Rocket®software

2024 TCFD Report

Climate-related financial disclosures pursuant to California SB 261 and TCFD recommendations

Document Version: 1.0

Date: 11/24/2025

Contents

To our stakeholders:

We are pleased to provide our first report aligned to the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD"). This report (the "Report" or the "TCFD Report") reflects our commitment to providing clear and meaningful transparency on how we assess and manage climate-related risks and opportunities across our business. We believe that robust and thoughtful disclosure strengthens governance and supports long-term value creation for all stakeholders.

Rocket Software aligns its reporting with the TCFD Recommendations[1], which we view as a leading framework for climate-related disclosure. We are encouraged by the growing adoption of TCFD globally and recent efforts to further standardize sustainability reporting.

Given our remote-first operations, lack of manufacturing, and minimal exposure to climate-sensitive assets, climate-related risks are currently evaluated as minimal. Nevertheless, we monitor greenhouse gas emissions across Scope 1 and 2 according to The Greenhouse Gas Protocol (market-based) and use intensity metrics to evaluate our environmental footprint—Scope 3 emissions will be disclosed separately in the future, as required in accordance with applicable law. While Rocket Software is not required to adopt formal climate targets and has not done so, we remain committed to developing our approach as expectations and best practices evolve. We implement suitable sustainability measures that are appropriately aligned with our operational model.

[1] See https://assets.bbhub.io/company/sites/60/2021/10/FINAL-2017-TCFD-Report.pdf

About this report

This Report has been prepared by Rocket Software, Inc. (together with its subsidiaries, unless the context otherwise indicates, "Rocket Software" or the "Company") in alignment with the TCFD Recommendations. This Report reflects the Company's approach to identifying, managing, and reporting climate-related risks and opportunities across our business.

Unless otherwise noted, all data and information in this Report pertain to Rocket Software's fiscal year ending December 31, 2024. The Report is structured around the four TCFD pillars:

- Governance
- Strategy
- Risk Management
- Metrics & Targets

We cover the eleven recommendations of the TCFD in the four categories above.

This Report is intended to provide transparency to our stakeholders—including customers, partners, investors, lenders and employees—on how Rocket Software is navigating the global transition to a low-carbon economy. We recognize that climate risk is an investment risk, and we are committed to improving our strategy and disclosures as data, methodologies, and regulatory expectations continue to develop.

The information in this Report is subject to change without notice and may be updated, amended, supplemented, or otherwise modified by subsequent reports.

Interpretation and Terminology

Throughout this Report, the terms "we", "us" or "our" refer to Rocket Software, Inc. and its subsidiaries, taken as a whole, unless otherwise indicated. The terms "material" and "materiality" as used in this Report are different from those terms as used in financial or regulatory contexts.

Governance

Board oversight

Climate-related risks are reviewed by Rocket Software's Enterprise Risk Committee (the "**Enterprise Risk Committee**"), which reports to the Audit Committee of the board of directors of Rocket Software's parent (the "**Board**") several times a year. The Committee is responsible for overseeing the Company's approach to climate-related risks and opportunities as part of its broader enterprise risk and strategic oversight responsibilities.

The Committee has evaluated climate change as a low-priority risk for the Company, given its remote-first workforce, lack of physical manufacturing, and minimal exposure to climate-sensitive assets or operations.

Nevertheless, the Committee plays a central role in this governance structure, providing the Board and Executive Leadership Team ("**ELT**") with updates on climate-related risks and opportunities that may impact the Company's operations, compliance, and reputation.

At least annually, the Committee or a subset thereof, present to the ELT on the Company's environmental performance and climate-related initiatives, ensuring alignment with Rocket Software's business objectives and stakeholder expectations.

The Enterprise Risk Committee consists of the Chief Financial Officer, the Chief Information Officer, and the Chief Legal Officer (Chairperson).

Management role

The Enterprise Risk Committee is responsible for enterprise risk management ("**ERM**") at Rocket Software, including climate risk. The Enterprise Risk Committee is supported by an Enterprise Risk Working Group that consists of members of the Legal, IT/Security/GRC and Accounting Teams (the "**ERM Working Group**").

The ERM Working Group is responsible for:

- Collecting risks and data related to the remediation of those risks from impacted departments, including climate-related risks and remediations; and

- Supporting the integration of climate considerations into the Company's ERM framework.

The ERM Working Group, in collaboration with subject matter experts, ensures that climate-related risks are evaluated using both qualitative and quantitative methods. These insights inform the Company's risk prioritization and are incorporated into broader business continuity and operational resilience planning.

As previously stated, the Enterprise Risk Committee has evaluated climate change as a low-priority risk for the Company, given its remote-first workforce, lack of physical manufacturing, and minimal exposure to climate-sensitive assets or operations.

Strategy

Rocket Software does not currently consider climate change to pose a material risk to its short-, medium-, or long-term financial performance. The Company's business model — centered on software development, remote-first operations, and reliance on third party cloud infrastructure — substantially limits exposure to both physical and transition climate risks. While Rocket Software remains attentive to evolving regulatory and stakeholder expectations, it does not anticipate significant financial impacts from climate-related developments under current operating conditions.

Identified risks and opportunities

- **Risks:** No inherent climate-related risks have been identified that would have a substantive financial impact across any time horizon. The Company's operations are not significantly affected by climate-related disruptions or regulatory changes under current conditions.

- **Opportunities:** Similarly, Rocket Software has not identified any climate-related opportunities that would materially affect its business or financial planning.

  Nevertheless, Rocket Software's modernization efforts may reduce energy use by optimizing applications and shifting workloads to hybrid/cloud environments, consistent with industry best practices that recommend pairing such moves with renewable-powered providers. Leading research also highlights automation and process efficiency as key potential drivers of lower emissions. Extending system life can avoid unnecessary hardware refresh cycles, potentially reducing e-waste. However, while these practices may have environmental benefits, Rocket Software does not currently track or quantify these impacts and includes this information for context only.

Impact on business and strategy

Due to its remote-first operations and software-based business model, Rocket Software has not identified any material financial impacts from climate-related risks. The Company's strategy and financial planning are not currently constrained by:

- Physical climate risks (e.g., damage to facilities or supply chain disruptions)
- Transition risks (e.g., carbon pricing, emissions regulations, or technology shifts)

Nevertheless, Rocket Software incorporates the assessment and management of potential climate-related risks and opportunities across its investment processes, business strategy, and operations. This proactive approach ensures readiness to adapt if regulatory or market conditions change.

Resilience of strategy

Rocket Software's lack of manufacturing, on the one hand, and its focus on digital-first operating model, on the other, provide inherent resilience to physical climate risks. The Company's strategic flexibility, combined with ongoing monitoring of regulatory and stakeholder trends, positions it to adapt relatively swiftly to future climate-related challenges and opportunities. In the event that climate-related risks become more material to our operations or strategic planning, we will evaluate the feasibility of conducting further climate scenario analysis to gain a deeper understanding of our resilience to physical climate risks.

Risk management

Climate-related risks are integrated into Rocket Software's broader ERM framework. These risks are reviewed periodically by the ERM Working Group but are not currently prioritized as material. The Company, through the ERM Working Group, continues to monitor developments in climate regulation and disclosure requirements, including the California Climate-Related Financial Risk Act ("California SB 261"), and will reassess its position if circumstances change.

Identification and assessment

Climate-related risks are identified through a combination of qualitative assessments, scenario-based reviews, and ongoing monitoring of external developments. The ERM Working Group applies a standardized risk classification framework to evaluate potential risks across the following categories:

01

Physical risks

Including extreme weather events, heat stress, floodings and water scarcity, which are currently deemed immaterial due to the absence of owned facilities or manufacturing operations – please note that we use and rely on data centers but we do not operate them.

While some of the facilities we use (e.g., our offices in the Netherlands) are situated in regions that could experience coastal flooding or rising water levels over time, we still consider the risk to be non-material for our business as we have limited employees in these locations and do not own these facilities.

02

Transition risks

Including regulatory changes, carbon pricing, reputational shifts, and technology disruption. These are monitored but currently pose minimal financial impact given Rocket Software's business model.

As previously stated, the ERM Working Group collaborates with subject matter experts across Legal, IT/Security/GRC, and Accounting to ensure that climate-related risks are evaluated consistently and documented appropriately.

Management approach

Rocket Software's approach to managing climate-related risks is proportionate to its exposure. Where relevant, mitigation strategies are considered in the context of:

Business continuity planning

Ensuring operational resilience in the face of potential climate-related disruptions.

Regulatory compliance

Including readiness for California SB 261 and other emerging disclosure requirements.

Stakeholder expectations

Addressing investor, customer, and employee concerns regarding sustainability and climate governance.

Within its broader ERM framework, the Enterprise Risk Committee, supported by the ERM Working Group, reviews climate-related risks periodically and ensures that any emerging issues are escalated appropriately.

Integration into risk processes

Climate-related risks are embedded into Rocket Software's overall risk governance processes. This integration ensures that emerging climate-related issues are captured and addressed as part of Rocket Software's overall decision-making and planning activities. This includes:

Regular risk reviews

Where climate-related risks are assessed alongside other enterprise risks.

Potential scenario planning

Used to evaluate potential impacts under different climate futures.

Cross-functional coordination

Ensuring that climate considerations are integrated into the Company's overall strategy (e.g., vendor management, travel policies, or cloud infrastructure decisions).

While current exposure is low, Rocket Software remains committed to reassessing its climate risk profile regularly and adapting its risk management practices as needed.

Metrics and targets

This section provides an overview of the metrics Rocket Software uses to monitor climate-related factors, including primarily its greenhouse gas emissions across Scope 1 and 2. Scope 3 will be disclosed in the future, as appropriate in accordance with applicable regulations. It also outlines current sustainability measures, any targets in place or under consideration, and areas identified for future improvement.

Metrics and Disclosures

Rocket Software's 2024 GHG Emissions (Market-Based) are:

- **Scope 1:** 269 tCO$_2$e

- **Scope 2:** 2,142 tCO$_2$e

These emissions are primarily associated with employee business travel. The Company does not own or operate data centers or manufacturing facilities, and its Scope 1 and Scope 2 emissions are minimal.

Measures adopted to reduce and adapt to climate risks

Although climate change is not considered a material financial risk, Rocket Software has adopted several low-cost, low-disruption measures that align with general sustainability principles:

- **Remote work policy:** Minimizes commuting and office energy use.

- **Travel policy:** Business travel is minimized whenever possible and alternative green travel or virtual meetings encouraged.

- **Vendor engagement:** We consider environmental factors as part of our broader decision-making process when engaging with external vendors and collaborators.

- **Cloud optimization:** Encourages efficient use of third-party cloud services.

While these measures are not driven by financial risk mitigation, they reflect a general commitment to responsible and sustainable business practices.

Targets and future planning

Following our 2024 quantitative climate risk scenario analysis, we have gained a deeper understanding of how climate change may affect our operations, workforce, and broader business strategy. This analysis continues to inform our approach to climate-related risk management and resilience planning.

While Rocket Software is not currently subject to any mandatory climate-related reduction targets, we remain committed to monitoring emerging risks and opportunities. We have not yet adopted any such formal climate-related targets; however, we will continue to evaluate the need for such targets in alignment with evolving regulatory expectations, stakeholder priorities, and operational feasibility.

Our approach is pragmatic: We aim to integrate climate-risk management responsibilities across relevant functions and, where appropriate, establish measurable targets that are achievable without significant operational or financial disruption.

Potential improvement plan

Rocket Software is committed to enhancing its climate-related disclosures and sustainability practices where appropriate. Potential future improvements, subject to evolving regulatory requirements and operational relevance, may include:

Regulatory monitoring

Continuously track developments under California SB 261 and other applicable climate-related regulations to ensure compliance and readiness.

Scenario analysis

Evaluate the feasibility of conducting climate scenario analysis if climate-related risks become more material to our operations or strategic planning.

Remote work support

Continue supporting remote work to reduce commuting-related emissions and support employee well-being.

Business travel management

Maintain or reduce emissions from business travel relative to a 2024 baseline, through improved travel policies and virtual collaboration tools.

Monitoring impact of Artificial Intelligence (AI) usage

While the current climate-related impact of AI usage on our business is very limited, we will continue to monitor this area to ensure it is properly captured and assessed over time.

Appendix

TCFD element	Recommended disclosures	Rocket Software's approach
Governance	Describe the board's oversight of climate-related risks and opportunities.	The Board, through the Enterprise Risk Committee, oversees corporate responsibility matters, including climate-related issues. Given the Company's low exposure to climate-related risks, the Board receives periodic updates as part of broader enterprise risk oversight, and has reviewed and contributed to the preparation of this TCFD Report.
		The Enterprise Risk Committee is responsible for reviewing and reporting to the Board on matters of corporate responsibility (including climate-related impacts, risks and opportunities in our business).
	Describe management's role in assessing and managing climate related risks and opportunities.	Climate-related risks and opportunities are assessed and managed by the Enterprise Risk Committee, which consists of the Chief Financial Officer, the Chief Information Officer and the Chief Legal Officer (chairperson), and which is supported by the ERM Working Group. These risks are reviewed within the ERM framework and considered alongside other strategic and operational risks. Given the Company's low exposure, climate-related matters are addressed proportionally and integrated into existing governance and planning processes.
Strategy	Describe the climate-related risks and opportunities the company has identified over the short-, medium-, and long-term.	Opportunities: We have not identified any inherent climate-related opportunities with the potential to have a substantive financial impact on our business in the short, medium or long-term.
		Risks: We have not identified any inherent climate-related risks with the potential to have a substantive financial impact on our business in the short, medium or long-term.
	Describe the impact of climate-related risks and opportunities on the company's businesses, strategy, and financial planning.	Due to its remote-first operations and software-based business model, we have not identified any material financial impacts from climate-related risks. The Company's strategy and financial planning are not currently constrained by physical climate risks or transition risks such as carbon pricing or emissions regulations. Nevertheless, assessment and management of potential climate-related risks and opportunities is embedded across our investment processes, business strategy, and operations.
	Describe the resilience of the company's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario.	Rocket Software's lack of manufacturing and digital-first operating model provides inherent resilience to physical climate risks. If climate-related risks become more material to our operations or strategic planning, we will evaluate the feasibility of conducting climate scenario analysis to gain a deeper understanding of our resilience to physical climate risks.

TCFD element	Recommended disclosures	Rocket Software's approach
Risk management	Describe the company's processes for identifying and assessing climate-related risks.	Rocket Software's remote-first workforce and the lack of physical manufacturing results in low exposure to physical climate-related risks. Similarly, operating in the software industry, the Company has a very limited exposure to transition risks, such as regulatory changes or carbon-intensive operations. Climate-related risks are assessed within the ERM framework (through the Enterprise Risk Committee), primarily through qualitative analysis and periodic scenario reviews. These risks are considered low in significance relative to other strategic and operational risks. A standardized risk classification framework is used to ensure consistency in evaluation and documentation.
	Describe the company's processes for managing climate-related risks.	Given Rocket Software's low exposure to both physical and transition climate-related risks, the Company's approach to managing these risks is proportionate and integrated into its broader ERM framework. Climate-related risks are reviewed periodically by the Committee. Where relevant, mitigation strategies are considered in the context of business continuity, regulatory compliance (including California SB 261), and stakeholder expectations. Rocket Software continues to monitor emerging regulatory frameworks and stakeholder expectations to ensure its climate risk profile remains current. While current exposure is low, the Company remains committed to reassessing its position as part of its ongoing risk governance processes.
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management.	Rocket Software integrates climate-related risk considerations into its broader ERM framework, overseen by the Enterprise Risk Committee. Climate-related risks are evaluated alongside other strategic, operational, financial, and compliance risks. The Company applies a standardized risk classification framework to ensure consistency in documentation and prioritization. While climate-related risks are currently considered low in significance, they are reviewed periodically as part of the Company's regular risk assessment cycle. This integration ensures that any emerging climate-related risks are captured and addressed within Rocket Software's overall governance and decision-making processes.
Metrics and Targets	Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process.	The Company uses greenhouse gas (GHG) emissions (Scope 1, 2, and 3) and intensity metrics (tCO_2e per \$1M revenue and per employee) to assess climate-related risks and opportunities.
	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Scope 1: **269 tCO_2e** (market-based) Scope 2: **2,036 tCO_2e** (location-based), **2,142 tCO_2e** (market-based) As previously mentioned, Rocket Software has assessed climate-related risks as minimal given its remote-first operations, lack of manufacturing, and minimal exposure to climate-sensitive assets. No material financial risks identified. Scope 3 emissions will be disclosed in the future, whenever appropriate in accordance with applicable regulations.
	Describe the targets used by the company to manage climate-related risks and opportunities against performance targets.	No formal climate-related targets have been set for 2025. No carbon offsets or removals were purchased. Rocket Software will keep monitoring emissions and intensity metrics and remains committed to evolving its approach as regulations and best practices develop.

About Rocket Software

Rocket Software is a global technology leader in modernization and a partner of choice that empowers the world's leading businesses on their modernization journeys, spanning core systems to the cloud. Trusted by over 12,500 customers and 750 partners, and with more than 3,200 global employees, Rocket Software enables customers to maximize their data, applications, and infrastructure to deliver critical services that power our modern world. Rocket Software is a privately held U.S. corporation headquartered in the Boston area with centers of excellence strategically located throughout North America, Europe, Asia and Australia. Rocket Software is a portfolio company of Bain Capital Private Equity.

Rocket®software

Modernization. **Without Disruption.**™

Visit RocketSoftware.com

MAR-16793_Report_ClimateRisk_V4