

A photograph showing three people (two men and one woman) sitting in modern, light-colored wooden armchairs with green cushions. They are in a lounge area with a large, vibrant living wall in the background. The word "Sage" is displayed in large, white, 3D letters on the wall. The scene is brightly lit, suggesting an indoor or well-lit outdoor space.

Sage

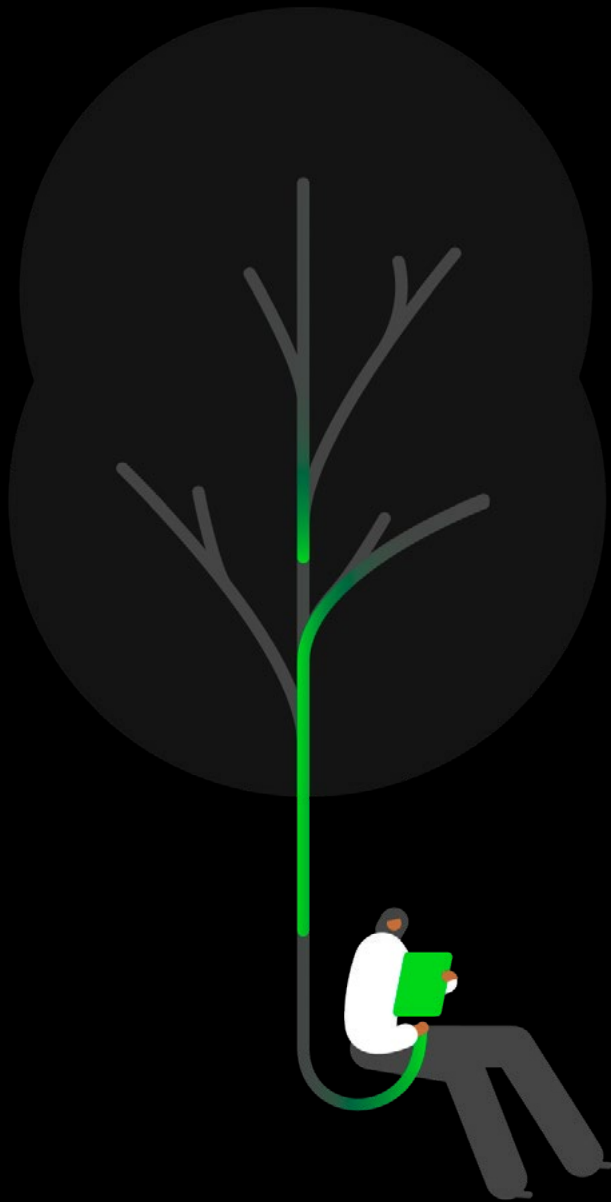
Enabling Europe to thrive in a digital economy

Sage's impact on European SMEs and society Report

The Sage logo, featuring the word "Sage" in a green, lowercase, sans-serif font.

Sage

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Chief Commercial Officer

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Foreword by Derk Bleeker,

Chief Commercial Officer

Sage is committed to the success and growth of Europe's 26 million small and medium-sized enterprises (SMEs), which are critical to Europe's competitiveness agenda. In today's fast-evolving world, SMEs must grapple with a number of challenges - digital transformation, economic uncertainty, climate change and the need for greater efficiency. Our colleagues, partners and customers together share a passion for enabling SMEs to thrive at the same time as investing in a greener, more digital Europe.

This report highlights the significant impact Sage has on the European economy, showing how we support the success and growth of SMEs across Europe, from Frankfurt to Madrid, or Paris and Lisbon to Dublin and Newcastle.

Sage has been a trusted partner in helping SMEs to navigate these challenges, providing tools that enable smarter decisions and streamline operations. With our cloud-based solutions and AI-powered tools, Sage supports over 3.2 million businesses across Europe, helping them to simplify accounting, financial, and payroll tasks. This reach includes both direct customers and those indirectly supported through Sage's ecosystem, such as accountants and advisors, in Sage's six primary European markets.

We are also building a robust European technological ecosystem at Sage, collaborating with over 42,000 partners to support businesses to embrace technology for sustainable growth.

Looking to the future, I am excited about what's to come. With ongoing investment in new technology and our commitment to bolstering our 6,500 strong workforce in the region, I am confident Sage will continue to be a trusted partner for businesses across Europe.

I hope you enjoy reading more about Sage's impact in Europe. For me, this is more than just a business report—it's a reflection of Sage's deep connection to Europe and the unparalleled opportunities this continent offers.

I firmly believe that, through continued collaboration and investment, Sage will enable European SMEs to remain at the forefront of progress.



About this report

Sage is proud to be a market leader in accounting, financial, HR, and payroll technology for small and medium size enterprises (SMEs) globally.

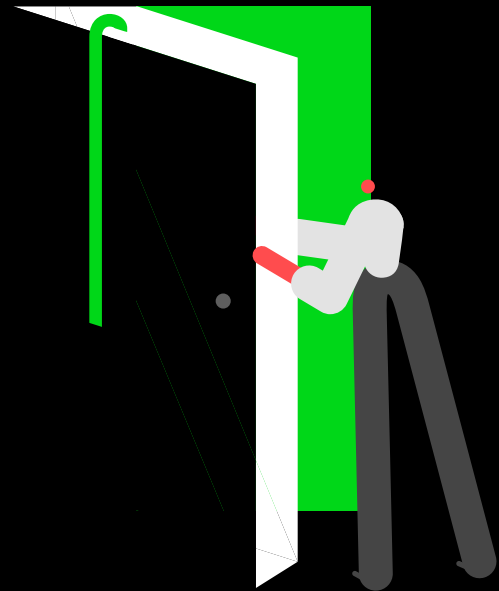
This study quantifies the impact of Sage's pan-European presence contributing to the economy, particularly SMEs, society, the environment and the digitalisation of organisations across France, Germany, Spain, Portugal, Ireland and the UK. Digitalisation in this context implies the integration of digital technologies and infrastructures to enhance processes and increase efficiency within companies.

Kreab used the Input-Output Model to quantify Sage's contribution to the economy, employment and tax compliance. In addition, Kreab applied measurement and monetisation guidelines provided by organisations such as Harvard Business School (HBS), Value Balancing Alliance (VBA), World Business Council for Sustainable Development (WBCSD) and Capitals Coalition to measure the value generated by:

- Digitalisation of SMEs
- R&D investment
- Women in Tech
- Hours of volunteering by employees through Sage Foundation
- Environmental impact of CO₂ emissions

This analysis showcases how Sage supports SMEs, drives digital and green transitions, creates jobs, and is committed to diversity and climate action. The data used throughout this study is based on Sage's fiscal year 2023 figures, and defines SMEs according to the Commission Recommendation 2003/361/EC in the European Union:

- Micro-enterprise: Fewer than 10 employees and a turnover or balance sheet total of up to €2 million.
- Small enterprise: Fewer than 50 employees and a turnover or balance sheet total of up to €10 million.
- Medium-sized enterprise: Fewer than 250 employees and a turnover of up to €50 million or a balance sheet total of up to €43 million.¹



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

Kreab is a leading global communications and public affairs consultancy with a strong presence in Spain. Specialising in strategic communications, public affairs, and business sustainability strategy, Kreab offers tailored solutions to help clients navigate complex business environments and achieve their objectives. With a deep understanding of the local and international landscape, Kreab leverages its extensive network and expertise to provide actionable insights and effective strategies. Our team of professionals is committed to delivering impactful results that drive success for our clients across various industries.



Executive summary

Sage's software solutions play a crucial role in empowering small and medium-sized enterprises (SMEs) to enhance their competitiveness and drive growth through digitalisation. With a robust ecosystem, Sage directly and indirectly supports 3,200,000 SMEs -making a significant contribution to the overall strength of the European Economy. Over 42,000 Sage partners assist SMEs across these markets, including 38,300 accountants, 3,400 business partners, 370 tech partners and over 200 alliances.

On average, SMEs using Sage software achieve a reduction of €23,500 annually in operational costs and gain substantial efficiency improvements, resulting in an impressive €18 billion contribution to European economic competitiveness. Sage's economic impact is also evident in public revenue generation, with €2.4 trillion in taxes processed through its software -directly or indirectly through its partners-, translating to €172 billion in total tax revenue specifically from its direct customers.

Sage's influence extends beyond individual businesses; together with its Ecosystem, Sage plays a vital role in driving growth across the European economy through direct, indirect,

and induced economic impacts. This encompasses gross value added, pre-tax business earnings, tax contributions, and employee wages generated by the company, its supply chain, and the consumer activities of Sage and its ecosystem's employees (which includes partners, ISVs, accountants and alliances). With a multiplier effect of 2.5, every euro directly generated by Sage creates an additional €2.50 in value to the economy.

In terms of employment, Sage directly employs approximately 6,500 individuals across Europe, supporting a total of 14,743 jobs when accounting for direct, indirect, and induced employment effects. Notably, each job created at Sage generates 2.2 additional jobs in the wider economy.

Sage is committed to its values – to be human and bold, build trust and simplify. The company prioritizes community engagement, granting each employee five days annually to volunteer with non-profits of their choice. In 2023, Sage employees across Europe collectively dedicated over 80,500 hours to initiatives addressing crucial issues like inequality, environmental sustainability, education, and entrepreneurship. This commitment empowers Sage colleagues to use their professional skills for meaningful impact within their communities.

Additionally, Sage's commitments are not only to the communities, but also to environmental sustainability, achieving in 2023 a 30% reduction in scope 1 and 2 carbon emissions since 2019.

Knocking down barriers for

3,200,000
SMEs

**Creating a robust
European Tech ecosystem**

42,000
partners

Commitment to innovation

€228m
total R&D investment

€3.7bn
of social value

**Growing and scaling in
a sustainable way**

600tCO₂e
reduced emissions compared
to 2019 baseline

**Sage drives
economic growth**

€2.50

to the economy for
of direct contribution. **€1**

0.02%
of GDP

€18bn

SMEs' cost reduction and efficiency gains

Supporting tax compliance

€2.4tn

managed for Europe's public
administration

Gender equality: Women

2X ICT sector
average

Sage: a leading tech company

As a leading tech company, Sage is dedicated to knocking down barriers so everyone can thrive. Sage is focused on supporting a robust European technological ecosystem through our digital network where products, customers, and associated data flows come together enabling fully digital capabilities like e-invoicing and AI services.



3,200,000
SMEs supported



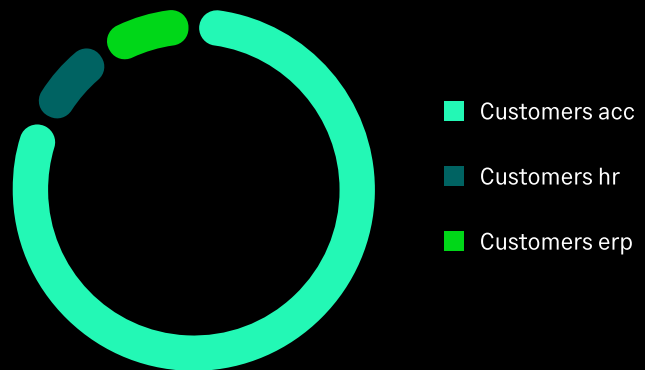
100
average customer size by number of employees²



42,000
ecosystem companies: accountants, business and partners, and alliances

This commitment extends to the 3,200,000 European SMEs that are supported by Sage solutions, directly or indirectly through its valued ecosystem. This vast reach highlights Sage's powerful role in disseminating technology and empowering the backbone of the European economy.

Fig 1. Distribution of direct clients per type of solution.



Source: Sage

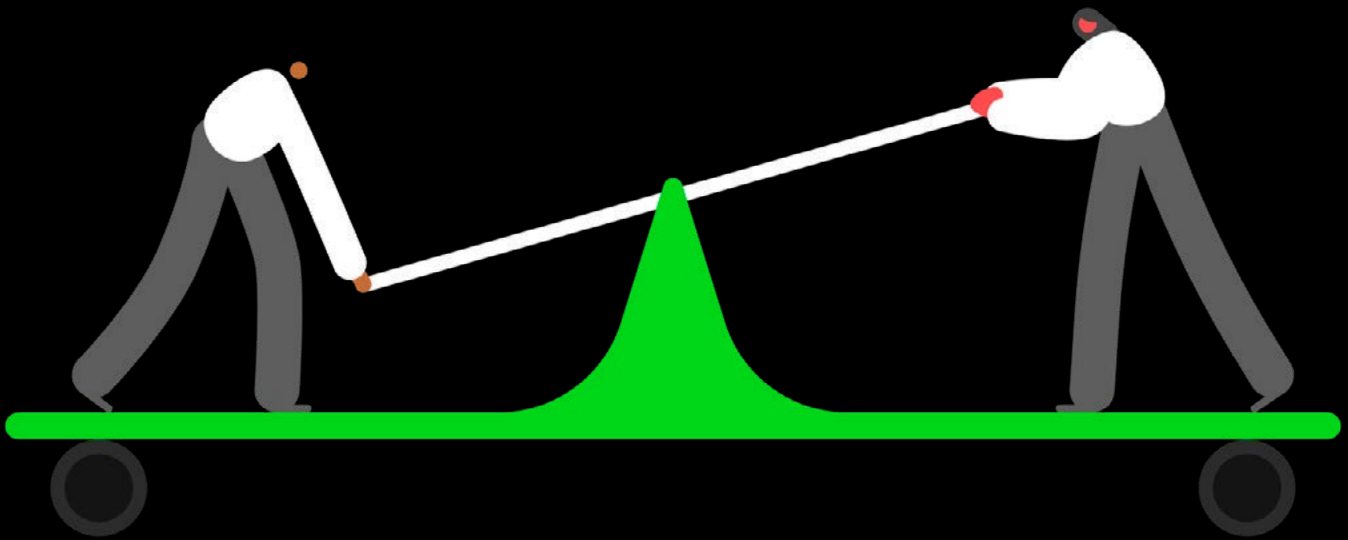
UK and European Union cooperation

“This report highlights Sage’s immense contribution to the European economy, showcasing its vital role in championing SME competitiveness and digitalisation, driving GDP growth, creating high-quality jobs, fostering innovation, and championing sustainability. Sage’s investments are a testament to the power of cross-border collaboration, demonstrating the importance of increased cooperation between the UK and the EU.

To maintain this positive momentum, we encourage the UK, the European Union, and the EU Member States, to work on digital and data regulation to ensure seamless trade and investment. Our shared commitment to innovation will continue to unlock new opportunities, boost competitiveness, and secure long-term prosperity for both economies.”

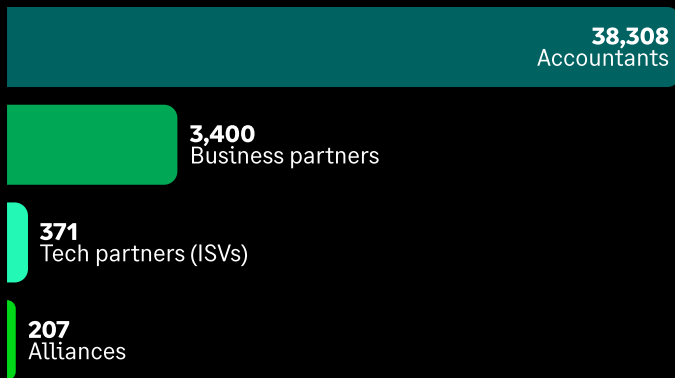


Sabina Ciofu
Associate Director
International, Tech UK



With over 42,000 partners in the markets, Sage offers a wide range of products and services designed to support its customers success. This extensive ecosystem, which includes 38,300 accountants, 3,400 business partners, 370 tech partners and over 200 alliances, plays a vital role in helping SMEs.

Fig 2. Distribution of Sage’s ecosystem by type of partner



Source: Sage

Open innovation in partnership with tech SMEs

Sage actively embraces open innovation by collaborating with Independent Software Vendors (ISVs) to enhance its solutions and drive technological advancement.

By partnering with ISVs, Sage integrates additional innovation and accelerates the development of new tools, ensuring that its offerings remain cutting-edge and aligned with the evolving needs of businesses.

“Swoop is an Irish-founded fintech company that helps SMEs source financing. Swoop’s partnership with Sage is a key step in closing funding gaps for SMEs, empowering them to invest in their growth and navigate financial challenges with confidence.

Being part of this wider ecosystem has also been instrumental in Swoop’s success, enabling this Irish company to scale as a leading global fintech while delivering tailored financial solutions to businesses that need them most.”



Andrea Reynolds
CEO and Founder of Swoop

Digitalization of SMEs

Sage is dedicated to supporting digital adoption by SMEs, enabling them to capitalise on productivity benefits of emerging technologies and, in turn, generate additional value for the broader wider economy.

Sage's software solutions empower its customers to enhance their competitiveness and drive growth through digitalisation, leading to an average reduction of €23,500 per company in operational costs and gains in efficiency for SMEs annually. Considering Sage's direct customers, the aggregated value of the reduction of operational costs and efficiency gains translates into a €18 billion contribution for the strengthening of the competitiveness of the European market.

These figures are based on specific analysis carried out by Forrester about the investment payback period of Sage's solutions in ERP³, HR⁴ and ACC⁵, and reflects the benefits SMEs achieve by automating labour-intensive processes, the reduction of time spent on the different routines, and optimising resource allocation.



€18Bn

equivalent economic value in cost reduction and efficiency gains for SMEs through the adoption of Sage's software



€23,500

per company, in operational cost savings and efficiency gains for SMEs

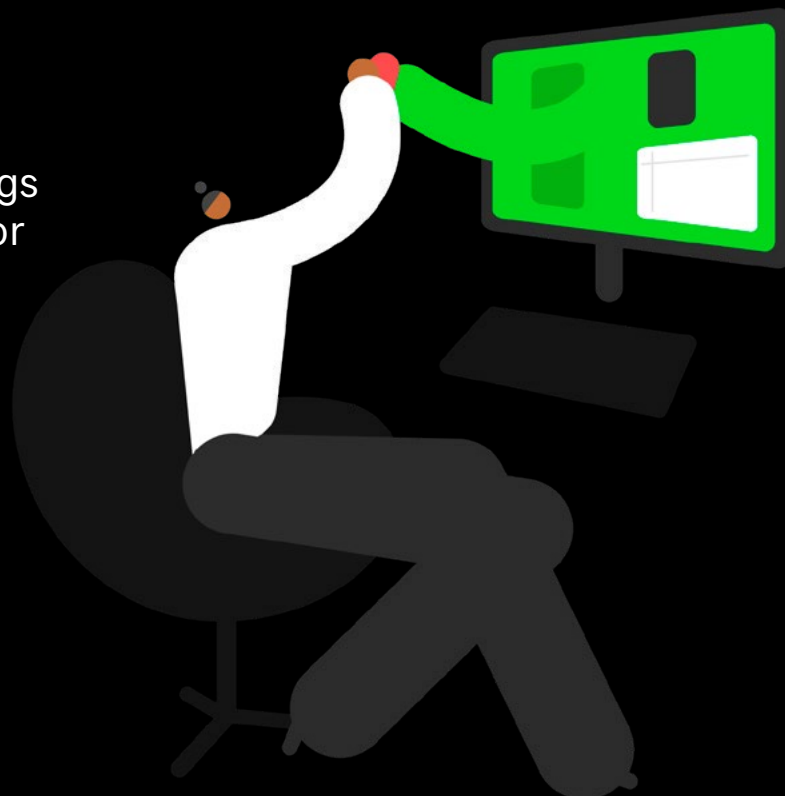
Championing SME Digitalisation with Industry Cooperation

"For SMEs, digitalisation is no longer just an option but a necessity to remain competitive and achieve sustainable growth. Embracing digital tools and technologies enables these businesses to streamline operations, enhance customer experiences, and adapt to rapidly changing market demands. Companies like Sage play a crucial role in this transformation, offering the expertise and solutions that empower SMEs to navigate and thrive in the digital landscape, making their contribution to this shift incredibly valuable."



Guillaume Cairou

President of the Yvelines Chamber of Commerce and Industry and CEO of Didaxis



R&D investment

Sage's commitment to innovation is deeply rooted within the company, with a significant portion of its investment dedicated to people. Sage employs over 2,750 highly skilled IT professionals across all the European countries where it operates. These professionals are responsible for designing, developing, and testing products, as well as overseeing their implementation and ongoing evolution. This ensures that each solution meets the highest standards of quality, security, and efficiency, honouring the trust placed in Sage by its customers.



€228M
total annual R&D
investment



€3.7Bn
social contribution from
R&D

Sage invests €228 million annually in R&D across the European regions covered in this report, focusing on modernising its portfolio and developing technologies such as cloud-based solutions.

According to a study by Harvard and NBER⁶, R&D investment stimulates GDP growth through various channels, including user benefits, advantages for imitators, future innovations spurred by new ideas, productivity enhancements, technological advancements, learning-by-doing, health benefits, or cross-country spillovers.

Applying this model to Sage's R&D investment, the estimated total social contribution amounts to €3.7 billion. This is equivalent to the total investment of the technology hardware and equipment sector in the same 6 countries⁷.

Innovation not only benefits the economy where it originates but also creates advantages in other regions through the worldwide diffusion of knowledge and technology, generating a spillover effect.

In fact, Sage's R&D investment in Europe contributes to global innovation. Given the extensive localised developments across different European regions, Sage can be locally recognised as a "software exporter" rather than a traditional importer. Sage exports from Europe to other regions where it has a presence, such as the U.S., Canada, Australia and South Africa.

Fig 3. Distribution of R&D impact broken down by global and local impact.



Source: Sage; figures in millions of euros

Sage's European Tech Hub

Sage's Tech Hub in Barcelona hosts approximately 400 people from 40 different nationalities.

The diversity, multiculturalism and innovative spirit of these teams not only enriches the work environment but also fosters creativity and innovation. The combination of a wide range of perspectives and experiences translates into more innovative solutions tailored to the needs of a global market, making this an important innovation centre for the Group."

The teams here integrate AI into Sage's products, develop the Sage network, conduct product pilots, manage products in the adoption phase, and create new products with a presence in multiple countries, such as Sage Active, Sage Accounting, and Sage HR. Sage Active is the first pan-European business management solution for SMEs that incorporates AI and automated processes to enhance operational efficiency and decision-making. It is currently available in France, Germany, and Spain.

Sage's innovation not only improves the operational efficiency of businesses, enabling SMEs to rapidly adapt to market changes, but it also has a significant impact on the European business ecosystem, where Sage partners can offer their clients high-value solutions.

"Sage's Barcelona Hub is having a massive transformative impact in the building of global top-notch technologies that power Sage products across different segments and geographies.

Our aim is to deliver customer value through innovation by fostering a collaborative environment where diverse perspectives fuel creativity as we develop cutting-edge solutions, positioning Sage at the forefront of the global tech landscape."



Esha Jhangiani
Director of Product
Management

Economic impact

Amidst Europe's ongoing pursuit of inclusive and sustainable growth, Sage believes in the transformative power of its solutions to drive substantial economic growth for European businesses and economies.

Sage plays a crucial role in driving the European economy by generating direct, indirect, and induced economic impact across the region. The company's total economic impact in the European countries where it operates averages 0.02% of GDP, reflecting not only its own activities but also the broader contributions of the surrounding ecosystem.



0.02%
of GDP of Sage's six main European countries⁸



1.7x
pull effect (direct, indirect and induced Sage's impact)



2.5x
multiplier effect (direct, indirect and induced impacts of Sage and its ecosystem)

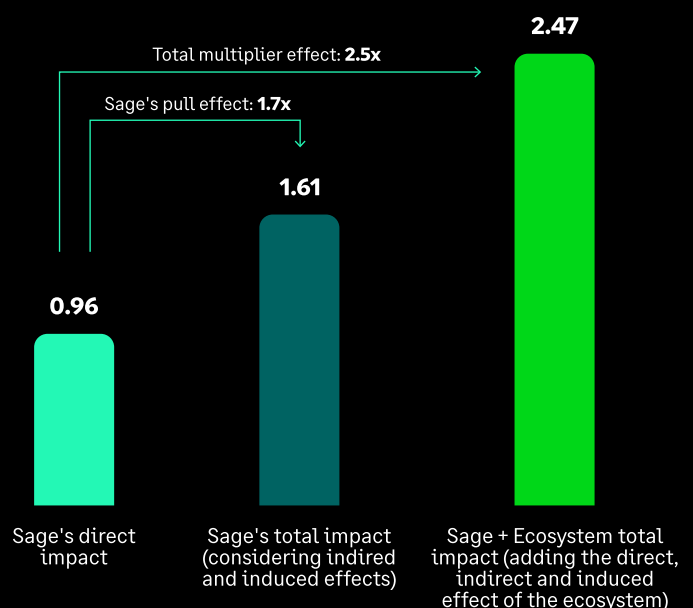
Impact on the European Economy

This impact includes the gross value added, business earnings before costs, tax contributions, and salaries produced by the company, its supply chain, and the consumption of Sage employees and participants of the supply chain. With a pull effect of 1.7⁹, every euro generated by Sage creates an additional €1.70 in value within the economy.

Sage plays a pivotal role in driving the remarkable economic contribution of its ecosystem, fostering growth and innovation that not only benefits its partners and stakeholders but also enhances the overall economic landscape. Considering the direct, indirect, and induced effects of Sage's ecosystem, its total impact on the economy reaches €2.47 billion, accounting for 0.02% of the GDP of the six majors' European countries where the company operates. In other words, thanks to the extensive effects on the value chain and partner network, Sage's contribution to the economy rises from €0.96 billion to €2.47 billion. With a multiplier effect of 2.5, every euro generated by Sage and its ecosystem creates an additional €2.50 in economic value.

The multiplier effect of Sage and its ecosystem would place the company 7th among businesses across 45 industries (based on OECD classification), ranking just above electrical equipment products, paper products or electricity and gas sectors. Staying within the IT industry, which has a multiplier effect of 1.9, Sage surpasses its own sector impact.

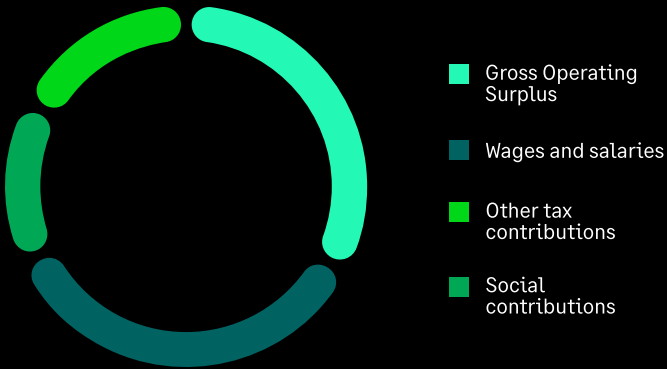
Figure 4. Sage's multiplier effect on GDP



Sources: Sage and Eurostat; Figures in billion euros

The graph below illustrates the composition of the €1.6 billion total impact generated by Sage. This includes direct, indirect and induced effects, and it's distributed between company profits and reinvested earning (GOS), payments made to employees through Sage's activity (wages and salaries), employers' contributions to social security (social contributions) and taxes paid (other tax contributions).

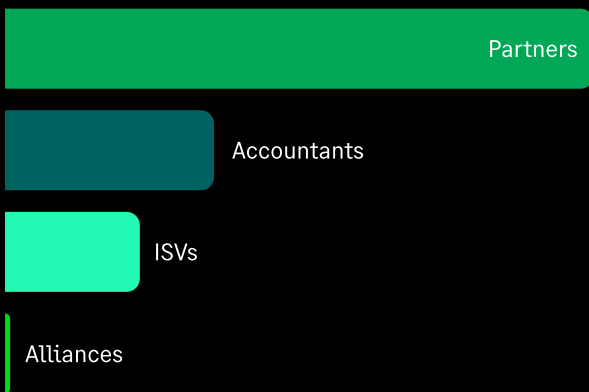
Figure 5. Sage's total impact breakdown by type of economic impact (EBE, wages, tax).



Source: Sage

The following graph illustrates the composition of the economic impact generated exclusively by Sage's ecosystem. Each member of the ecosystem contributes directly, indirectly and through induced effects to the economy. This impact is achieved through profits and reinvested earnings, wages paid to employees, employers' contributions to social security, and taxes. Together, these elements underscore the ecosystem's multifaceted role in supporting economic growth and stability.

Fig 6. Breakdown of total GVA impact by partner



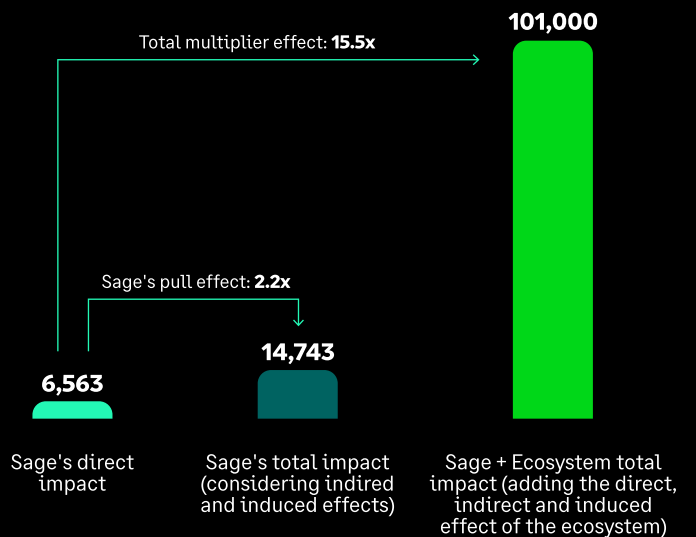
Sources: Sage

Impact on Employment

Sage directly employs approximately 6,500 people in Europe. However, the ripple effect of its operations supports a total of 14,743 jobs, capturing direct, indirect, and induced employment generated by Sage's activities, such as logistics, retail, and other supporting services. As a result, its employment impact extends across virtually all sectors of the economy. This means that for every job created by Sage, 2.2 additional jobs are supported throughout the wider economy via Sage's supply chains.

When factoring in the combined direct, indirect, and induced effects through its extensive ecosystem of 42,000 partners, alliances, ISVs and accountants, Sage's total employment footprint reaches 101,000 jobs—15 times the number of its direct employees.

Figure 7. Sage's multiplier effect on the employment

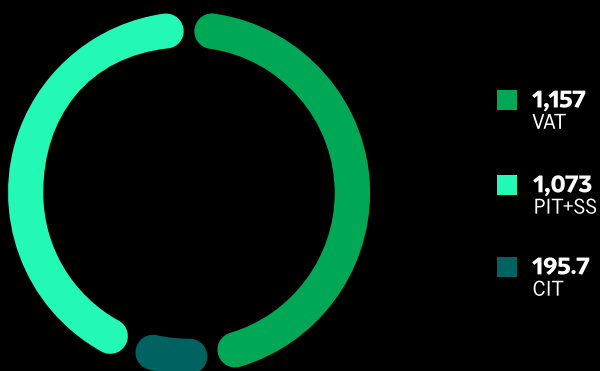


Sources: Sage and Eurostat

Enabling Tax Compliance and Collection through Sage Solutions:

Sage's software enables the efficient management of €2.4 trillion in taxes. Sage provides software that helps businesses and individuals across Europe meet their tax compliance requirements efficiently and reliably. While Sage itself does not collect taxes, its technology plays an important role in enabling accurate tax reporting and payment for clients across various sectors. By supporting compliance, Sage helps businesses navigate complex tax requirements across multiple jurisdictions, covering areas like VAT, corporate income tax, personal income tax, and social security contributions. This allows governments and public institutions to effectively collect taxes, contributing to public finance and economic stability without Sage directly handling the tax collection process. When accounting for potential double counting -where two Sage clients might be linked to the same taxable element-, this contribution translates into €172 billion of taxes paid by Sage's direct customers and collected by public institutions across the six countries reflected on the study.

Figure 8. Tax contribution through Sage Solutions



Source: Sage
Figures in billion euros

A Robust Ecosystem to drive SMEs' Growth

"In my 20 years in the IT and software industry, I have observed the increasing competitive pressure on SMEs in Germany, which is growing rapidly due to the globalisation of markets and digital business models.

In order to remain competitive in this environment, SMEs must take advantage of the opportunities that digitalisation offers, removing barriers and reducing growing complexity of regulatory compliance. The efficient use of digital and new technologies is not only an advantage, but a necessity to remain competitive."



Pascal Bühler
CEO, Datatronic Software AG

Sage's impact on society and the environment

Sage is committed to growing and scaling its business in a sustainable way, which includes knocking down barriers and delivering positive impacts for its stakeholders.

The three key pillars of Sage's sustainability strategy – Protect the Planet, Tech for Good and Human by Design – are all underpinned by Sustainability by Design, which is about integrating sustainability into Sage's operations, products, and culture. Each pillar is supported by clear priorities and a robust action plan. Sage Foundation works with non-profits, Sage volunteers, and Sage partners around the world to tackle inequality and provide access to opportunity.

Women in Tech

Sage prides itself on a culture that embodies the values of being human, bold, trusted, and simplified. Its values are central to everything the company does. A cornerstone of Sage's commitment to being human is its focus on equality and diversity. This is integral to its identity and creating an inclusive environment that fosters innovation and meets the needs of colleagues, customers, and the entire Sage ecosystem.

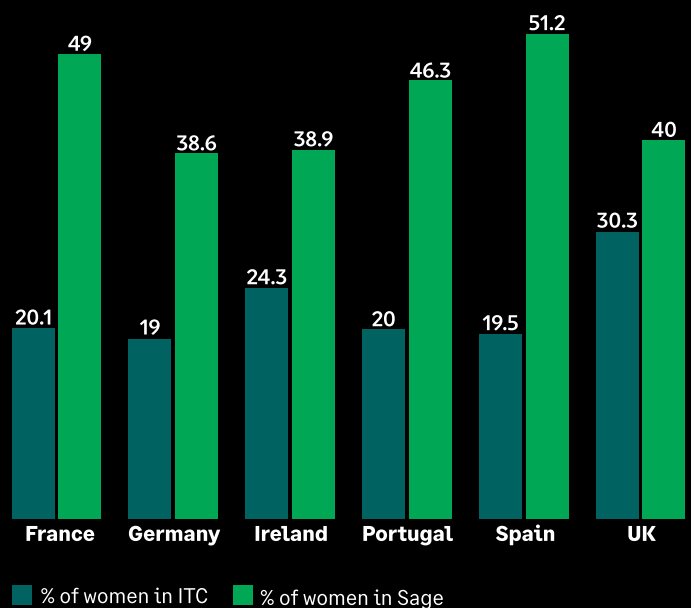
 **44%**
women in workforce

 **€13.6M**
social value of Women in Tech¹⁰

Sage is committed to advancing gender equality in the workplace and believes that leading by example is one of the most effective ways to drive meaningful change.



Figure 9. Percentage of women in the national ICT sector vs. Sage



Sources: Eurostat and Office for National Statistics of United Kingdom

This commitment is evident within Sage's European workforce, where in 2023, 44% of employees were women. In comparison, the average representation of women among ICT specialists across the six countries studied is only 26.5% of the total 9.7 million ICT specialists.

These figures illustrate the significant and persistent gender gap in the tech industry, underscoring the challenges of increasing female representation in STEM careers. They also emphasise the urgent need for more effective initiatives that promote gender equality and inspire more women to pursue careers in technology and innovation.

Sage's commitment to diversity, equity, and inclusion remains a priority and is clearly reflected in its workforce composition, with female representation surpassing national averages across these countries. In Europe, Sage employs approximately 3,000 women, underscoring its dedication to fostering an inclusive and equitable workplace that empowers diverse talent.

According to the European Institute for Gender Equality, advancing gender equality – particularly by reducing gender inequalities in STEM education, labour market participation, and wage equity –, has a positive impact on influence GDP, employment, productivity, competitiveness, exports, and trade balance across Europe. This study estimates that the additional contribution of Sage’s female workforce to the GDP of the six countries assessed in this report amounts to €13.6 million.

If the ICT sector achieved the same level of female employment as Sage, it could generate over 2 million additional job opportunities for women. This expansion would not only support Europe’s digital transformation goals but also mark significant progress toward achieving gender parity within the ICT sector.

Empowering Women in Tech: Supporting Careers and Equal Opportunities

“My six years at Sage have reinforced my belief in the importance of equality, a principle that guides my commitment. Building a culture of inclusion where everyone feels respected, listened to and encouraged to reach their full potential is crucial to me. I want every woman to be aware of the opportunities available to her, without being held back by stereotypes.

From the beginning of my career, I chose a path that inspired me and allowed me to constantly learn and grow. As a mentor, I try to pass on this ambition and passion. Today, I’m impressed by the incredible talent I see in the young women entering our industry. I’m keen to encourage them to explore and excel in IT. Women have a central role to play in the future of digital, and it’s vital that they know they have a place in it.

The driving force behind our achievements is the inner fire that propels us forward. Sometimes we are our own obstacles, but it’s vital that we never let anyone extinguish that flame. My advice is to cultivate that passion and let it lead you to your greatest achievements”



Khadija Aflah-Perre
Senior Director Digital Transformation

To achieve gender equality and parity in the tech industry, it is crucial to nurture an early interest in STEM learning among girls, inspiring them with a passion for technology now and in the future. Europe is facing a growing demand for skilled tech professionals, with ICT roles far outpacing supply. This talent gap, if left unaddressed, could hinder innovation and economic growth, particularly as digital transformation accelerates.

Sage is committed to supporting female talent from an early age, fully recognizing the importance of encouraging girls’ participation in technology. Promoting STEM education among young women is essential to closing this talent gap and ensuring a more diverse future in the tech industry. By sparking interest and developing key skills, we empower girls to pursue careers in technology and shape the digital future.

Pipeline of diverse talent

In Germany, Sage’s partnership with the local non-profit HANDS-on TECHNOLOGY brought a meaningful technology learning program to life. Through this collaboration, schools around Leipzig offered young people hands-on STEM experiences as part of the FIRST LEGO League® program. Students not only engaged with exciting tech projects but also built teamwork and resilience skills along the way.

To ensure lasting impact, the program equipped teachers with essential training and resources. Reaching children aged 6 to 16, it aimed to inspire a new generation, with female coaches acting as role models and a fantastic 45% of participants being girls. Breaking down barriers for future female tech leaders remains a priority, and we’re proud to help make that happen.

“Practical, playful STEM education from kindergarten onwards is crucial to give all children – regardless of their social or family background – equal opportunities for a successful future. The aim of our STEM programme FIRST LEGO League is to awaken enthusiasm for technology, science and IT at an early age and to strengthen the transitions between educational levels so that every child can develop their potential.”



Susanne Voigt
Managing Director. HANDS on TECHNOLOGY e.V.

Sage's support for communities

Sage Foundation knocks down barriers for underserved communities and helps them to create positive change. The foundation empowers Sage colleagues to do this by volunteering and fundraising in their communities.

Every Sage colleague has 5 days a year to volunteer with non-profits of their choice. In Europe, Sage employees volunteered over 80,500 hours in their communities affecting areas such as inequality, environment, education and entrepreneurship in 2023. These 80,500 hours are equivalent to almost 12 hours of volunteering per European employee, which is above the average of 6.8 hours of corporate volunteering¹². Sage encourages its employees to use their time and professional skills to assist non-profits, supporting them to drive lasting impact.



+80,500
total hours of
volunteering



x2
above the industry
average for colleague
volunteering hours

Ashoka: Promoting changemakers for the good of society

Through Sage's partnership, including funding and personal involvement of its colleagues from Spain and Portugal, a Sage-Ashoka fellow in Portugal is transforming the way that children learn with EKUI (Equity, Knowledge, Universality and Inclusion). Through its multi-sensory approach and Universal Design for Learning (UDL), EKUI offers multiple ways of expressing information, including spelling, Sign Language, Braille code and the Phonetic Alphabet, which makes it a more accessible, motivating and effective methodology for all children, leaving no one behind.

"Through Ashoka, I have established strategic partnerships that have contributed to the scalability and strengthening of my actions. Collaboration with other Fellows has led to more innovative and effective solutions to the problems we are facing."

The pioneering founder, Celmira Macedo, has increased the financial sustainability of her venture, doubled the number of children and teachers benefitting from the EKUI methodology and increased visibility of EKUI and its social mission. Sage colleagues in Spain and Portugal have been involved personally in exploring how they can become changemakers in their own communities through awareness sessions with Ashoka.

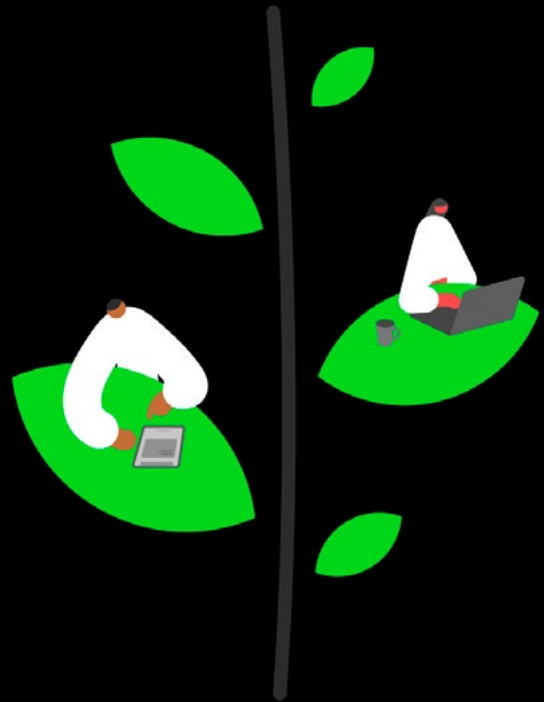


Celmira Macedos
Ashoka Fellow


Environmental impact of GHG emissions

Sage is committed to fighting climate change, reducing Greenhouse Gas (GHG) emissions, and driving a faster global transition to Net Zero, through the commitments under its Protect the Planet strategic pillar.

- Get Sage to Net Zero: We commit to reduce absolute scopes 1 and 2 GHG emissions 90% by FY2040 from a FY2019 base year, as validated by SBT¹³. Interim near-term (2030) targets (also validated) are to:
 - Reduce absolute Scope 1 and 2 GHG emissions by 50%
 - Reduce absolute Scope 3 GHG emissions by 50%.
 - Reduce absolute Scope 3 GHG emissions from business travel, employee commuting, and use of sold products by 50% (90% by 2040).
- Get SMEs to Net Zero: Help our customers reduce their GHG emissions by 2030 by providing access to carbon management solutions and expertise.
- Policy and Advocacy: Put SMEs at the forefront of the transition to net zero by advocating for simplified standards and making sure their voice is heard.



The following figures are specific for FY23.

 **1,370 tCO₂e**
total CO₂e emissions
(scope 1 + 2)

 **600 tCO₂e**
reduced CO₂e emissions
compared to BAU¹⁴


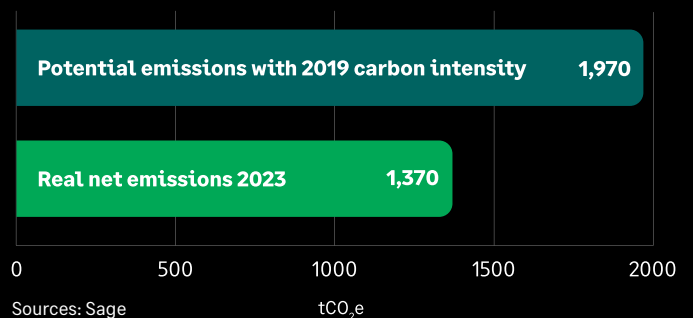
 **30%**
improvement in carbon¹⁵
intensity

Figure 10. Sage's carbon footprint



The ICT sector accounts for at least 1.7% of global emissions¹⁶. It can play a vital role in combating climate change by enabling technologies that reduce carbon emissions and improve energy efficiency and climate action.

As well as striving to minimise its own carbon emissions, Sage is committed to developing software solutions that help SMEs understand, monitor, and track their carbon emissions that ultimately help them to reduce their carbon footprint.

In 2023, Sage produced 1,370 tons of CO₂e emissions from Scope 1 and 2 activities in the countries covered by this report. This is equivalent to a 30% reduction in carbon emissions since 2019, representing a reduction of 600 tCO₂e emissions. This emissions reduction is equivalent to the emissions produced by 200 average-sized diesel cars driving 17,500 km in a year, based on UK average conversion factors from 2005 to 2022¹⁷.

Methodological annex

To rigorously and easily represent Sage's contribution to European society, impact monetisation methodologies adapted to each of the company's key impacts have been employed.

In general terms, two monetisation methodologies can be distinguished:

The Input-Output Model

The input-output model is primarily used to estimate the indirect and induced effects of a company on economic activity and employment.

In this model:

- Production (X) represents all the goods and services produced by various industries.
- Technical coefficients (A) show how industries depend on each other, indicating how much one industry uses products from another to create its own products.
- Final demand (Y) is the total demand for goods and services from consumers, businesses, and the government.

This can be represented by the following equations:

Production: $X=AX+Y$

Leontief inverse matrix $X=(I-A)^{-1}Y$

From the production equation, we derive the Leontief inverse matrix, which is the primary functionality of the model. This equation allows to determine:

- Total economic impact of spending: For every euro invested, we can see how much additional production is generated across all industries through their interconnected activities.
- Effects on jobs and income: We can estimate how this increased production leads to more jobs and higher wages in different sectors.
- Contribution to the economy: The model breaks down how much value is added by each industry, including profits and taxes generated.
- Indirect and induced impacts: It also accounts for secondary effects, such as suppliers activity (indirect impact) and workers spending their earnings on goods and services (induced impact).

Externalities analysis

The concept of externality refers to the social or environmental effects generated by a company, activity, or product that are not necessarily reflected in the market value of the company or the price of the product. In Sage's case, the contribution to the digitalization of businesses (and, by extension, society), the promotion of STEM positions for women, or the decarbonization strategy, all present clear benefits for the countries in which it operates, which are not reflected in its market capitalization or financial statements.

Monetization is essential to express these externalities in a common unit. This report includes the following impacts:

- Digitalization of SMEs
- R&D investment
- Women in Tech
- Hours of volunteering by employees through Sage Foundation
- Environmental impact of CO₂ emissions

For the measurement and monetization of these impacts, the report followed the guidelines provided by organizations such as Harvard Business School (HBS), Value Balancing Alliance (VBA), World Business Council for Sustainable Development (WBCSD) and Capitals Coalition.

The Capitals Coalition, in collaboration with the VBA and WBCSD, has recently published the report General Guidance on Applying the Natural Capital Management Accounting Methodology¹⁸, which summarizes the impact measurement process. According to this publication, the steps to follow are:

- Collect data to measure the impact drivers.
- Apply the appropriate methodology to define the impact pathways.
- Obtain value factors.
- Multiply the data by the value factors.
- Collect data to measure the impact drivers.
- Apply the appropriate methodology to define the impact pathways.
- Obtain value factors.
- Multiply the data by the value factors.

Glossary

Small and Medium-sized Enterprise (SME): It's a business with a limited number of employees and revenue. In Europe, an SME is defined as:

- **Micro-enterprise:** Fewer than 10 employees and a turnover or balance sheet total of up to €2 million.
- **Small enterprise:** Fewer than 50 employees and a turnover or balance sheet total of up to €10 million.
- **Medium-sized enterprise:** Fewer than 250 employees and a turnover of up to €50 million or a balance sheet total of up to €43 million.¹⁹

Partner: Sage's Partners include:

- **Business Partners:** Partners who distribute, resell and refer leads for Sage software, helping the organisation to scale and accelerate performance.
- **Tech Partners:** IP builders that develop apps to help businesses run more effectively, enabling Sage to extend its offering and innovate faster.
- **ISV:** An Independent Software Vendors or ISV is a third-party software provider, included in the Tech Partner group.
- **Accountant:** Accountants and Bookkeepers are trusted advisors, providing essential financial expertise, guidance and reassurance to their clients. These partners play an integral role in the success of Sage as their advocacy directly influences customer acquisition and retention.

Direct Impact: includes the tax contribution, gross operating surplus, and wages and salaries generated by the company as a result of its business operations.

Indirect Impact: includes the tax contribution, gross operating surplus, and wages and salaries generated by the company's intermediate purchases.

Induced Impact: includes the tax contribution, gross operating surplus, and wages and salaries generated from the consumption of workers and suppliers who earn a salary due to the company's business activity.

Pull Effect: refers to the company's ability to stimulate activity in other sectors through its demand for products and services through its purchases from suppliers.

Multiplier Effect: refers to the capacity to create economic value through the activity of the Company and its Ecosystem. For every euro directly generated by Sage, there is a greater impact from the indirect and induced value created by Sage and its Ecosystem.

Gross Domestic Product (GDP): the total value of all goods and services produced in a country within a specific time.

Gross Value Added (GVA): the wealth generated by Sage through its activities. It includes tax contributions, wages and salaries, and the gross operating surplus.

Gross Operating Surplus: the profit a company makes from its operations after paying wages, salaries, and taxes. It represents the income generated from production activities.

GHG: Greenhouse Gases are gases in the Earth's atmosphere that trap heat, contributing to the greenhouse effect and global warming. The main GHGs include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and fluorinated gases.

Product team: at Sage is formed by product managers, developers, software architects, interface designers, quality engineers, DevOps, security engineers, solution designers and digital assistants.

Developers: Employees that write and maintain software code.

DevOps: Colleagues that manage and automate software deployment and infrastructure.

Interface designers: Colleagues that create user-friendly interfaces for software and applications.

Product managers: Employees that oversee the development and strategy of a product.

Quality engineers: Colleagues that ensure software meets quality standards through testing.

Security engineers: Colleagues that protect systems and data from cyber threats.

Software architects: Employees that design the overall structure of software systems.

Solution designers: Colleagues that create tailored IT solutions for specific business needs.

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²Average size of direct customers

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⁷EU Industrial R&D Investment Scoreboard. Data | IRI (europa.eu)

⁸Germany, France, Spain, Portugal, Ireland and the United Kingdom.

⁹Calculated from the average of the Leontief coefficients for the 6 countries under scope.

¹⁰European Institute for Gender Equality. Economic Benefits of Gender Equality in the European Union. Economic Benefits of Gender Equality in the European Union | European Institute for Gender Equality (europa.eu)

¹¹Eurostat. ICT specialists in employment. ICT specialists in employment (isocskstf) (europa.eu)

¹²Goodera. (2024). Goodera's Global Corporate Volunteering Quotient 2024 Report. <https://www.goodera.com/ebook/global-corporate-volunteering-quotient>

¹³SBTi validated targets as being in line with the 1.5-degree trajectory recommended in the Paris Climate Accord. The baseline year is 2019.

¹⁴BAU: Business as usual

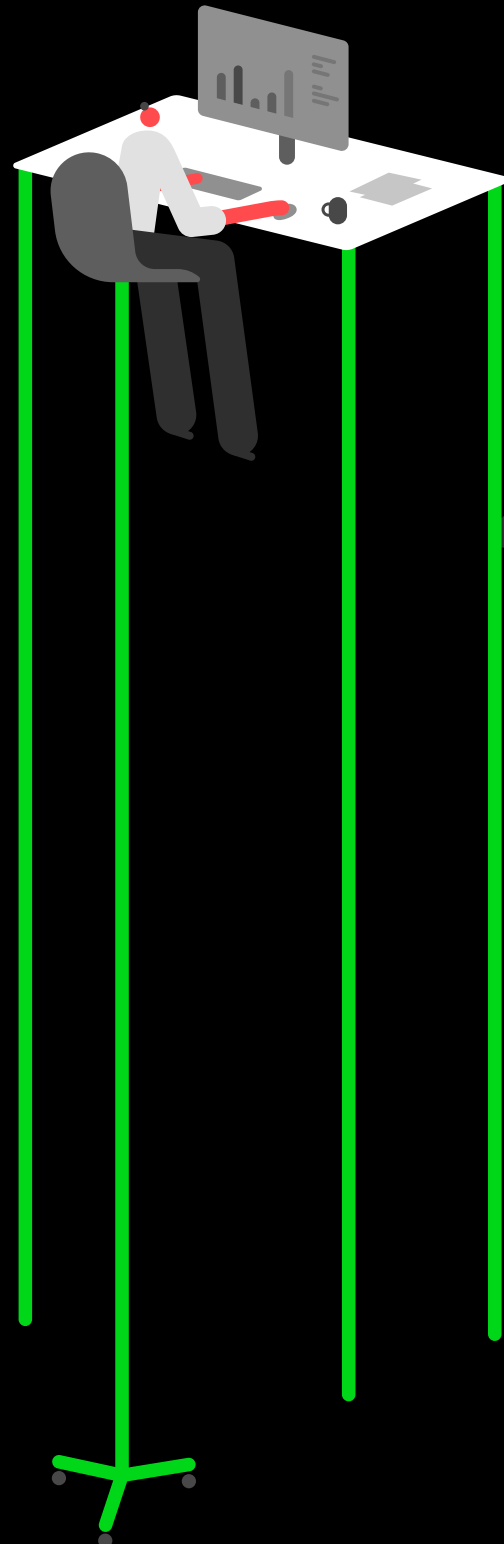
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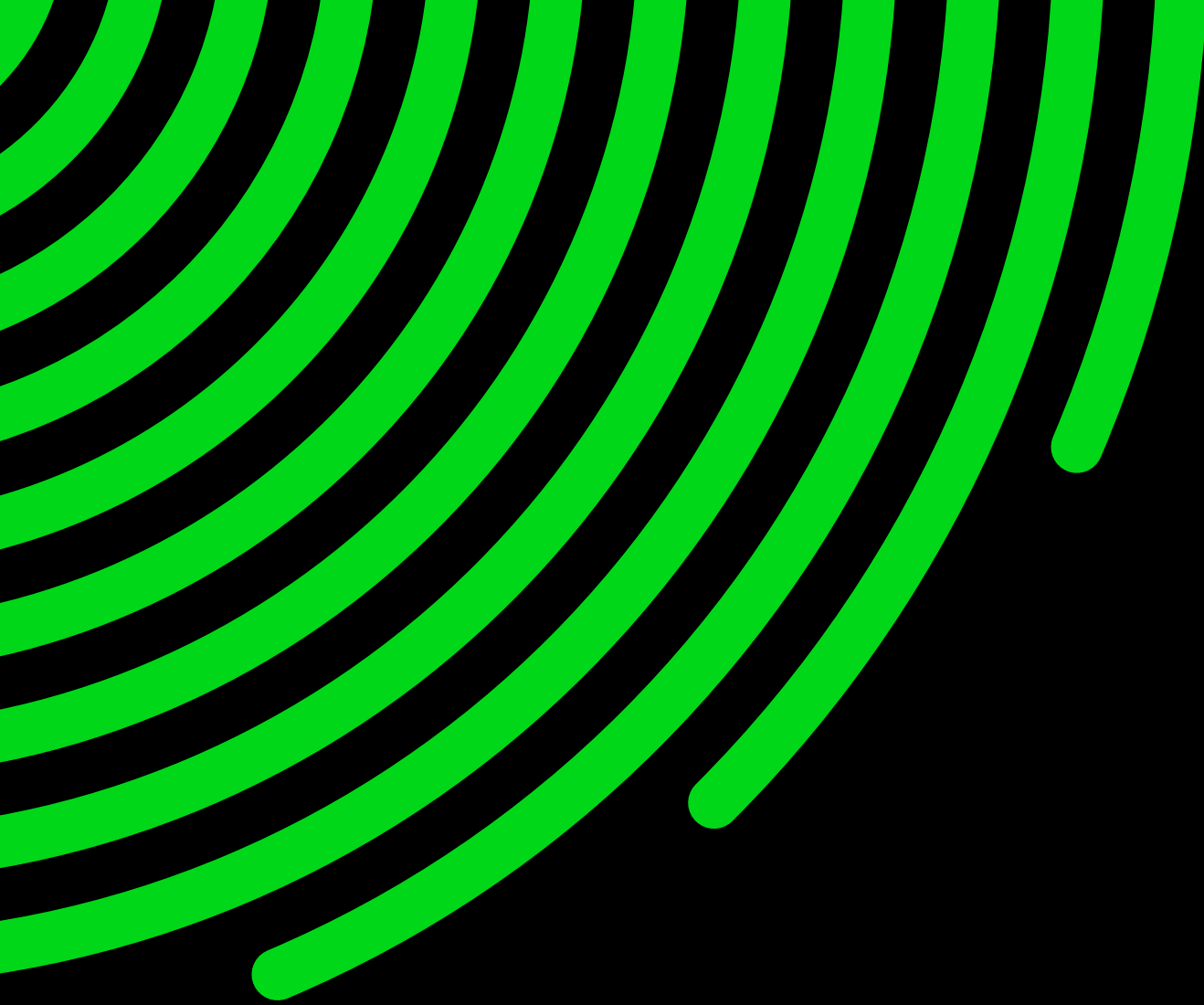
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¹⁷2024 Government Gas Conversion Factors for company reporting <https://assets.publishing.service.gov.uk/media/66a9fe4ca3c2a28abb50da4a/2024-greenhouse-gas-conversion-factors-methodology.pdf> p.46&47.

¹⁸Capitals Coalitions, "General guidance on applying the natural capital management accounting methodology". 2023.

¹⁹European Commission. https://single-market-economy.ec.europa.eu/smes/sme-fundamentals/sme-definition_en





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