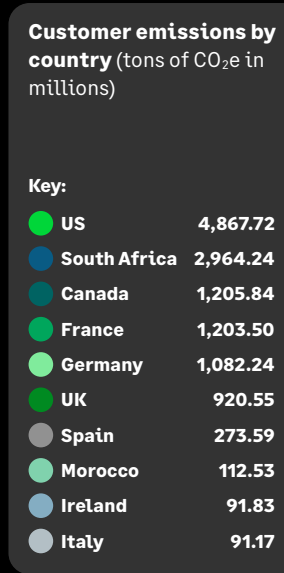
DH **How do customer emissions compare with Sage’s own?**

DO Total emissions across all our customers are estimated at 13 Gigatonnes (Gt). Of course, as this is the total upstream and downstream emissions of all our customers, many of whom trade with each other, there will be considerable double-counting. The with total therefore cannot meaningfully be compared to total global emissions (53Gt). However, it can be compared with Sage’s own operational emissions for FY24, which were 193,430 tonnes—around 67,000 times lower than our customers. This reinforces the importance of our commitment to help get SMBs to net zero.

DH **How do these emissions break down by customer country, sector, and business size?**

DO Emissions can be segmented by country, business size, sector, or any combination. This allows us to spot trends in emissions and target support to those business types or regions where that support will be most effective.

The outputs of the model mean that we can be highly targeted in our approach to supporting SMBs to reduce their GHG emissions, prioritising those businesses where Sage can have the largest lasting impact.



Policy and advocacy

GRI 3-3-d, e

Commitment

We will advocate for enabling policy and disclosure for SMBs.

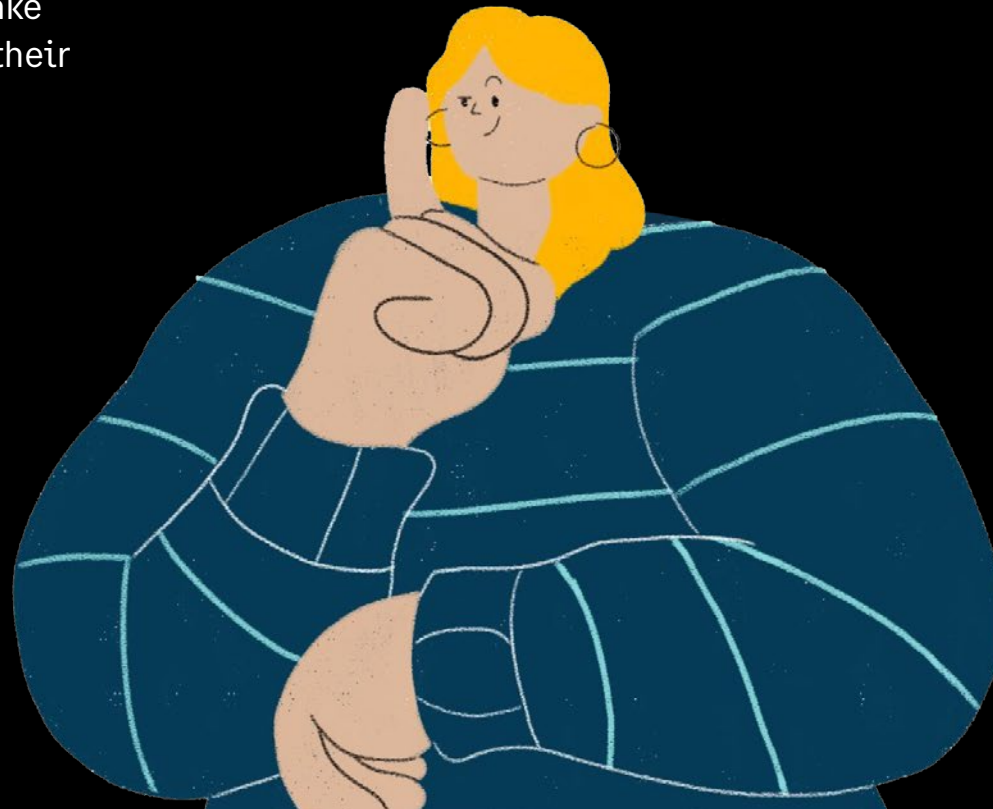
Target

Put SMBs at the forefront of the transition to net zero by making sure their voice is heard and advocating for simplified standards.

Performance FY24

- Path for Growth report launched at COP28, highlighting the barriers to reporting that SMBs face.
- 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 EU Commission to advocate for proportionate, simplified sustainability standards for SMBs.

We work with our customers, partners, governments, and other stakeholders to advocate for consistent standards that make it easier for SMBs to take climate action. This includes making sure their voice is heard by policy makers.



Overview

TPT 1.1; 3.2-3

GRI 3-3-d, e, f

Climate solutions and insight-sharing for the SMB sector play an important role in enabling the transition to low- or zero-carbon economies. However, to make it possible for SMBs to fully play their part, and to harness net zero transition opportunities, we need a clear and consistent policy framework.

This is why we work proactively alongside governmental and non-governmental organisations, industry bodies, and peers through multi-stakeholder programmes to call for simple, accessible guidance for SMBs on carbon data disclosure and action. The COP28 climate summit in Dubai was a vital opportunity to highlight messaging around the unique barriers faced by SMBs to contribute to global sustainability efforts, including the UN Sustainable Development Goals.

➔ [Find out how we contributed on the next page](#)



Multi-stakeholder partnerships

For 3 years, we have been active as a member of the World Business Council for Sustainable Development (WBCSD), championing its vision for a world where more than 9 billion people are all living well, within planetary boundaries, by 2050. In FY24, we supported its advocacy efforts for global policy frameworks that help smaller businesses and value chains transform themselves to achieve net zero by 2050. Such frameworks span regulations, subsidies, public procurement, and carbon pricing. Governments need backing from the private sector to support the implementation of new policies.

In the UK, we continue to represent SMBs at the All-Party Parliamentary Group on ESG, ensuring that SMBs are part of the climate conversation. Another important UK partnership has been with Bankers for Net Zero (B4NZ) to help unlock access to capital by automating GHG emissions reporting for SMBs.

Calling for SMB-friendly standards

In December 2023, the UK government Department for Energy Security and Net Zero called for evidence to gather feedback on the benefits, costs, and practicalities of Scope 3 GHG emissions reporting, including links to the government's Streamlined Energy and Carbon Reporting (SECR) framework. We welcomed the opportunity to contribute, publishing a response that urged the government to include all businesses in Scope 3 reporting and develop SMB-specific reporting standards to make it easier for SMBs to report.

➔ [You can access the full submission here](#)

We highlighted that the UK will not be able to reach net zero if SMBs are not included in the reporting requirements, as they account for a significant proportion of business emissions.

We agree with the International Sustainability Standards Board's (ISSB) assessment of the value of Scope 3 reporting and the assessment of the 2 main barriers to reporting—the availability and quality of data. We welcome that there are emerging frameworks (such as the Partnership for Carbon Transparency and the UKRI Professional & Financial Services Data Access Demonstrators) that aim to address these challenges. In addition, we are collaborating with stakeholders to develop innovative solutions to address these issues via an improved taxonomy, categorisation, and emission intensity factor database or library.

Our 'Path for Growth' report found that most SMEs find it hard to measure and track their sustainability reporting because the number and type of data requests being asked of an SMB are not proportionate and the current sustainability terminology is not simple enough. It is important to clearly define and simplify the terms, topics, and metrics across the reporting landscape for SMBs. We therefore advocate for large companies to report on Scope 3 under ISSB and to support SMBs with simplified reporting standards.

While we acknowledge that there is a risk that current data availability and quality challenges might result in lower-quality disclosures, we believe this will only be an issue to begin with. Once all businesses start reporting Scope 3, this will lead to improved data quality and availability (based on increased datasets).

Strategy in action:
Policy and advocacy

Path for growth: Making sustainability reporting work for SMEs

GRI 3-3-d, e, f

Building on the messages we conveyed at COP26 and COP27, we collaborated on a ground-breaking report to provide fresh insights from SMBs about their motivations, goals, and challenges. **Path for growth: Making sustainability reporting work for SMEs** was launched by Sage, PwC, ICC, and Strand Partners at COP28 to take stock of the reporting landscape, and the motivators and roadblocks for SMBs. It unveils an important insight: while most SMBs want to be more sustainable, a majority of them are not currently undertaking any form of sustainability reporting, blocked by high costs and complex reporting frameworks. This prevents them from taking relevant action to be more sustainable, and from realising the business benefits of taking action when they do.

The report found, positively, that an increasing number of SMBs understand sustainability is critical to business growth. In 2022, 76% of those surveyed said sustainability was important to them, a number that rose to 83% this year. South African SMBs also reported feeling pressure to be more sustainable from their many stakeholders: customers topped the list at 34%, but others such as suppliers (9%) and local community (9%) were also factors.

However, very few of the global SMB respondents (8%) were measuring and reporting on their sustainability impacts. According to the South African businesses surveyed, the 2 biggest roadblocks on their path to measure their impact were the up-front costs involved (28%) and difficulties assessing the environmental impact of their operations (26%).

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 would be reporting on sustainability, signalling a serious shift in societal response to climate change. This would also give SMBs increased access to finance, brand benefits, talent attraction, and new business opportunities.

In light of these findings, the following recommendations were made to standard-setters, governments, and industry leaders:

Standard-setters:

- Establish consistency in ESG terminology used, so SMBs can understand and respond to reporting asks more seamlessly.
- Work with governments to assess and increase the interoperability of emerging SMB standards with leading market standards and make clear how the requirements of one standard meet the requirements of others.
- Provide user-friendly guides, templates, and automated solutions that ease the burden of reporting for SMBs.
- Consider if the reporting asks being made of SMBs are proportional for a business with limited resources and prioritise material issues to help them focus on the right areas.

Government:

- Build data infrastructure to support SMBs and move reporting towards accuracy and transparency, such as developing shared tools and data repositories.
- Showcase the importance and benefits of sustainability reporting among SMBs, such as access to markets, funding, and cost efficiencies.
- Promote the use of affordable and automated digital technologies for sustainability reporting that lighten the burden on SMBs.
- Encourage SMBs to invest in their sustainability reporting, considering financial incentives to mitigate up-front costs.

The report has been well received and 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

Risks and opportunities

In this chapter, we expand on TCFD disclosures made in our **Annual Report** around how we manage climate-related risks and opportunities.


These disclosures align with the requirements of the FCA Listing Rules and Companies Act.




Risk and opportunity management

GRI 201-2


Key—Stakeholder groups




Our shareholders



Our colleagues





Our customers




Society

Maturity

 Increase

 No change

 Decrease

Key—Maturity of assessment

H High
Quantitative Climate Scenario Analysis performed

M Moderate
Good understanding, further work desirable

L Low
Further work is required to fully impact, mitigate, and adapt







Key—Risk assessment period

Short term
1–5 years

Medium term
5–15 years







Longer term
15–30 years

vSage has selected time horizons that are harmonised with those of national and international climate policy and goals including the 2015 international Paris Agreement and the three year strategic plan of the business.

Risk/Opportunity	Risk Description and Business Impact	Mitigation and Adaptation	Maturity	Metric	Target
Physical risks					
<p>Hosting Resilience</p> <p>Time Horizon Short to medium term</p> <p>Stakeholder impact</p>  <p>Sub-Type Acute and Chronic</p>	<p>Sage has a number of centralised public cloud providers, as well as hosting services. This infrastructure could be vulnerable to persistent and extreme weather events.</p> <p>These events could become more frequent, reducing service availability and customer experience.</p>	<p>Sage considers climate risk in the same way as other risks at hosting sites. As a cloud-based software provider, we recognise that the resilience and security of our services are of critical importance to our customers. Sage works with a variety of hosting providers to offer hosting services to our customers and to support our internal enterprise applications.</p> <p>We are engaging with our most important hosting partners to better understand how they are factoring climate risk into recovery and continuity plans.</p> <p>Next steps</p> <ul style="list-style-type: none"> Sage will continue to monitor the distribution of hosting services and associated climate risk. 	 	<p>Metric</p> <p>% of high-risk co-located/third-party sites demonstrating integration of climate risk within their risk management and business continuity plans.</p>	<p>Target</p> <p>Engagement with Sage’s largest hosting partners to track the risk metric.</p>
<p>Damage to Facilities</p> <p>Time Horizon Short term</p> <p>Stakeholder impact</p>  <p>Sub-Type Acute and Chronic</p>	<p>Extreme weather events have the potential to disrupt or damage Sage sites and facilities. Flooding, heatwaves, droughts and rising sea levels could all impact our facilities. Insufficiently prepared facilities could be unable to deal with more frequent and intense occurrences of such events.</p>	<p>The dynamic and long-term nature of climate change has implications for business continuity (BC) and our broader business objectives. Our BC programme enables effective BC practices, so that our colleagues are better able to prevent, rapidly respond to, and help the organisation recover from operational disruptions, such as those caused due to climate change.</p> <p>Based on our climate scenario analysis, sites have been prioritised for the implementation of risk mitigation measures (e.g. business continuity playbooks) to ensure procedures are in place to protect sites.</p> <p>Next steps</p> <ul style="list-style-type: none"> Ensure climate risk indicators continue to be included in site-level business continuity plans. Where the site is owned by a third party, continue to engage to understand the appropriate risk mitigation measures are in place. 	 	<p>Metric</p> <p>% of business-critical sites with extreme weather BC playbooks.</p>	<p>Target</p> <p>We will focus on our priority sites during FY25, aligning with our broader business continuity management planning.</p>







Risk and opportunity management continued

GRI 201-2

Risk/Opportunity	Risk Description and Business Impact	Mitigation and Adaptation	Maturity	Metric	Target
Physical risks continued					
<p>Workforce Productivity</p> <p>Time Horizon Short term</p> <p>Stakeholder impact</p>  <p>Sub-Type Chronic</p>	<p>Increasing extreme weather events may leave offices and homes unfit for work. This could reduce workforce productivity by making it difficult for employees to work during certain times.</p>	<p>We have invested in flexible working structures that support collaboration, whilst also creating and enhancing opportunities for teams to come together. Our BC plans and supporting technology infrastructure enabled a transition to homeworking across our organisation during the pandemic, demonstrating the flexibility of our workforce to adapt to extreme events, either at home or at a work location.</p> <p>Based on our climate scenario analysis, sites have been prioritised for the implementation of risk mitigation measures (e.g. business continuity playbooks) to ensure procedures are in place to protect colleagues.</p> <p>Next steps</p> <ul style="list-style-type: none"> • Moving forward, Sage will evaluate resilience measures for our colleagues, and how Sage can better enable a safe and sustainable working environment. • Develop and enhance location-specific extreme weather guidance to support colleagues in the event of localised/regional impact. 	 	<p>Metric % of business-critical sites with extreme weather BC playbooks.</p>	<p>Target We will continue to focus on our priority sites during FY25, aligning with our broader business continuity management planning.</p>
Transition risks					
<p>Reputational Damage</p> <p>Time Horizon Short to medium term</p> <p>Stakeholder impact</p>  <p>Sub-Type Transitional</p>	<p>Stakeholders' expectations regarding ambitious carbon targets, climate advocacy, and transparency, are increasing. They are applying greater scrutiny to how Sage aligns all business activities to its Net Zero Transition Plan. Sage may suffer reputational damage if we miss targets or are inactive in this space.</p>	<p>Our customers, colleagues, and society in general are increasingly climate conscious. Sage is committed to tackling the climate crisis, in line with its purpose of knocking down barriers so everyone can thrive.</p> <p>In FY23, we developed a robust Net Zero Transition Plan, outlining the actions we are taking to meet our net zero target. We are transparently reporting the key steps and initiatives we are taking to deliver this, in this Climate Report, to mitigate against reputational risk of not meeting our climate targets. Sage's sustainability progress has been externally recognised, including validation of our decarbonisation pathway (via SBTi approval).</p> <p>Next steps</p> <ul style="list-style-type: none"> • We continually monitor the impact we have on society, through our actions, tracking the outcomes of stakeholder engagement, and the progress towards our objectives. • We commit to transparently report on the progress we make towards our climate commitments. • In FY25, we will begin monitoring the impact that our sustainability strategy is having on reputation and sentiment through expanding Sage's existing reputation monitoring programme 	 	<p>Metric Progress in our Scope 1, 2, and 3 carbon emissions reductions, aligned to a 1.5°C pathway.</p>	<p>Target 50% reduction in Scope 1, 2, and 3 emissions by 2030.</p>







Risk and opportunity management continued

GRI 201-2

Risk/Opportunity	Risk Description and Business Impact	Mitigation and Adaptation	Maturity	Metric	Target
Transition risks continued					
<p>Changing Customer Needs and Behaviours</p> <p>Time Horizon Short to medium term</p> <p>Stakeholder impact</p>  <p>Sub-Type Market</p>	<p>Sage is closely linked to economic activity and the success of SMB markets.</p> <p>However, SMB markets and businesses are more exposed and less resilient to the impacts of climate change. An increase in global disruption due to climate change could reduce economic activity and lead to a lower demand for Sage services.</p>	<p>During FY24, we have taken a proactive stance to understand the carbon footprint of our products through Life Cycle Assessments (LCAs) to provide improved transparency on the environmental impacts of our products, empowering customers to make informed choices.</p> <p>Next steps</p> <ul style="list-style-type: none"> We will continue to expand our understanding of how the climate change and the transition to the green economy will impact SMBs and our customers, including further developing the insight gained from customer emissions profiling (see page 25) 	 	<p>Metric</p> <p>% of our customer base in high, medium and low climate risk sectors.</p>	<p>Target</p> <p>We also continue to monitor how the transition to a low-carbon economy is impacting on our customer base and SMBs, evaluating appropriate targets as our insight and data develop.</p>
<p>Increasing Cost of Energy and Carbon</p> <p>Time Horizon Short to medium term</p> <p>Stakeholder impact</p>  <p>Sub-Type Current Regulation</p>	<p>Offices, hosting services, and data centres are energy-intensive operations. If the cost of carbon increases, this could make the Group's operating costs more expensive. Sage may need to mitigate costs and risk through increased carbon efficiency, and/or consider where these costs are absorbed.</p>	<p>Sage has limited exposure to high energy prices. However, we will continually monitor global prices and supply, including within our supply chain, and respond accordingly. At present, we do not have any short-term plans to offset our carbon emissions. However, we do recognise that carbon offsetting will potentially play a part to remove hard-to-abate residual emissions as we move towards our net zero goals. Sage continues to prioritise direct emission reductions and aligns with the SBTi's Net Zero standard. We have furthered our understanding of the levers involved in our decarbonisation glidepath, including conducting research to assess potential future carbon prices and costs associated with removing residual emissions.</p> <p>Next steps</p> <ul style="list-style-type: none"> Sage will monitor the outcome of the SBTi Net Zero Standard review, this will inform our approach to carbon neutralisation and allow us to develop a proactive approach to manage this risk. 	 	<p>Metric</p> <p>Continuous assessment of the carbon cost, factoring in investments necessary for mitigating residual emissions, in support of our 2040 net zero commitment.</p>	<p>Target</p> <p>We have not set a target for the cost of energy and carbon. Targets will be reconsidered following conclusion of our residual emissions neutralisation strategy.</p>










Risk and opportunity management continued

GRI 201-2

Risk/Opportunity	Risk Description and Business Impact	Mitigation and Adaptation	Maturity	Metric	Target
Transition opportunities					
<p>Retaining and Hiring Talent</p> <p>Time Horizon Short to medium term</p> <p>Stakeholder impact</p>  <p>Sub-Type Efficient and Mindful Workforce</p>	<p>It is important for employers to demonstrate sustainability as a cultural value. This can help attract and retain environmentally conscious talent. A more climate-informative hiring process can show how active Sage is in retaining and attracting talent.</p>	<p>We continued to review and articulate sustainability-related aspects of our colleague value proposition, including improvements to rewards and benefits and L&D opportunities.</p> <p>Next steps</p> <ul style="list-style-type: none"> We understand our people will drive the success of our business. Sage will continue to seek opportunities to align our ESG and Talent strategies, strengthening our ability to retain and attract talent. 	 	<p>Metric As part of our broader Talent strategy, we will continue to monitor the drivers that attract and retain talent across our business.</p>	<p>Target No target.</p>
<p>Strong Sage Brand</p> <p>Time Horizon Short to medium term</p> <p>Stakeholder impact</p>  <p>Sub-Type Reputational</p>	<p>Sage has an opportunity to help SMBs fight climate change and be their voice for the future, supporting them when it comes to advocating for change.</p>	<p>Sage has pledged to fight climate change by halving its own emissions by 2030 and becoming net zero by 2040, by supporting SMBs to get to net zero, and by advocating for policy and regulatory frameworks to support the transition to a low-carbon economy. We recognise that it is important we demonstrate progress against our commitments.</p> <p>Sage's sustainability and climate leadership was externally recognised by leading awards: being awarded the UK's most sustainable company by TIME magazine, and an EcoVadis Gold award.</p> <p>Next steps</p> <ul style="list-style-type: none"> In FY25, we will begin monitoring the impact that our sustainability strategy is having on reputation and sentiment through expanding Sage's existing reputation monitoring programme. 	 	<p>Metric We will continue to monitor how our Protect the Planet strategy is performing, including external stakeholder feedback. For example, our ambition is to improve our CDP annual climate disclosure rating to a leadership level.</p>	<p>Target We will continue to evaluate a range of measures that can demonstrate impact and the success of our climate ambitions, including supporting SMBs to net zero, including the usage of ESG and climate related reputation metric tracking.</p>

Risk and opportunity management continued

GRI 201-2

Risk/Opportunity	Risk Description and Business Impact	Mitigation and Adaptation	Maturity	Metric	Target
Transition opportunities continued					
<p>New Products and Services</p> <p>Time Horizon Short to medium term</p> <p>Stakeholder impact</p>  <p>Sub-Type Products and Services</p>	<p>Climate change demands are presenting a new opportunity for Sage to develop products and services for its SMB customers' that will help them tackle the challenges of climate change and put sustainability at the core of their business.</p>	<p>Sage has a unique opportunity to help accelerate global climate awareness and action, whilst actively managing and reducing the long-term climate-related risks posed to the Group. Sage Earth is our carbon accounting solution to help businesses easily understand and reduce their environmental impact.</p> <p>Sage continued to support SMBs through ongoing improvements to and roll-out of Sage Earth in the UK and US. This activity is supported by the introduction of aligned LTIPs FY24 to achieve Sage's 'Tech for Good' ambitions.</p> <p>Next steps</p> <ul style="list-style-type: none"> Continue to support our customers to navigate the complex and evolving sustainability landscape, and how Sage capabilities, including Sage Earth can support their journey. 	 	<p>Metric</p> <p>We have set further metrics and targets to enable access to carbon accounting functionality, as documented with our Executive Director and ELT remuneration PSP targets on page 150 of the Annual Report.</p>	<p>Target</p> <p>In FY25, the target will align to the published PSP targets Tech for Good: Enabling access to carbon accounting functionality via Sage suites. See page 150 of the Annual Report.</p>
<p>Renewable Energy Procurement</p> <p>Time Horizon Short to medium term</p> <p>Stakeholder impact</p>  <p>Sub-Type Energy Source</p>	<p>Sage could engrain renewable energy provision into our facility management plans. This would incentivise Sage building managers, landlords and hosting services to develop and innovate more carbon-efficient buildings. Combined pressure from Sage, its peers and society can help reduce carbon emissions and costs.</p>	<p>Working with our Property team and landlords, our Sustainable Property strategy will enable Sage to transition our property estate to clean, low-carbon sources of energy, supporting our ambition to reduce emissions by 50% by 2030 and achieve net zero by 2040.</p> <p>We completed a review to understand opportunities to extend the breadth and quality of renewable provisions across our estate. This review has resulted in an agreement in the UK to procure Carbon Free Energy from Good Energy for our largest UK site, Cobalt in Newcastle.</p> <p>Next steps</p> <ul style="list-style-type: none"> Sage will continue to seek opportunities to transition to high-quality renewable energy sources. Where Sage does not have operational control of sites, we will continue to engage with landlords to influence a renewable transition where available. 	 	<p>Metric</p> <p>Number of sites under Sage's operational control with renewable energy contracts. % of electricity from certified renewable sources.</p>	<p>Target</p> <p>Our ambition is to maximise the use of low-carbon energy across our portfolio and we will continue to identify opportunities to improve adoption across our portfolio of properties.</p>
<p>Site Strategy</p> <p>Time Horizon Short to medium term</p> <p>Stakeholder impact</p>  <p>Sub-Type Resource Efficiency</p>	<p>Our Sustainable Property Strategy presents an opportunity to reduce the business's carbon footprint, operational costs, and vulnerability to extreme weather events.</p>	<p>Where new sites open and leases renew, we ensure that their climate and environmental impact is understood by relevant Sage colleagues and minimised where possible.</p> <p>Next steps</p> <ul style="list-style-type: none"> In line with our property Net Zero Transition Plan, our property strategy will seek to drive continuous improvements in the energy efficiency of our buildings, whilst continuing to transition our sites to clean, low-/zero-carbon sources of energy. 	 	<p>Metric</p> <p>Internally, we will monitor energy and carbon performance metrics, including carbon intensity per full-time employee on each site, "work from home" emissions, and the carbon intensity per square foot on each site.</p>	<p>Target</p> <p>Sage will seek to benchmark comparative performance to identify opportunities to further drive efficiencies across our estate.</p>



Get in touch

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Sage

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