

SUSTAINABILITY REPORT 2012

PROGRESS
software

**At Progress,
we strive to lead the
industry in the
implementation of
sustainable business
practices that
minimize harm and
maximize benefit to
the environment.**

Who is Progress Software?

Progress Software Corporation (NASDAQ: PRGS) is a global software company that simplifies the development, deployment and management of business applications on-premise or on any Cloud, on any platform and on any device with minimal IT complexity and low total cost of ownership.

Our innovations are used by nearly 140,000 organizations in more than 180 countries, including 88% of the Fortune 100.

You can learn more about us at www.progress.com

Corporate Governance

Today's business environment presents numerous ethical and legal challenges for all companies and their employees. It is important that all employees of Progress Software Corporation and all of its current and future operating companies and subsidiaries (collectively "Progress Software") know Progress Software's position with respect to ethical and legal issues that affect the way we conduct our business. The Code of Conduct and Finance Code of Professional Ethics formalize Progress Software's existing guidelines and provide employees with a resource to help assure compliance.

Company Facts

Founded: 1981

Date Public: 1991

Nasdaq: PRGS

**Headquarters in
Bedford, Massachusetts**

**Over 1700 employees on
5 continents**

**140,000 customers in
over 175 countries**

Code of Conduct

Our mission at Progress Software Corporation and all of its subsidiaries is to deliver superior software products and services that enable enterprises to be operationally responsive to changing conditions and customer interactions as they occur – to capitalize on new opportunities, drive greater efficiencies and reduce risk. Inherent in this desire to lead our market are Progress Software's values of:

- Leadership
- Strong financial performance
- Partner and customer focus
- Employee professional growth
- Honesty and integrity
- Excellence

Social Responsibility

Progress products help companies run more efficiently. Each of our solutions is created with these principles of action in mind:

- Responsible citizenship
- Protection of the earth
- Sustainable use of natural resources
- Reduction of waste
- Energy conservation
- Safe and healthy work environment
- Assessment and reporting

We care and give back enabling our employees to participate and have a meaningful impact.

Concept of Sustainability

Sustainability at Progress is focused on the triple bottom line concept embracing people, planet and profit. Also known as TBL this focus utilizes economic, social, environmental criteria for measuring organizational success.

To quote freelance writer Debbie Van Der Hyde: *"The language of sustainability is the language of profit. And companies that set and meet environmental and social goals aren't going beyond profitability, they are going to enhance profitability."*

Sustainability

At Progress Software we are committed to Corporate Sustainability as defined by the Dow Jones Sustainability Index: "A business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from social (people), environmental (planet) and economic (profit) developments."



Our Vision:

To be an industry leader in implementing sustainable business practices that minimize harm and maximize benefit to the environment; to develop a comprehensive approach to environmental sustainability.

At Progress, we understand the impact our company has on the environment and we strive to minimize our environmental footprint in every way feasible. As part of our commitment we have certified our headquarters buildings at 14-16 and 12 Oak Park Drive under LEED EB O&M. 14-16 Oak achieved LEED Gold and 12 Oak achieved LEED Certification.

Impact Area	Summary	Goals
Energy Use	<ul style="list-style-type: none"> • 3.4% savings electricity • 20% savings natural gas 	Reduce natural gas and electrical use by 3% in 2013
Commissioning	<ul style="list-style-type: none"> • On-going annually 	Retro-commissioning
Green Power	<ul style="list-style-type: none"> • 100% usage at Headquarters 	Purchase 100% green power
Environmentally Preferable Purchasing	<ul style="list-style-type: none"> • Policies/Procedures in place 	
Greenhouse Gas Emissions	<ul style="list-style-type: none"> • 53% reduction in 2012 • Annual inventory 	Reduce by 8% in 2013
Indoor Environmental Quality		
Daylight & Views	<ul style="list-style-type: none"> • Maximize interior glazing 	Add 25% more sidelights
Green Cleaning	<ul style="list-style-type: none"> • Policies/Procedures in place 	
Low-Emitting Materials	<ul style="list-style-type: none"> • Policies/Procedures in place 	
Pollutant Source Control	<ul style="list-style-type: none"> • Policies/Procedures in place 	
Tobacco Smoke Control	<ul style="list-style-type: none"> • Policies/Procedures in place 	
Integrated Pest Management	<ul style="list-style-type: none"> • Policies/Procedures in place 	
Sustainable Site		
Landscape Management	<ul style="list-style-type: none"> • Policies/Procedures in place 	
Storm Water Control	<ul style="list-style-type: none"> • Policies/Procedures in place 	
Water Efficient Landscaping	<ul style="list-style-type: none"> • Policies/Procedures in place 	
Water Use	<ul style="list-style-type: none"> • 14% savings in 2012 	Quantify
Irrigation	<ul style="list-style-type: none"> • Metered • Automatic & manual controls 	
Plumbing	<ul style="list-style-type: none"> • Metered • Fixtures replaced in 2011 	
Waste Reduction	<ul style="list-style-type: none"> • Policies/Procedures in place • 68% recycled comingled 	Quantify
Employee Initiatives	<ul style="list-style-type: none"> • Sustainability Committee • Global Earth Day Events 	Increase employee engagement
Reporting	<ul style="list-style-type: none"> • Annual Reports since 2011 	Annual Reports

Progress is committed to reducing the environmental impact of all of our owned and leased facilities around the world.

We are proud to have our headquarters buildings certified under LEED EB O&M and Energy Star. We are continuously exploring new ways to conserve energy, limit emissions, create new operational efficiencies, and reduce costs.

Energy Conservation and Climate Protection

Energy Use: Energy use at Progress Headquarters is tracked using BMS systems and Energy Star Portfolio Manager. From 2011 to 2012 electrical use on the Bedford campus was down 3.4% or 285,290 kilowatt hours. Savings on natural gas was 20% from 2011.

Energy Star: Our world headquarters at 14 Oak Park Drive, Bedford, MA has again achieved its Energy Star rating for 2012. Progress is continually researching and implementing new methods for energy conservation, including retrofitting with energy-efficient equipment and installing monitors that meter power usage at many of our global sites. Retro-commissioning assures that all systems are working at their optimal levels.

Data Centers: Progress recognizes that data centers and their cooling systems are significant contributors to the consumption of electricity. A Technical Assistance (TA) study was completed for the two data centers on the Bedford campus with the local electric utility provider to determine incentive funding for further implementation of hot aisle containment in each data center. When complete, Progress will be saving over 140,000 kWh of electricity per year. The design uses air conditioners, fans, and raised floors as a cooling infrastructure and focuses on separation of the inlet cold air and the exhaust hot air for greater energy efficiency.



Additional energy conservation methods include:

- Retrofitting light fixtures with energy efficient LED fixtures
- Utilizing BMS software to track and record energy use
- Engaging independent review of all HVAC systems to verify equipment efficiency
- Purchasing Energy Star rated appliances and equipment
- Providing each office with occupancy sensor and dual light level controls
- Maximizing use of natural daylight to reduce reliance on artificial lighting (170 interior sidelights)

Greenhouse Gas Emissions

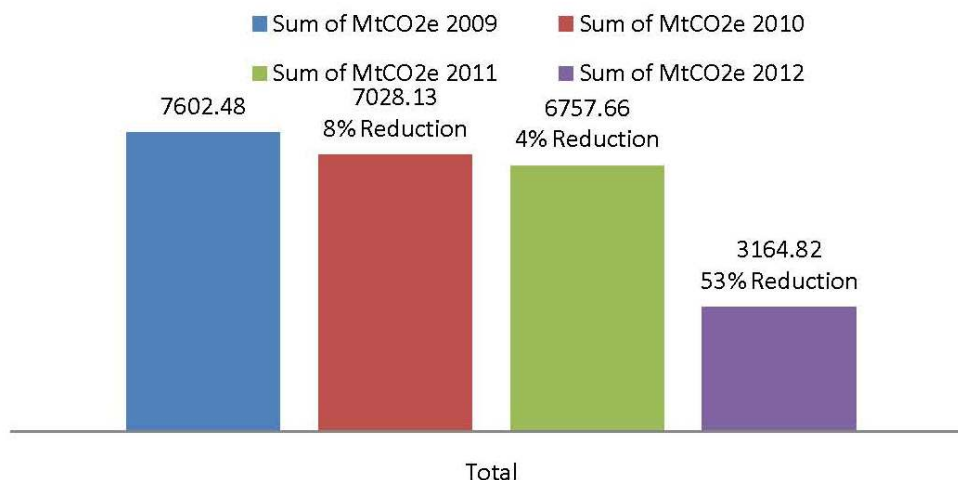
Greenhouse Gas Emissions: Progress has implemented measures to reduce or offset direct and indirect emissions. In 2009 we established our baseline footprint for tracking and evaluation purposes. Utilizing that footprint from 2009 to 2011 we reduced our footprint by 12%. In 2012 PSC further reduced its worldwide emissions by 53%.

Travel Emissions: To reduce travel emissions, conference and training facilities are equipped with high definition technology to facilitate video conferencing and distance learning. Savings are also realized through the concept of Flexible Workplace that supports 14% of Progress work from home (WFH) employees. This concept maximizes office space, supports collaborative work environments and provides tools for employees to connect with colleagues worldwide using a unified communications platform including Instant Messaging, Audio, Video, Web Conferencing and Virtual Presence.

Green Power: In 2012 Progress purchased 100% green power for its headquarters and eliminated over 4,800 metric tons of emissions annually. This is equivalent to removing over 900 passenger cars from the highways per year or emissions from consuming over 500,000 gallons of gasoline. Investing in alternative and renewable energy enables Progress to support innovation in the energy field.

Progress is committed to reducing its contribution to global warming and greenhouse gas emissions.

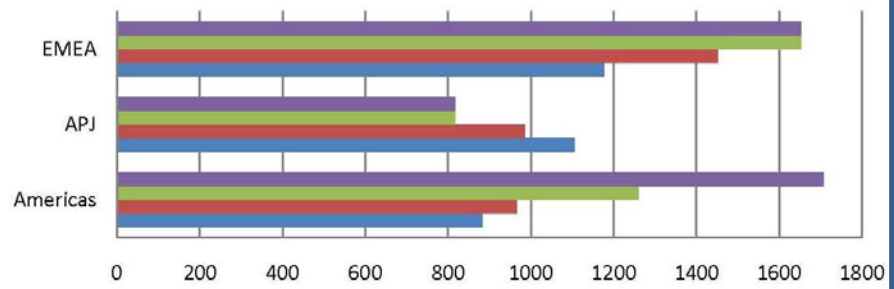
GHG Worldwide Reduction 2009-2012



Greenhouse Gas Emissions

Global Real Estate: Between 2009 and 2012 Progress consolidated or closed underutilized facilities eliminating an additional 1,000 metric tons of emissions.

GHG Emissions EMEA, APJ, Americas 2009-2012

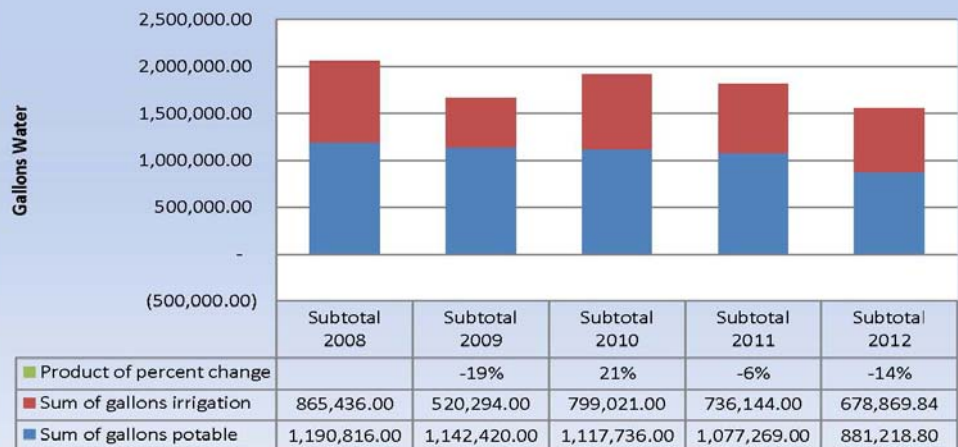


	Americas	APJ	EMEA
Sum of MtCO2e 2009	1707	817	1653
Sum of MtCO2e 2010	1261	817	1653
Sum of MtCO2e 2011	966	986	1452
Sum of MtCO2e 2012	882	1106	1177

Water Conservation

In 2012 by the addition of water meters, the education of kitchen staff in water conservation and a proactive approach to irrigation conservation, Progress realized a total water savings of 14% savings in 2012 over 253,000 gallons.

Water Conservation 2008-2012



Waste Reduction and Resource Conservation

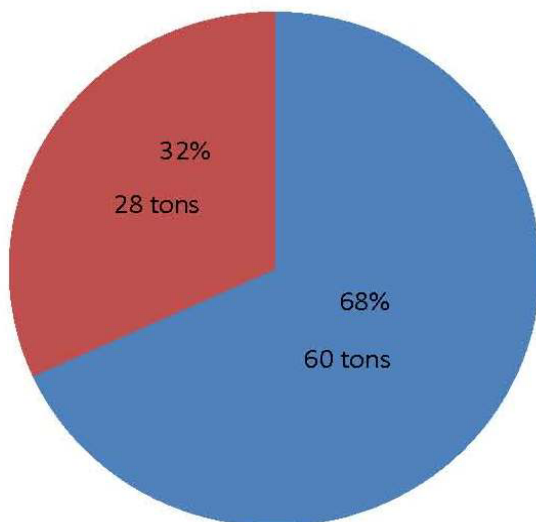
Electronics Waste Management:

Progress realizes that electronic waste (servers, PCs, laptops, monitors, telephones, etc.) is a serious issue worldwide. Billions of pounds of e-waste are discarded annually. In the U.S. alone only 11-14% is recycled with the remainder being dumped or burned. An estimated 70-80% of e-waste that is sent to recyclers is exported to less developed countries where open air burning or riverside acid baths are used to extract materials releasing toxins into the air and water. (Source: e-Stewards.com).

Progress maximizes the use of its electronic equipment by finding sources for refurbishment, reuse of obsolete equipment and finally recycling of end-of-life. Progress partners with only EPA Responsible Recycling-certified vendors recycling **41 tons of e-waste in 2011**. As part of the Progress Earth Day worldwide events, over 2800 pounds of electronic equipment was recycled, refurbished or donated.

Recycling:

Progress actively promotes recycling and reduction of waste. At its owned facilities, Progress partners with E. L. Harvey for co-mingled recycling of paper, cardboard, glass, plastic and aluminum. In 2012 60 tons of waste was recycled in Bedford alone (**68% of the total waste stream**). All other facilities participate in landlord-provided recycling programs.



Bedford Co-Mingled Recycling

Progress is committed to reducing waste through our purchasing policies, recycling practices, and disposal techniques.

Waste Reduction

The London office removed all trash bins from workstations and private offices where building management supports recycling including food waste. In the Duffel office employees promote composting of food waste.

In addition to standard recycling practices in many of our offices we recycle toner cartridges, rechargeable batteries and mercury-containing light bulbs; use ceramic mugs instead of paper cups; replace plastic spoons and forks, Styrofoam and plastic plates with compostable sustainable alternatives; and implement duplex printing.

95% of all Progress product distribution is done electronically reducing packaging and shipping impacts on the environment.

Direct deposit of paychecks from Payroll and of tax forms adds to the waste reduction.

Progress is committed to providing our employees with a safe and healthy work environment.

Procurement

Procurement procedures support resource conservation by building a smarter supply chain. We encourage partnerships with suppliers who have strong sustainability policies and can provide sustainable products. We use only SFI (Sustainable Forestry Initiative) certified copy paper with 30% recycled content. We purchase equipment that is Energy Star rated. Our furniture is Greenguard® certified with recycled and recyclable content and of high quality for a long life expectancy.

We integrate products in the built environment that contain recycled content and can be recycled, is locally sourced and obtained from sustainable sources.

Site Protection

At its owned facilities, Progress actively manages its grounds and parking lots to protect the adjacent river and wetlands. Storm water runoff is diverted to retention ponds to eliminate erosion and silting. Low-sodium de-icers on walks and parking lots and organic fertilizers on lawns decrease the pollutants and oxygen-depleting algae. The on-site automobile detailing provider uses only biodegradable, phosphate-free cleaning products.

Grounds

At owned facilities, the grounds crew uses mulching mowers to cycle grass clippings back into the lawn where they decompose and provide nutrients. A combination of drip irrigation and sprinkler system for bedding plants only use controllers that monitor weather satellites to determine if watering is required.

Indoor Environmental Quality and Toxin Reduction

All maintenance and renovation projects use low VOC paint, sealants, solvents and adhesives. All janitorial products meet Green Seal Cleaning Products Standards for eco-friendly cleaning. No toxic chemicals are used in pest control.

Office spaces are designed to maximize access to natural daylight and to provide views to the outside. At the Bedford world headquarters enclosed offices 130 offices and 12 conference rooms have been modified with large sidelights to bring more daylight into the interior.

All offices are smoke-free environments.

Employee-led Initiatives:

Green Team: Progress has a globally employee-led **Green Team** that organizes environmental initiatives and volunteer projects for fellow-employees. Their efforts have been instrumental in establishing many of the current sustainability policies and initiatives.



Bedford Bike Path Cleanup 2012

Earth Day: In 2012 Progress celebrated with month-long global events including a Children's Art Contest focused on a Healthy Planet, community park cleanups, local sustainability fairs and farmers' markets, and electronics recycling/repurposing.



Electronics Recycling 2012



Mexico City Barter Market 2012



Children's Art Contest, Hyderabad, India 2012

Other initiatives included participation in World Car Free Day, a home energy savings lunch and learn (Bedford site), sustainability displays and posters worldwide.

Plans are already underway for celebrating Earth Day 2013