



## Corporate Social Responsibility Report 2023

Exasol's mission is to unlock better insights faster, more efficiently. The efficiency factor matches the team's ambition to constantly improve performance regarding sustainability issues. As a critical area of focus for the business, Exasol commits to the Ten Principles of the United Nations Global Compact.

### Environment

Exasol's goal is to reduce the negative impact of its business activities on the natural environment.

#### Carbon Footprint

The main environmental target is the continuous measurement and reduction of Exasol's Carbon Footprint. This includes monitoring of emission for all Greenhouse Gas GHG (GHG) Protocol Scopes 1, 2 and 3. In 2023, Exasol switched to a new service provider for CO<sub>2</sub> footprint measurement. The previous partner went through a merger that limited its ability to meet Exasol's specific needs. Therefore, a new partner was proactively selected with the goal of improving the GHG Emissions calculation. This move ensures that we have a partner well-equipped to support our ongoing sustainability efforts. Climate Partner is a reliable provider, which uses the CO<sub>2</sub>-consumption-based method instead of a spend-based method. This provides a more profound analysis of actual emissions and greater precision in the measurement of Exasol's carbon footprint. The measurement of the CO<sub>2</sub> footprint for fiscal year 2022 took place in 2023 and showed a decrease for the first time since the measurement: From 2,200.00 t CO<sub>2</sub> in 2021 to 638.32 t CO<sub>2</sub> in 2022.

One reason for this reduction is the new method of measurement. The other, however, is that some measures have been implemented in the past years: The office building at Exasol's headquarters in Nuremberg switched to green electricity. In addition, as our data centers are a cornerstone of our operations, minimizing their environmental impact is key for reducing Exasol's carbon footprint. We employed a multi-pronged strategy to achieve this goal. First, we prioritized energy efficiency throughout our data center infrastructure. We utilize energy-efficient IT equipment and leverage 100% renewable energy from our database provider. This combination significantly reduced our carbon footprint. Furthermore, we seek partners with Power Star certifications, ensuring our power suppliers prioritize energy efficiency as well. Finally, responsible hardware management is crucial. We partner with a leasing provider that facilitates a responsible end-of-life management for our equipment. Once equipment reaches its end-of-life, it is returned to the leasing provider for refurbishment and redeployment in a secondary market, minimizing waste and extending hardware life.

The Corporate Carbon Footprint Report 2022 is available [here](#). The Corporate Carbon Footprint Report 2023 is expected to be published in the third quarter of 2024.



## **Exasol's Green Team**

Exasol's Green Team, consisting of the Environmental Officer and other volunteers, drives environmentally responsible initiatives across the business. A key environmental focus in 2023 was establishing a partnership for a more precise and comprehensive carbon footprint calculation. This involved transitioning to a CO<sub>2</sub> consumption-based method, requiring more granular data collection from our company. Throughout the year, we identified the best partner and calculated our 2022 emissions (see also above). This data collection process also highlighted the need to update our travel policy for a more environmentally friendly approach (see below). Additionally, our dedicated volunteers expanded our recycling program in the Nuremberg office building to encompass all materials, including paper, plastic, and metal.

## **Procurement**

The German offices have committed to buying most stationary products and office supplies from a sustainable online shop memo.de or from local suppliers, to ensure short transportation routes. The food and snacks provided in the company HQ are 100% organic and, where possible, are sourced locally within the region to reduce unnecessary emissions related to growing and transporting goods. In December 2023, we updated our Code of Conduct for Suppliers and Business Partners which must be acknowledged and accepted by these Partners ("Partners") in order to do business with us. It now contains a new section about environmental sustainability with Exasol's commitment to reduce the impact of its operations on the natural environment and a set of requirements and expectations Partners must comply with regarding environmental sustainability.

## **Update of Environmental Policy and Travel Policy in 2024**

Exasol updated its Environmental Policy in Jan 2024. The current version is a statement on what the company is committing to and the action it is taking to improve its carbon footprint, reduce the environmental impact of its operations and encourage environmentally conscious behaviors and processes across the company.

A new travel policy that discourages unnecessary travel and prioritizes environmentally friendly options is planned to be released in 2024. The draft of this policy emphasizes the use of economy class for flights, trains for shorter distances, and electric vehicles for company cars. Regarding company cars, there is a clear trend towards the progressive reduction of combustion engines in favor of electric vehicles by mid-2024.

## **Social**

Within our people management efforts, our primary focus is on nurturing our talent - we are dedicated to attracting, retaining, and supporting crucial talent in our organization. Engaged employees are passionate about their work, feel a sense of ownership for their responsibilities, are dedicated to contributing to the success of the company, and are our best brand ambassadors. Our passion lies in facilitating the realization of our people's full potential.



## **Flexible Working Conditions**

We achieve this through comprehensive personal development programs and recognizing the importance of offering flexible working arrangements. We have transitioned to the hybrid work model, initially introduced during the COVID era, as the new standard for our operations in Germany. Meanwhile, in all other locations, we have embraced a fully remote work approach. As an international company, we make it a priority to gather annually, celebrating our achievements and strengthening communication and collaboration among all employees. To foster greater cohesion among our distributed workforce, we are implementing various activities aimed at alignment and connection. This includes virtual learning sessions, online yoga classes, and other engaging initiatives designed to bring our team together regardless of geographic location.

## **Occupational Health and Safety**

We understand the significance of tailoring benefits to the unique needs of employees across different regions. We prioritize the well-being of our workforce, offering health and wellbeing- initiatives that include confidential counseling services and onsite health screenings. Looking ahead to 2024, we are enhancing our support by introducing an online platform featuring informative articles, videos, and interactive sessions with our health and safety team. The accident rate in 2023 was 0%.

## **Volunteer Events**

Additionally, our commitment extends beyond the workplace as we empower Exasol employees to contribute to their communities through volunteer events organized by the company. Recognizing the value of giving back, we provide paid time to volunteer activities of the employees' choice.

## **Sabbaticals**

In 2023, we introduced our policy on sabbaticals. Employees with at least 3 years of service are entitled to take a sabbatical for up to 3 months. After taking a sabbatical, the waiting period of 3 years starts again.

## **Development and Learning**

We support our employees in their development and offer learning packages via LinkedIn Learning and create individual training packages that can include on and off-the-job training and mentoring.

## **Gallup – Regular Employee Satisfaction Surveys**

We recognize that satisfied employees are fundamental to our success. We regularly measure our employee satisfaction using the Gallup Q12-Engagement-Survey and monthly pulse checks, and address the results within the various teams and align them with our corporate activities.

## **Company Values**

Exasol revamped its corporate values together with all employees in a workshop in 2023 and made them an integral part of the Exasol DNA. For example, we start each Townhall, our monthly employee meeting, with a personal story from an employee that shows how the values are lived at Exasol.



Values are also part of our performance process – all employees are measured in how they contribute to our values.

### **Diversity and Inclusion (D&I)**

At Exasol, we truly value diversity and inclusion. In 2023, we set up a dedicated Diversity Team which includes people from various backgrounds who are committed to fostering an environment where every voice is welcomed and respected. Through a series of organized events and initiatives, we celebrate the diverse cultures and perspectives within our organization. In 2023, we began to organize monthly culture talks where colleagues share insights about their country or city of origin along with its unique cultural characteristics. With an internal Diversity Awareness Trainer, Exasol was able to roll out Diversity and Inclusion training for all employees. Employees were trained to open their mind regarding diversity, but the training also covered aspects of inclusion and how to deal with it in our daily tasks.

For 2024, our aim is to make increasing and embracing Diversity a priority and include it into our core values. We want to gain visibility and promote diversity via our website and internally through initiatives like the creation of a dedicated exchange group for women. This group will be a network where women can find unwavering support and connection, a community that celebrates triumphs and offers a hand during challenging times. Through coaching and knowledge exchange, this group aims to empower every woman at Exasol to reach their full potential. We will continue to promote diversity with our culture talks, supported by selected external speakers to get different opinions and experiences from other companies. At Exasol, we are proud to promote diversity because we understand that it enriches our workplace and enhances our collective achievements.

### **Corporate Governance & Compliance**

At the beginning of the fiscal year 2023, the Compliance and Risk Management System was restructured. Exasol now has a Risk Manager who is responsible for organizing, monitoring and maintaining the Risk Management System, with a separate person being appointed to take care of the Compliance Management System.

### **Update of Supplier Code of Conduct, Policies and Procedures**

Although the Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains (*Lieferkettensorgfaltspflichtengesetz*) does not apply to Exasol directly, Exasol chooses to act in accordance with the new act and its aim to protect human rights and the environment. Therefore, Exasol redrafted its Code of Conduct for Suppliers and Business Partners and aligned it with the requirements of the new act. Suppliers and Business Partners of Exasol now also must comply with the *Lieferkettensorgfaltspflichtengesetz* if they continue to do business with Exasol or enter in a business relationship with Exasol.

An important milestone for Exasol's Compliance Management System in 2023 was the introduction of a comprehensive Third-Party Compliance Management Procedure. With this procedure, Exasol



monitors whether its interactions with all external and internal parties with which it has a relationship (customer, partner, supplier, employee) are compliant with national and international law and ensures that Exasol does not have a business relationship with a party that is sanctioned, violates laws, or acts in violation of Exasol's business principles. It contains initial controls of stakeholders, ongoing controls, and respective documentation of such controls.

In addition, Exasol of course constantly monitors its legal environment and regularly reviews whether its internal policies and procedures still comply with applicable laws and court proceedings. In this context, Exasol updated its Whistleblowing Procedure in 2023 to comply with the new legal framework.

### **Supervisory Board – Creation of an Audit Committee**

Exasol's supervisory board has formed an audit committee with relevant specialist expertise. With this formation, Exasol complies with principles and recommendation of the German Corporate Governance Code which argues that the establishment of such committee supports the effectiveness of the Supervisory Board's work. The new audit committee supports the supervisory board particularly with monitoring the accounting process, monitoring the effectiveness of the internal control system (ICS), selecting the auditor and monitoring the audit (quality, efficiency, independence).

### **ISO certification**

In May 2023, Exasol successfully completed the surveillance audit for ISO: IEC 27001 (Information Technology – Security Techniques – Information Security Management Systems – Requirements) and ISO 9001 (Quality Management Systems – Requirements). This included i.e. checks of its Compliance Management System and Risk Management System, to ensure Exasol is operating to the highest industry standards.

### **UN Global Compact**

As an international organization, Exasol recognizes its responsibility to commit to supporting global goals that strive to make our world a better place. This is why we have committed to supporting the Ten Principles of the United Nations Global Compact as a signatory since 2021. This incorporates commitments relating to human rights, labor, the environment, and anti-corruption which we commit to honoring in our day-to-day operations. It is particularly important for us to reaffirm our commitment to sustainability and the Ten Principles considering current global challenges. Therefore, in April 2024, Exasol joined the newly registered association UN Global Compact Netzwerk Deutschland e. V.

### **Activity in April and May 2024 – Code of Conduct and Compliance Training**

After Exasol's leadership team updated and published Exasol's new vision, mission and values, the Code of Conduct for Employees was revised and shared with employees in May 2024. It describes the basic compliance commitments and values all Exasol employees are expected to adhere to, endorsed by the Executive Board. The next step in this regard is underway with the implementation of Exasol's updated company-wide training program, which is being rolled out to strengthen ethical business practices across the organization. The training program focuses i.a. on the content of the Code of Conduct for Employees, Exasol's Anti-Corruption Policy and Guideline and Exasol's Whistleblowing



Procedure. The interactive online training concludes with a test. If employees pass the test successfully, they receive respective certification.

#### **Further Outlook for 2024**

In the second half of 2024, Exasol will focus on compliance with the Corporate Sustainability Reporting Directive with preparing measures and intensively analyze the impact on customers and itself of the various European laws and legal requirements in the digital, data and AI sectors.