

2023

Sustainability Report



A Note From Our President & CEO

At PROS, our mission is to help people and companies outperform, and our people are at the heart of delivering on our mission. We have an incredible team that cares deeply about our customers, partners, communities, environment and each other, all driven by a shared passion for making a positive impact.

We strongly believe that diversity of thought, backgrounds, cultures and experiences, along with a genuine sense of belonging, are key to driving true innovation and business success. We are committed to fostering an inclusive environment where people from every background can thrive and reach their full potential.

Our commitment to our shared values and passion for excellence drives our growth and success, and I am incredibly proud of what our teams continue to accomplish together. We recognize the importance of our role in creating a more sustainable future for generations to come, and this report reflects our ongoing commitment to transparency, accountability, and positive impact, providing insights into our sustainability initiatives and inclusive programs that help further our mission, fuel our growth and create a better world for all.

We thank you for your continued support and partnership on this journey.

– Andres Reiner,
President & CEO



Footnote: PROS 2023 Sustainability Report highlights our perspectives on environmental, social and governance issues that matter most to our stakeholders — including our people, customers, and investors. This report provides an overview of our views and approach to key sustainability issues. Additional information regarding these issues can be found on pros.com.

Footnote: All data is as of December 31, 2023, unless otherwise noted.

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Our Business

At PROS, our mission is to help people and companies outperform. It's a mission we take seriously and a mantra that has guided our efforts from day one. We do this by providing business-to-business (B2B) and business-to-consumer (B2C) businesses with predictive AI insights in the form of product suggestions, personalized offers and market-relevant pricing in real-time across sales channels. PROS leading SaaS offerings such as Smart CPQ, Smart Price Optimization & Management, Revenue Management, Offer Optimization and Digital Offer Marketing deliver clear, proven ROI in the form of revenue uplift and margin improvement. With nearly four decades of AI expertise, a team of more than 85 data scientists and a well-established track record of success, PROS serves leading companies worldwide, spanning diverse industries like airlines, manufacturing, distribution and services. With our solutions, we make it possible for our customers to meet today's B2B and B2C commerce challenges in a complex, digital world while building a viable path to thrive in the future.

The world's leading real-time AI platform powering commerce, loved by the world's most successful companies.

PROS at a Glance

\$304 MM

TOTAL REVENUE FY 2023

30%

SUBSCRIPTION REVENUE CAGR SINCE CLOUD TRANSITION (FY 2015 - FY 2023)

84%

RECURRING REVENUE AS A % OF FY 2023 TOTAL REVENUE

\$33 MM+

IMPROVEMENT TO OPERATING CASH FLOW YoY FY 2023

\$38 B+

UNDERPENETRATED, ADDRESSABLE MARKET

93%+

CUSTOMER GROSS REVENUE RETENTION RATE FY 2023

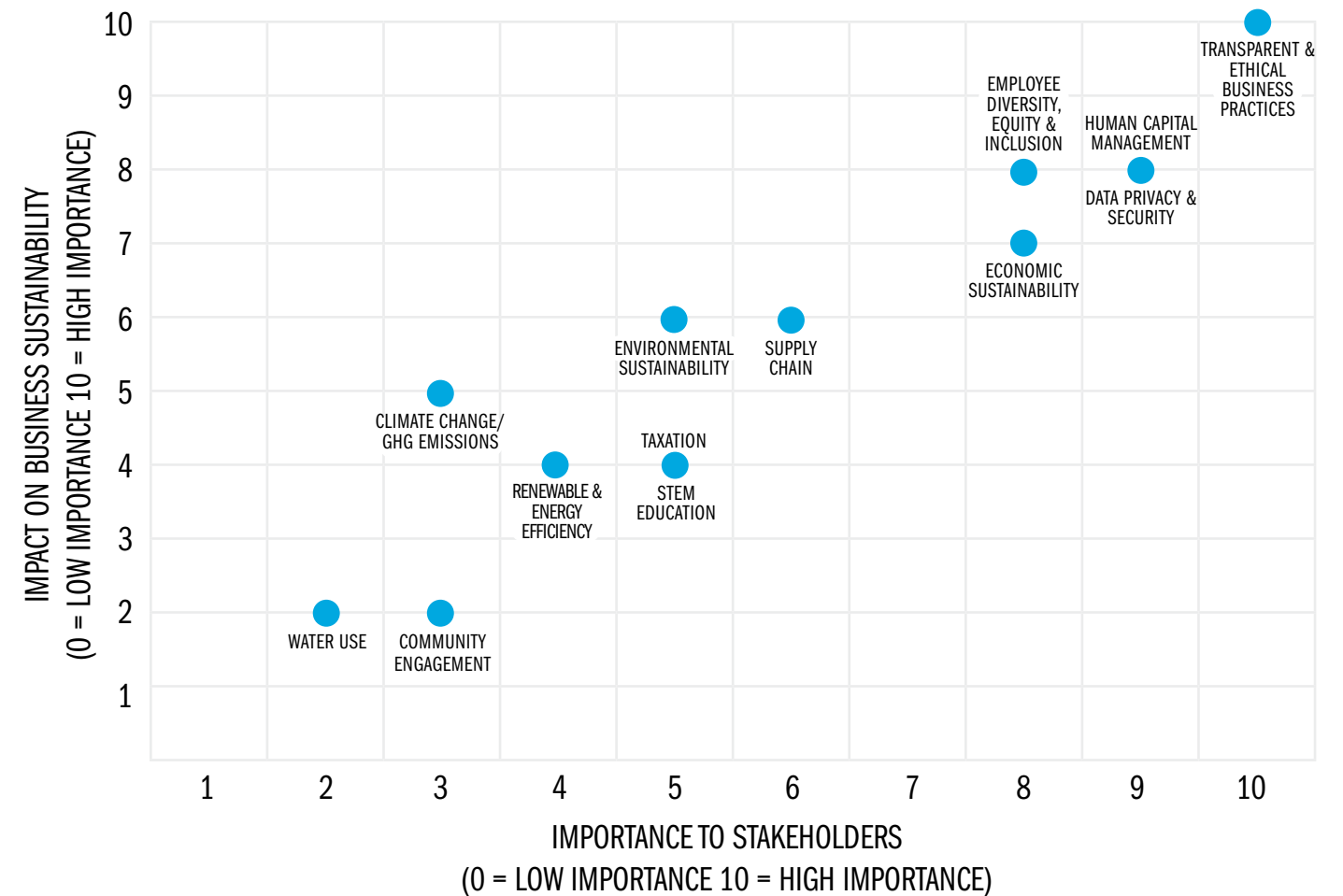
70+

COUNTRIES WITH CUSTOMERS

3.4^T

TRANSACTIONS PROCESSED FY 2023 WITH 99.98% PLATFORM UPTIME

Materiality Matrix



Sustainability Materiality Assessment

The foundation of PROS identification of critical sustainability topics lies in a thorough analysis that encompasses stakeholder requests (stakeholders being customers, employees, partners and investors), sustainability reporting frameworks and peer reporting. Leveraging these insights, we've meticulously ranked these topics, evaluating their significance through two primary measures: their impact on business sustainability and their perceived importance to stakeholders.

The above matrix visually encapsulates the results of this discerning exercise, designed to assist PROS in resource prioritization. It serves as a strategic guide, channeling our focus, energy and investments toward the pivotal issues situated within the upper right quadrant of this matrix.

PROS IS CONTRIBUTING TO THE UNITED NATIONS 17 SUSTAINABLE DEVELOPMENT GOALS



Sustainable Development Goals

In 2015, United Nations (UN) member states adopted 17 Sustainable Development Goals (SDGs) to achieve sustainable global economic, social and environmental development as part of a shared 2030 Agenda. Consistent with these goals, we have identified ways in which our core business and operations can contribute to building a better future for everyone. As part of our business strategy, we continue to grow our Sustainability program. While we contribute toward many of the SDGs, the following are examples of those most relevant to our initiatives:



NO POVERTY

Our employees volunteer time to help organizations that address poverty in areas where we work and live.



ZERO HUNGER

Through our community outreach initiatives, we aim to support our local communities in the fight against hunger through partnerships with organizations such as Kids Meals and local food banks.



GOOD HEALTH AND WELL BEING

We provide resources and support for employees' physical, mental and emotional health, and provide programs to enhance community for hybrid remote working.



QUALITY EDUCATION

Through our ERGs we have sponsored workshops to provide opportunities for students in our local communities to learn about business, technology, etc. We also have several employees who offer courses through university continuing education programs in the realm of pricing, AI applications, etc.



GENDER EQUALITY

We are a pay-equitable organization, offering equal pay for equal work, regardless of gender or ethnicity.



DECENT WORK AND ECONOMIC GROWTH

Our corporate policies have been devised and implemented to protect the labor rights of our employees and promote safe, secure and inclusive working environments.



INDUSTRY INNOVATION AND INFRASTRUCTURE

We provide AI-powered SaaS shopping and selling optimization solutions designed to increase business value for the organizations that use our software.



REDUCED INEQUALITIES

We encourage employees to celebrate cultural heritage and diversity both individually and through our DEI Program and ERGs in our workplace. We strive to end underrepresentation, compensate all our employees fairly, and provide opportunities to grow.



RESPONSIBLE CONSUMPTION AND PRODUCTION

Through our ERGs we have sponsored workshops to provide opportunities for students in our local communities to learn about business, technology, etc. We also have several employees who offer courses through university continuing education programs in the realm of pricing, AI applications, etc.



PEACE, JUSTICE, AND STRONG INSTITUTIONS

Our Code of Business Conduct and Ethics applies to every officer, director, and employee. We also expect that those with whom we do business (including our agents, suppliers and customers) will also adhere to the Code. Our Code is designed to comply with the law and provide guidance for maintaining the highest standards of ethical conduct.

Sustainability Oversight

Oversight of key sustainability issues is provided by our Board of Directors (Board), both directly and through Board committees. Below is a high-level summary of key issues overseen by the Board and its committees in 2023 and early 2024:

KEY ISSUES	AUDIT COMMITTEE	COMPENSATION AND LEADERSHIP DEVELOPMENT (CLD) COMMITTEE	NOMINATING AND CORPORATE GOVERNANCE COMMITTEE	FULL BOARD
DATA PRIVACY AND SECURITY	✓			✓
ECONOMIC AND ENVIRONMENTAL SUSTAINABILITY	✓			✓
DIVERSITY, EQUITY, AND INCLUSION		✓	✓	✓
SUSTAINABILITY PROGRAM			✓	✓
HUMAN CAPITAL MANAGEMENT		✓		✓
SUPPLY CHAIN				✓
TRANSPARENCY AND ETHICS	✓	✓	✓	✓

Examples of Oversight

PRIVACY AND CYBERSECURITY



Our Board oversees our management’s efforts to address cybersecurity and data privacy risks. The Audit Committee charter explicitly provides that the Committee oversees issues related to cybersecurity risks, including annually reviewing our overall risk profile with respect to cybersecurity matters. Our Chief Information Security Officer provides regular reports to management and quarterly reports to the Audit Committee and oversees a Security and Compliance team that is responsible for a range of cybersecurity activities.

DIVERSITY, EQUITY AND INCLUSION (DEI)



Our Board receives regular reports from our Chief People Officer (CPO) regarding progress in our DEI program. Our CLD Committee reviews succession planning and talent reviews in depth annually and evaluates summaries of employee engagement survey results and related matters. Our leaders volunteer their time to our Employee Resource Groups (ERGs) as Executive Sponsors to provide actionable support and visible commitment to our DEI initiatives. Our CPO also serves as Executive Sponsor to our Diversity Council (which includes the DEI Program Leader and representatives from our ERGs as well as leaders of our Talent Acquisition, Benefits and Wellbeing and People & Culture Communications teams) which meets monthly on program initiatives to ensure alignment and focus across the company.

TRANSPARENCY AND ETHICS



Our Board and its committees play a critical role in overseeing how we develop and maintain the workplace culture that we want. Our General Counsel meets with our Audit Committee quarterly regarding internal investigations and operation of the company’s Integrity Helpline. Company culture is overseen by the CLD Committee and the Board.



Environmental Impact

We believe success is not just measured in dollars and cents; it's also measured in the impact we have on our communities. PROS continues to initiate sustainable activities that make a positive impact on the people and environment around us. We are committed to understanding and minimizing our own environmental footprint. Our approach focuses on energy, emissions and waste across our operations including the PROS Platform and in our corporate facilities. Our operational efforts are bolstered by Thinking Green, our employee-driven, grassroots project team, formed in 2019 to share and implement ideas for maintaining an environmentally sustainable workplace.

We are committed to understanding and minimizing our own environmental footprint.



PROS Platform

EFFICIENT DELIVERY MODEL

The PROS Platform operates globally under a Software-as-a-Service (SaaS) model, leveraging data centers within the Microsoft Azure network and other cloud providers like IBM Cloud, AWS and Google Cloud and allowing for greater operational efficiency. Our partnerships with leading data center providers further drive our sustainability goals. Our largest data center vendor has a long-standing commitment to sustainability and provides data centers that are 100% carbon neutral, operate using at least 50% green energy sources, and has publicly stated goals to use 100% renewable energy by 2025 and to be carbon negative by 2030.

POWERING EFFICIENT COMMERCE

The PROS Platform powers commerce for leading businesses across industries. One of the core value propositions of the PROS Platform is that we can help drive greater efficiency in our customers' operations. For example, in the airline industry, the PROS Platform powers demand forecasts that can help airlines with network planning to drive efficient operations.



PROS Operations

ELECTRONIC WASTE

We seek to reduce our waste stream by recycling or repurposing electronic waste. Our electronic equipment (including laptops, monitors and other hardware) typically needs to be refreshed as it wears out or becomes outdated. We prioritize reuse or donation to non-profit partners over recycling of this equipment when possible.

HYBRID WORKPLACE

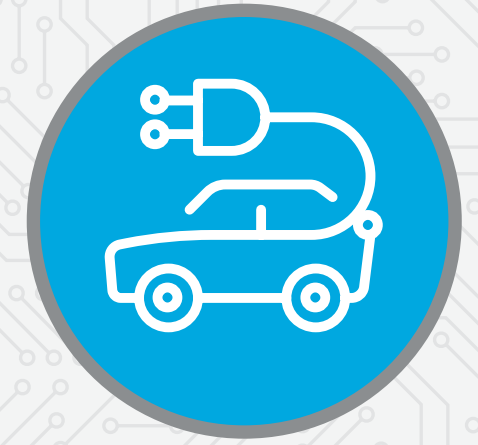
While we regularly must travel in support of our operations, our hybrid work model has reduced our overall business travel both through more intentional air travel as well as reduced commuting.



PROS Corporate Facilities

CONSERVATION

We seek to reduce our consumption of energy and act as responsible stewards. As part of our ongoing efforts to provide a great employee and customer experience that is environmentally conscious, our Leadership in Energy and Environmental Design (LEED) Silver certified corporate headquarters office building in Houston features water-saving fixtures, LED lighting with zone occupancy sensors and extensive outdoor areas. We also encourage our employees to retain electronic records to reduce our paper usage. Individual plastic water bottles have been phased out of all employee spaces. To further minimize waste, water dispensers are provided at all of our office locations to encourage employees to fill reusable containers. We also lowered our overall real estate utilization, including reducing our leased office space to support our hybrid work environment.

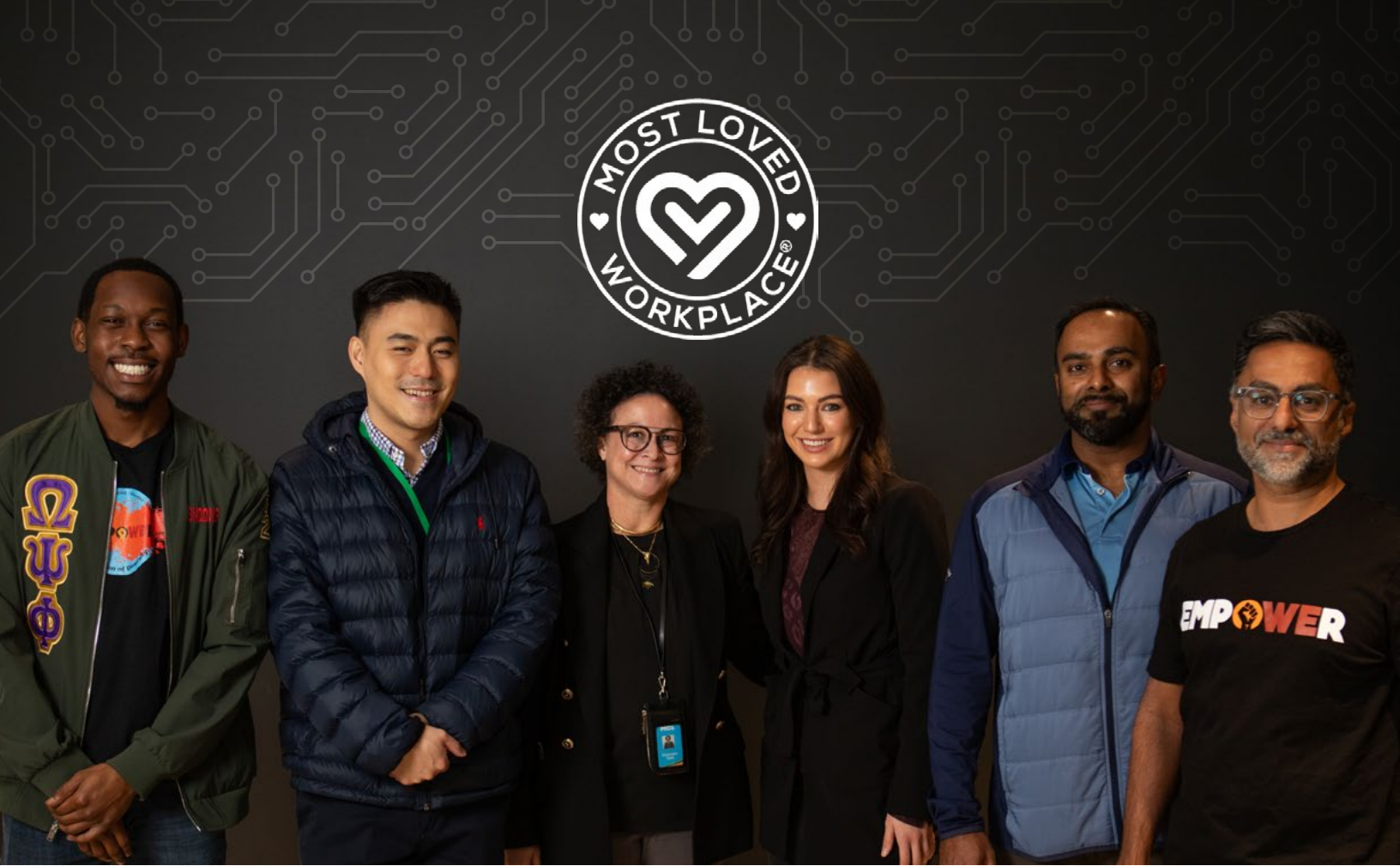


ELECTRIC VEHICLE CHARGING STATIONS

As a part of our commitment to sustainability, Electric Vehicle (EV) charging stations are available at our corporate headquarters to employees on a first-come, first-served basis.

RECYCLING

All PROS offices have a recycling program with recycling bins located in the kitchen and breakroom areas, as well as shredding bins to securely recycle office paper waste into paper products such as napkins and paper towels. Further office recycling efforts vary by location, but include such items as paper, plastic, glass and aluminum, as well as common office consumables like batteries, toner and light bulbs.



Diversity of Talent

At PROS, our success is driven by a diverse and talented team. We are committed to hiring individuals who are not only experts in their fields but also embody our drive for success, innovation and teamwork.

Our inclusive culture, powered by a diversity of cultures, languages and experiences, is key to our innovation and business success. Our global recruiting team reflects this mission, with members fluent in multiple languages and from varied backgrounds. Their global presence allows for meaningful connections with candidates near our primary locations. Our campus recruiting program partners with colleges and universities with diverse student populations and organizations like Career Spring, dedicated to helping first generation college students network and start their career.

We're proud of our people and culture, and former and current colleagues are excited to share their PROS experiences with potential candidates and their networks, helping us recruit top diverse talent through our employee referral program.

Social Commitment

Culture

At PROS our people, culture and values are at the heart of everyone we do. We are truly a people-first culture where every person is encouraged to bring their authentic selves to work and feel they belong and are valued. Our people have the creative space and time for innovative thinking, collaboration and balance. It's how our company was started and how we'll always operate.

We strive to foster an inclusive culture with a common sense of belonging under our mission. Our people and culture are what sets us apart, and we believe it's a big part of why PROS has been recognized as a **Great Place to Work**® two years in a row and has continued to receive accolades including **Best Workplaces in Texas, Most Loved Workplaces and People 100 Companies that Care.**

CHECK OUT OUR NEW CULTURE BLOG, LIFE AT PROS!

New in 2023, we introduced a 'Life at PROS' culture blog, a series of curated culture content that recognizes and highlights our diverse talent. From 'Meet the PROS' employee spotlights to award accolades and employee events, the blog gives a glimpse of what it's like to work at PROS and celebrates what makes PROS a great place to work.



Employee Feedback Loops

We believe frequent and transparent communication builds trust within the organization. From anonymous weekly pulse surveys and employee exit interviews to a DEI employee sentiment survey and a bi-annual engagement survey through Great Place to Work®, we provide a variety of **two-way communications channels** for employees to be part of conversations, share ideas and feedback, and engage with all levels of the organization.

This feedback helps influence our people programs and drive decisions to foster an inclusive work environment by highlighting what's working well and identifying opportunities for growth. We consistently share these themes back with employees to show how their feedback has influenced change and continues to feed the feedback loop via various communication channels – including our weekly newsletter, internal forums and external social channels, our IPROS intranet and in team meetings and quarterly town halls. New this year, we introduced monthly Live Q&As with members of PROS Executive Leadership Team, providing another avenue for **direct feedback on timely topics in a conversational format**.

In 2023, we transitioned our weekly employee pulse survey to an integrated tool with a **science-driven approach to collecting anonymous feedback and providing real-time actionable insights**. All employees now have access to personalized dashboards while leaders can review and engage with team scores and comments. Our CEO and CPO review employee comments frequently, and an official review board identifies themes and opportunities. Our pulse survey insights dashboard has proven to be a valuable tool for PROS leaders and program owners, and we're excited to explore its benefits further.



“Creating opportunities for open communication and cross-functional collaboration are essential to our success, and employee feedback, ideas and perspectives help influence change, giving us insight into what’s important to our people, what’s working well and opportunities where we can do better.”

– Nikki Brewer, Chief People Officer



We believe frequent and transparent communication builds trust within the organization.

We believe in taking care of our people so they can focus on taking care of our customers.

Inclusive People Programs

We believe happy employees make happy customers, and our goal is to help employees be their best selves by providing programs and resources that promote holistic wellbeing and productivity. We believe in taking care of our people so they can focus on taking care of our customers, the work on hand and managing life's expected and unexpected events.

Our people programs remain grounded in our core values providing the flexibility for employees to own their journey and make these programs work best for their individual needs and passions, innovative approaches to offer solutions that provide comprehensive support to our diverse workforce, and always a true expression of care in all the programs that we develop.



Our commitment to creating a healthy work culture focused on vitality and wellbeing has been recognized by earning **Cigna's Gold Level Healthy Workforce Designation** for 2023. Every year, Cigna evaluates wellbeing programs across the United States on qualifying components and recognizes companies that achieve a standard of excellence through their programs.

GLOBAL BENEFITS

Benefits are a significant part of the Total Rewards and cultural experience we offer to employees to help them thrive. We pride ourselves in a holistic and inclusive approach to our benefit offerings by prioritizing employee wellbeing which remains the focus in the programs, support and employee events we offer. Our benefits programs include healthcare coverage with access to a wide range of healthcare services for both physical and mental health needs; life and accident insurance; generous paid vacation, sick time, company holidays and leave options, including disability and parental leave; a robust employee assistance program; health advocacy services; and Medicare navigation support.

We support our employees' unique paths to parenthood by offering Baby Bucks for births, adoptions and fostering globally. In 2023 we expanded our fertility and family building benefits in the US through a new partnership that provides a fully integrated solution through our medical plan that removes barriers to care with a specialized care network and prescription program that helps our employees create a customized treatment plan that is best for them. Additional support includes adoption and surrogacy services and reimbursement.

We also offer a suite of wealth programs including retirement plan options such as a 401(k) with a company match that is immediately vested, pensions and an employee stock purchase program; pet insurance; employee referral bonuses; pre-paid legal services; identity theft services; discount programs; and tuition reimbursement.

We demonstrate our support for employee wellbeing in many ways, from employee-activities such as fitness and wellbeing challenges, to free lunch and snack options that cover various diets in our offices; standing desks, low or no-cost fitness facilities, mental health resources, paid personal and sick days (unlimited in some countries), quarterly company-wide mental health days, paid maternity and parental leave globally, and other health-related programs and education throughout the year.

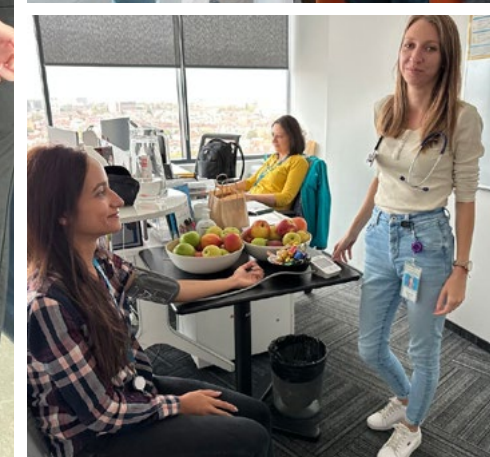


EMPLOYEE WELLBEING

PROS cares about employee mental and physical wellbeing, prioritizing the need and value of taking time away to reset, lower stress and improve overall mental wellbeing. We offer a wide range of company-wide benefits and initiatives to help our people balance their work and personal lives better, including **mental health programs, paid company-wide Recharge Days, and Trusted Time Off**, empowering employees to take discretionary time off while meeting business needs.

Our **Wellbeing Innovation Team**, an employee-led group of colleagues across business departments and regions, are the embodiment of what wellbeing means to PROS. They're dedicated to fostering a culture of health and balance, planning and leading initiatives that cater to the diverse wellbeing needs of our global staff. The team's goal is to empower employees with the knowledge, skills, resources and support to take ownership of their own physical, emotional, social, financial and career wellbeing needs.

Our Wellbeing team was busy in 2023, focused on campaigns and employee events centered around employee health. From hosting our **Global Healthy Habits Challenge** and sharing healthy, child-friendly recipes during Bring Your Kids to Work Day to cancer prevention initiatives and partnerships on ERG events, employee wellbeing was a visible theme throughout the year. Broader campaigns focused on **financial wellness education, Mental Health Awareness Month, Weekly Wellness Wednesdays and Global Wellness Week**.



LEARNING AND DEVELOPMENT

We are life-long learners and believe continuous learning and development of our greatest asset — our people — cultivates innovation and an inclusive culture. These are foundational to fulfilling our mission, and critical to our long-term success as an organization. We regularly invest in our employees' career growth and provide opportunities for personal and professional development in a wide range of skills designed to help them be more effective in their current and future roles.

CONTINUED EDUCATION

We offer **job-specific training** for critical roles, including sales enablement and product support. PROS University, our internal learning platform, provides a wide-reaching range of education courses covering topics from product training to social skills development and technical training to inclusive behavior education. Employees are able to select these courses from the catalog when desired.

TALENT PLANNING

Annually, we complete a **comprehensive talent evaluation and succession planning** process. This includes people leader evaluations of all employees and detailed succession planning for all director positions and above, with Board oversight for senior management and other key roles.

ASPIRING LEADERSHIP DEVELOPMENT

In 2023 we re-launched **Accelerate**, a development program for aspiring people leaders. Throughout the year, 7 cohorts of employees completed the 4-month virtual program with additional cohorts scheduled for 2024.

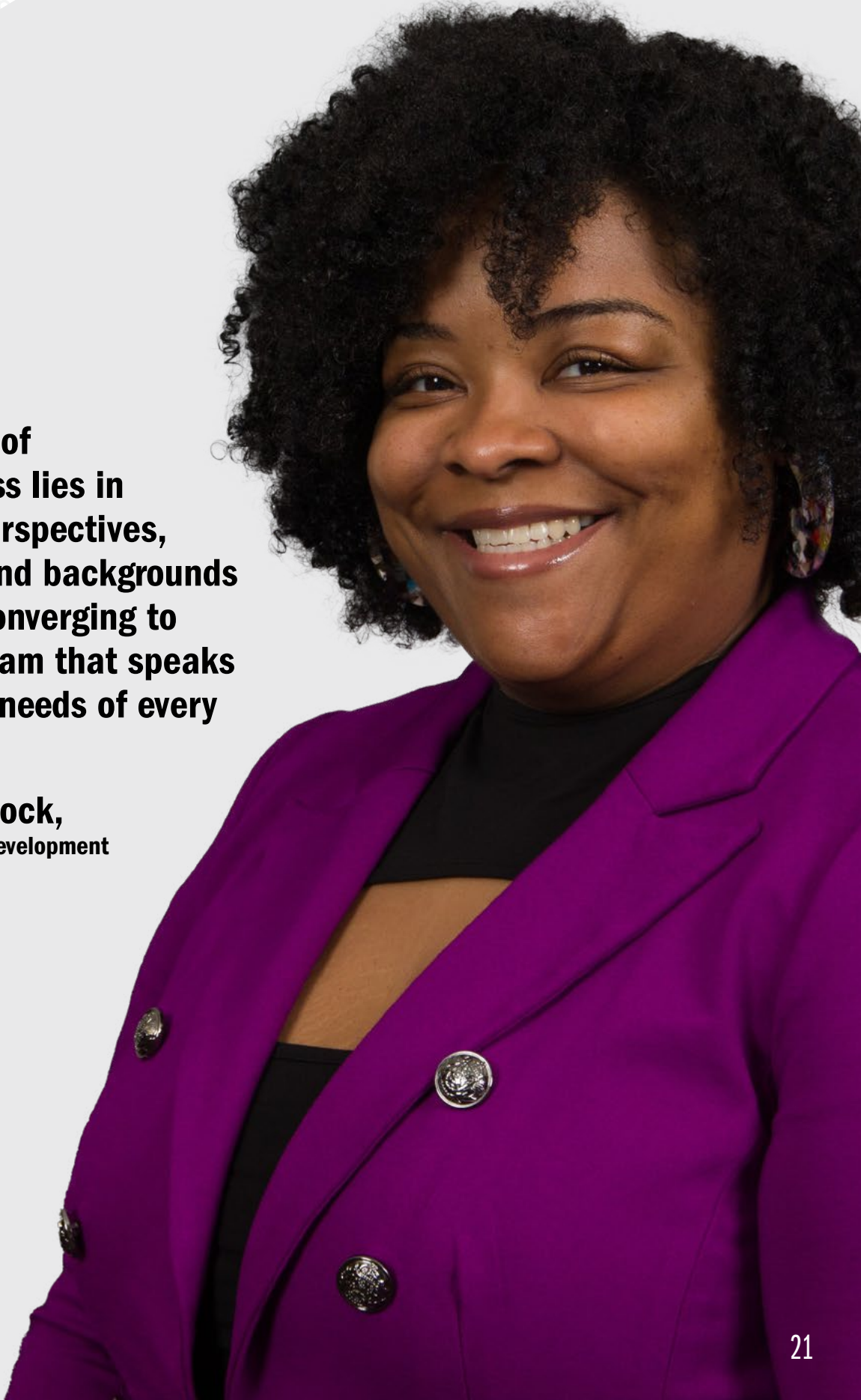
MENTORSHIP

In 2023, we introduced **CareerCompass**, an inclusive mentoring program designed to empower employees at all levels to achieve their full potential, enhance their professional networks and grow in their careers. Through strong mentoring relationships, we drive employee retention, engagement and career guidance, while fostering a sense of community and connection across the organization.

ENGAGEMENT OPPORTUNITIES

We also offer several ways for our people to take ownership of their development and get involved outside of their job to network, learn from others, and grow their skillsets within PROS including but not limited to joining our Employee Resource Groups, PROS Pals onboarding team, Wellbeing Innovation Team and PROS Talks.

As we continue to look toward the future, we carry our focus on AI forward, with the intention to integrate innovative AI in all areas of the business. Our L&D program will share this emphasis in its ongoing program development.



“The strength of CareerCompass lies in the diverse perspectives, experiences and backgrounds of the team converging to create a program that speaks to the unique needs of every employee.”

– Shanae Carlock,
PROS Learning and Development

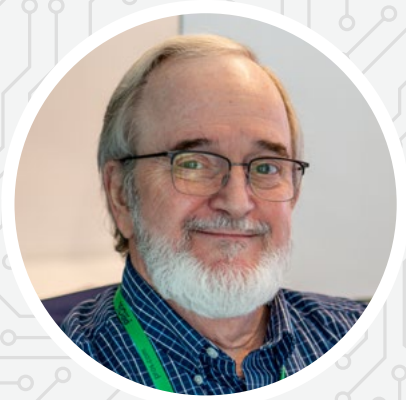
LEADERSHIP GROWTH

Our people are our most valuable asset, and we recognize the importance of investing in our people leaders with ongoing development opportunities to help them further sharpen their skills to bring out the best in their teams.

Starting the leadership journey, the PROS manager onboarding program helps newly-promoted and newly-joining people leaders make a successful transition into their roles. This program includes a monthly manager orientation, facilitated collaboration with teams to get to know their leader, and an online knowledge-base for ongoing reference.

For the wider management population, we provide a portfolio of resources to ensure they are kept well-equipped and well-informed.

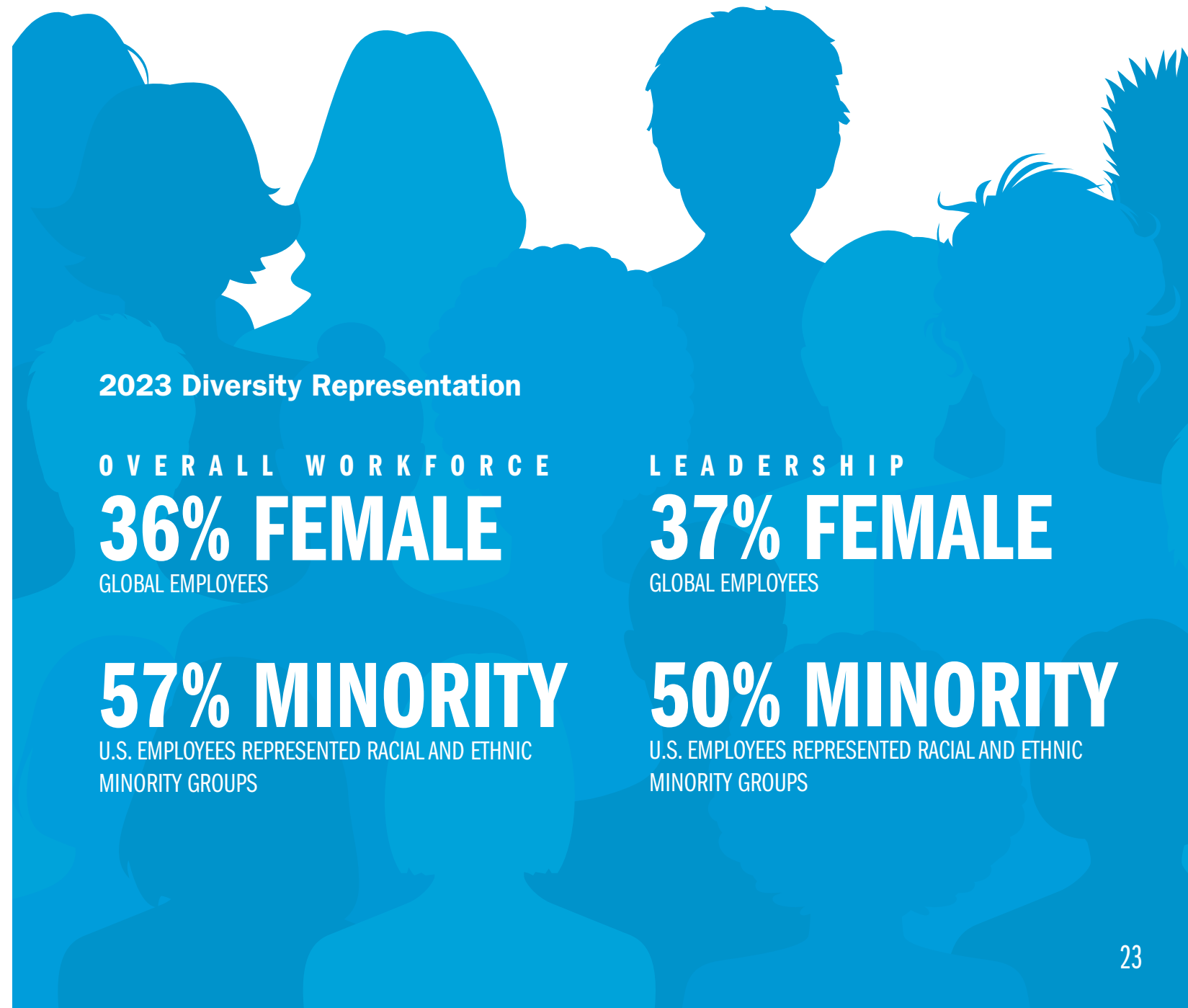
- **People Leader Network** – an ever-expanding online central hub dedicated to resources, training, networking, and growth opportunities specifically for people leaders at PROS
- **Monthly People Leader Newsletter** – a comprehensive communication containing essential dates, initiatives, and actions for managers to be aware of for the month, consistently keeping people leaders up to date on action items and expectations
- **Live Leader Sessions** – a facilitator-led program conducted on the third Wednesday of each month where timely topics are discussed in more detail with opportunity for in-depth conversation amongst peers and process owners
- **Leader’s Lounge** – a secure space for people leaders to engage with peers with questions and advice



Diversity, Equity and Inclusion (DEI)

We believe DEI drives true innovation and ownership. Our commitment to diversity and inclusion starts at the top with a skilled and diverse Board which provides oversight for our human capital resource efforts, including our DEI programs and initiatives.

As of December 31, 2023 our Board was comprised of majority female and racial and ethnic minority directors, with diverse (both female as well as racial and ethnic) representation on our Board for more than 10 years.





We strive to maintain a working environment that celebrates diverse perspectives, cultures and experiences and invest in programs to engage our employees.

Collaboration was at the center of many of our DEI Programs in 2023. Our #CelebrateDiversityMonth social campaign throughout April put a spotlight on our expansive people and culture programs—all motivated by ensuring that all employees feel a sense of belonging and support in achieving their full potential.

In 2023, our programs carried forward our theme of better together by working alongside our Benefits and Wellness teams for many of our flagship **Learn and Connect (L&C) Series** events, company-wide social and educational events centered around bringing employees together to grow through education and personal connection. These always popular flagship events covered a wide range of topics.

2023 LEARN & CONNECT EVENTS

- Lunar New Year
- Black History Month
- International Women’s Day
- Salsa con Salsa
- Eid – *new in 2023*
- Juneteenth
- Pride Celebration
- Hispanic Heritage Month
- National Coming Out Day
- Diwali
- International Men’s Day – *new in 2023*
- Adopt-a-Family toy drive

As in previous years, these events remain among PROS most highly attended events outside of our quarterly business town halls.

We carried our focus on collaboration to the **Houston DiverseCity Summit** where a team of PROS DEI practitioners including our program lead, ERG leaders, and owners of our people programs participated in engaging sessions designed to share expertise and provide an open forum for dialogue. Inclusive leadership, DEI practices and the evolution of DEI were among the various topics explored along with a review of benchmarking data dashboards. The team came away with fresh ideas to drive the ongoing growth of program initiatives and measurement.

As in previous years, we continued to apply other avenues to promote DEI including the following

DEI CONTINUED EDUCATION COURSES: Every year, employees complete DEI continued education through PROS University. Our 2023 course selection, *Your Role in Workplace Diversity*, included practical application where employees navigated various scenarios and were provided feedback based on the responses and actions they selected.

QUARTERLY DEI DASHBOARD: We share a DEI analytics dashboard accessible to all employees through Workday each quarter.

QUARTERLY BUSINESS REVIEW: We ensure our Executive Leadership team and Board are engaged and aware of ongoing DEI initiatives through dedicated updates in our Quarterly Business Review and Board meetings. Our DEI Council also has direct access to the Executive Leadership team.

PROS DEI HUB: We provide all DEI updates within the hub—a single, central source for all DEI information located on our intranet for employees to easily find and access DEI resources and events.

CULTURE AMBASSADOR AWARD: We present a Culture Ambassador award as part of President's Club, PROS highest honor, to recognize an individual's contributions to fostering an inclusive culture.

EQUITABLE PEOPLE PROCESSES: DEI principles are integrated into all people-focused offerings, including base pay, incentives, performance management and succession planning. We run all actions through a diversity lens before final decisions are made, purposefully looking for unconscious biases in our thoughts so we can eliminate them from influencing our decisions.

The team came away from the Houston DiverseCity Summit with fresh ideas to drive the ongoing growth of program initiatives and measurement





In 2023 we received the honor of being named an **Outstanding Diverse Business at the Houston Business Journal Diversity in Business Awards**, an indication that the work we are doing across our people and culture programs is producing the desired impact.

We are proud of our inclusive culture, and we recognize that we still have work to do. We are committed to learning and evolving to deliver the best experience possible for our people, and we continue to grow our programs and develop greater awareness within our global organization and communities. We want our people not only to be proud of the work they do, but also proud of the culture and company they work for.

Additional information on our DEI strategy, diversity metrics and programs can be found on our website at pros.com/about-pros/diversity-and-inclusion.

EMPLOYEE RESOURCE GROUPS

We have a heritage of fostering inclusion and belonging, awareness and education, and social interaction and camaraderie through our Employee Resource Groups (ERGs). Funded by PROS and sponsored by members of our senior leadership team, these employee-led groups are open to any interested employee and create spaces for our people to connect around common life experiences and backgrounds. Our ERGs champion our DEI initiatives and foster a workplace culture of inclusion and belonging.

In 2023 our ERGs continued sustaining their missions and the corporate DEI strategy by offering focused programming and ongoing support. Their participation in corporate-driven initiatives expanded the reach and impact of these programs. Some highlights of the company-wide programs and initiatives our ERGs participated in are outlined below.

- Annual Bring Your Kid To Work Day
- Community Outreach Activities
- Employee Appreciation Day and Wellness Week
- Coffee Chats with our CEO and CPO



BLAZE

Mission: to invest in the development of women at PROS by providing opportunities for skill-building and leadership in business and technology.

2023 Theme: Connections – BLAZE 2023 initiatives centered around making connections—with ourselves, with each other, with thought leaders.

2023 Program Highlights:

- **International Women’s Day Program** – Dynamic session focused on the IWD2023 theme of #EmbraceEquity and blended expert research along with personal experiences.
- **Mentoring Circles** – Small group roundtable conversations on focused topics hosted by a PROS SME
- **Member Social Events** – Monthly Meetups, Happy Hours, Ice cream social
- **Breast Cancer Awareness Campaign in Partnership with PROS Wellness** – HOPE Kit Packing Parties across the globe, Preventive Health speaker and 5k in Ecuador
- **Members pulse survey session featuring PROS CPO, Nikki Brewer** – A conversation focused on survey results, gender-based gaps and actions driven by previous reviews



EMPOWER

EMPOWER

Mission: dedicated to attracting, developing, and retaining Black talent at PROS through professional development, enhancement of cultural awareness and empowering underserved communities.

2023 Theme: Continued focus on external presence, career development and skill-building, and inclusion events/community development.

2023 Program Highlights:

- **Interface Podcast** – Forward progress included publishing Season 2, reaching 1,000 listens, and rolling out an executive challenge to feed guests for Season 3, and presence at Bring Your Kid to Work Day event with podcast-style interviews with PROS kids
- **Mentoring Program** – A carry-forward of ongoing partnerships established in 2022
- **Black History Month keynote featuring Dr. George Wright** – An engaging, thoughtful and refreshing talk centered on “The Importance of Black History”
- **Junior Achievement program (3DE)** – Partnership with local high school to coach students throughout a business case challenge and serve as judges for the final competition
- **Juneteenth Celebration** – An educational program featuring Black History Jeopardy game and ice cream social powered by local black-owned business
- **Adopt-a-Family** – A partnership with the Global Volunteer Program for the Global Day of Caring which supported 27 children across 9 Houston-area families



PRIDE

PRIDE

Mission: to foster a positive environment for LGBTQIA+ individuals and allies at PROS by creating community, focusing on professional development, and celebrating differences, diversity, and inclusion.

2023 Theme: Growth of the ERG and program expansion.

2023 Program Highlights:

- **Pride Month Education Campaign** – Sharing of valuable information on a range of LGBTQ+ topics on internal forums
- **Pride Celebration** – Program featuring a fireside chat on allyship with Jermisha McCoy, co-founder of the Queer Wellness Network
- **National Coming Out Day** – A panel experience with Dr. Renee McLaughlin, Cigna’s National Medical Director in Value-Based Relationships, along with featured PROS employees sharing their own personal experience navigating the coming out process



UNIDOS

Mission: to serve as a resource for the representation, advancement, and inclusion of Hispanics/Latinos at PROS.

2023 Theme: Bringing together groups from all backgrounds to connect, learn, network and amplify their collective impact through cultural awareness and learning as well as personal and career support initiatives.

2023 Program Highlights:

- **Salsa Con Salsa** – A widely popular event combining friendly competition for the best salsa recipe followed by Latin dance instruction
- **Cafecito con UNIDOS** – Casual gathering featuring Latin-based coffee and pan dulce centered around sharing and connection
- **Summer Language Challenge** – An opportunity to expand Spanish language skills using an online platform alongside challenges that encouraged ongoing learning with personal interactions
- **Hispanic Heritage Month** – A campaign including spotlight Meet the PROS social campaign featuring PROS members of the Latin/Hispanic community on our Life at PROS blog, a Financial Education series in partnership with Fidelity, a special Cafecito featuring educational games on Latin culture and history



YoPROS

Mission: to connect young professionals across the organization with opportunities to foster professional growth, develop leadership skills and cultivate meaningful relationships at PROS.

2023 Theme: Growth of existing programs and introduction of new programming to expand reach and provide greater impact.

2023 Program Highlights:

- **Open Mic** – An opportunity to hear from leaders across PROS share their insights and advice on a focused topic related to career growth
- **PROS Talks** – Partnership to co-host this program focused on short talks centered around “ideas worth implementing” in both professional and personal areas
- **MasterClass** – Development sessions hosted by PROS SMEs, each focused on a particular topic of interest
- **National Young Professionals Day** – A PROS-based trivia happy hour for teams of employees to enjoy some friendly competition and learn fun facts about PROS executives
- **Inaugural Book Club** – Loosely-guided discussions facilitated by YoPROS Executive Sponsor and PROS Chief Product Officer, Sunil John which allowed for free-flowing dialogue around leadership skills

Hybrid Workplace

We believe in cultivating an inclusive employee experience that promotes in-person collaboration to drive innovation with the flexibility of virtual work to help both our people and PROS outperform. We continue to evolve our hybrid workplace model by incorporating the lessons we've learned from virtual and hybrid work centered around the core belief of the importance and value of human connection. We're defining flexibility at the team level to balance the needs of the business with individual preferences, and we're intentional when we come together about making the most of in-person collaboration. We also offer our Global Travelers program which gives employees the flexibility to work away from their normal work location for up to 90 days a year.

We're also helping employees in how they work – how they can best communicate, collaborate, and connect in ways that are most efficient, productive and inclusive of everyone, no matter where they work.

Our **Hybrid Hub**, an evolving playbook for hybrid work at PROS, gives our employees, people leaders and teams a central resource of tools, research and best practices from experts and peers to help them work more productively and efficiently together. This valuable space includes a collection of tools including

- **Collaborate Like PROS** – a toolkit that helps teams discover the best applications for their project needs
- **Meet Like PROS** – a series that shares inclusive meeting best practices
- **Tips from the PROS** – weekly tips and tricks to promote productivity

We also continue to leverage our internal social channels to bring global colleagues together to connect, laugh and share 'in the moment' with one another in addition to support and helpful resources.





Community Outreach

PROS has a history of supporting our communities across the globe through partnerships with organizations including Kids Meals, local food banks and Lotus House Miami as well as through the work of our ERGs. Volunteer activities are driven by the passions and interests of our employees coupled with the needs of the community. We also have several employees who offer courses through university continuing education programs covering subjects like pricing and AI applications.

In 2023 we rolled out the inaugural **PROS Cares Global Volunteer Program**, putting structure around PROS community outreach efforts. This initial program rollout featured a volunteer challenge focused on both volunteering and connection. Employees were encouraged to participate in volunteer activities across the globe alongside colleagues and friends.

The challenge was followed by the **PROS Global Day of Caring**, a day of giving back together in honor of International Volunteer Day. Employees across the globe came together to support their communities through adopt-a-family holiday programs and toy donations as well as food and hygiene drives alongside gatherings to celebrate the successes of the year.

We will continue to adapt and expand our volunteer program over the coming years while maintaining a focus on connection and flexibility, allowing for employees to make the program their own.



Corporate Governance

Board of Directors

PROS Board of Directors, elected by our stockholders, sets corporate policies and provides oversight for our business. The Board selects our CEO, who serves as the leader of the company—advising senior management, setting strategic vision and monitoring our performance. Our Board has adopted formal Corporate Governance Guidelines to ensure that it has the necessary practices in place to review and evaluate our business operations as needed, to make decisions that are independent of our management, and to align the interests of directors and management with the interests of our stockholders.

As with all areas of our organization, representation in our Board matters. With a mix of backgrounds, we feel our Board reflects our employees, the customers we serve, and our stockholders:

Gender	Race & Ethnicity	Tenure
40% FEMALE	40% REPRESENTED RACIAL AND ETHNIC MINORITY GROUPS	AVERAGE 7 YRS. 60% < 4 YRS. TENURE
Skills, Experience & Background		
ACCOUNTING	PUBLIC COMPANY GOVERNANCE	
BUSINESS OPERATIONS	RISK MANAGEMENT	
CLOUD SOFTWARE	SALES & MARKETING	
FINANCE	SOFTWARE PRODUCT DEVELOPMENT	
LEADERSHIP	ECHNOLOGY	
M&A	TRAVEL INDUSTRY	

SALES LEADERS ADDED TO BOARD

In the Fall of 2023, our Board added two accomplished Go-to-Market leaders, Michelle Benfer and Cynthia Johnson.

Michelle Benfer currently serves as Senior Vice President of Sales at BILL Holdings (NYSE: BILL), a leading financial operations platform for small and midsize businesses. A skilled leader at some of the world’s most influential software and media companies, Benfer brings over two decades of leading and driving successful sales teams to the PROS Board.

Cynthia Johnson leads the Global Solution Sales team at ServiceNow (NYSE: NOW), the leading digital workflow company that helps the world work. Johnson and her team of specialist sellers enable customers to create new innovative experiences, accelerate digital transformation and unlock newfound productivity. She also participates on the Advisory Board of the Association of Women in International Trade (WIIT).

Additional information on our Board of Directors, including profiles for both Michelle Benfer and Cynthia Johnson, can be found on our [website](#).

OVERSIGHT

Our Board committee charters outline the Board’s responsibility for environmental, social and governance issues regarding compliance, risk oversight, ethics, security and human capital management. The Board works with and is actively engaged with our leadership team to ensure business continuity of our services to clients and support to our workforce.

Our Board is actively involved in oversight of our risk management program, and cybersecurity represents an important component of our overall approach to enterprise risk management (ERM). The Audit Committee spearheads the oversight of our cybersecurity risk management and regularly meets with our Chief Information Security Officer and other members of management, including those with significant roles in our cybersecurity efforts. Annually, our Audit Committee and full Board conduct a comprehensive risk assessment, informing our ERM program and priorities.

Transparency and Ethics

CODE OF BUSINESS CONDUCT AND ETHICS

Our [Code of Business Conduct and Ethics](#) (Code of Conduct) provides clear expectations for making business decisions. Our Code of Conduct applies to our entire business, and anyone that we engage in business activities with. We require all employees to annually complete training on, and acknowledge, our Code of Conduct.

TRAINING

We provide training to employees based on their role, location, and management responsibility, including on-line courses required for all employees. In 2023, we provided training to all employees globally on our Security policies and practices, our Code of Conduct, Understanding Your Role in Workplace Diversity, and Harassment Prevention.

REPORTING

We maintain an independent third-party hotline where anyone, anywhere, anytime can raise a concern or report a suspected violation of our policies, procedures, or the law. We publicize our hotline through our Code of Conduct, our intranet and employee training. We strictly prohibit discrimination, retaliation or harassment of any kind against any person who acts in good faith in reporting information to PROS or law enforcement concerning a possible violation of applicable law or PROS policy. A report can be made anonymously, whether by phone or online. Reports are investigated, and any necessary disciplinary and/or remedial action is taken as appropriate.

THIRD-PARTY COMPLIANCE MANAGEMENT

We maintain a third-party screening tool that assesses all third parties onboarded for sanction restrictions to ensure we are working with permissible counterparties. We maintain a global [Supplier Code of Conduct](#) that sets forth the expectation for suppliers working on our behalf to comply with all laws and to act ethically and with integrity at all times.



Data Privacy and Security

At PROS, security is the responsibility of everyone. We take data security and privacy seriously. When an organization partners with us to optimize their shopping and selling experiences, they often entrust us with data that is commercially sensitive or proprietary. We honor that trust by managing a comprehensive, written information security program that contains administrative, technical, and physical safeguards designed to ensure that customer data remains secure and is managed in compliance with all regulatory requirements applicable to PROS and the subscription services we provide.

Furthermore, PROS maintains an Information Security Management System (PROS ISMS) that defines PROS policies, standards, guidelines and procedures as part of PROS documented information security program covering the management of information security for the Subscription Services and all related PROS internal operations. PROS ISMS is designed to:

- 1) Establish directives and principles for action regarding information security.
- 2) Document and maintain compliance with statutory, regulatory, and contractual requirements.
- 3) Monitor, evaluate, and adjust, as appropriate, considering relevant changes in technology, threats to PROS or to customer data and security and privacy regulations applicable to PROS.

SOFTWARE DEVELOPMENT

We utilize best practices in the development of our software to help protect customer data and ensure it is managed securely and safe from third-party attacks. PROS has adopted secure coding standards, developed in accordance with the OWASP Top 10 and SANS guidelines, which define the security principles, standards, guidelines, and best practices for secure code development and testing. For example, we perform both static and dynamic analysis on our software code during the development process to identify potential security vulnerabilities.

ONGOING TESTING

We regularly test key controls, systems and procedures in our information security program to validate their effectiveness in addressing threats and risks. We also conduct frequent internal audits, annual independent third-party audits and risk assessments to continuously monitor the threat landscape.

LEAST PRIVILEGE ACCESS

We limit access to information systems and data to named and authorized individuals with a legitimate business need and appropriate approval(s). We also require a two-factor authentication safeguard for access to critical systems.



THIRD PARTY CERTIFICATION

Data security certifications demonstrate commitment, accountability to SaaS security and helps our customers make informed choices. We verify the effectiveness of our security with annual independent third-party audits for compliance with the SOC1, SOC2, CSA, ISO 27001, ISO 27018 and PCI (where applicable) certification standards. For more information on programs and processes related to these standards, regulations, and certifications, please see our Trust & Security and Contracts Center on pros.com.

PRIVACY

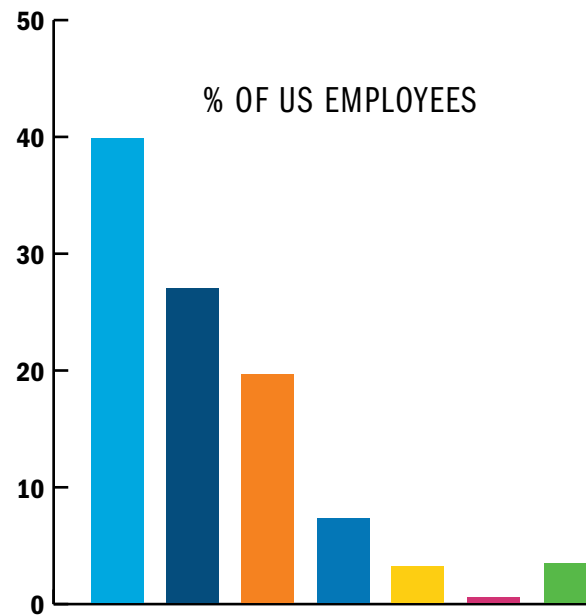
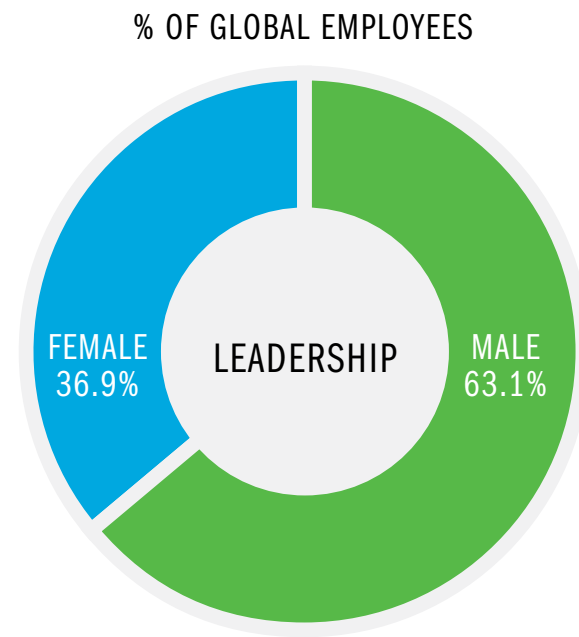
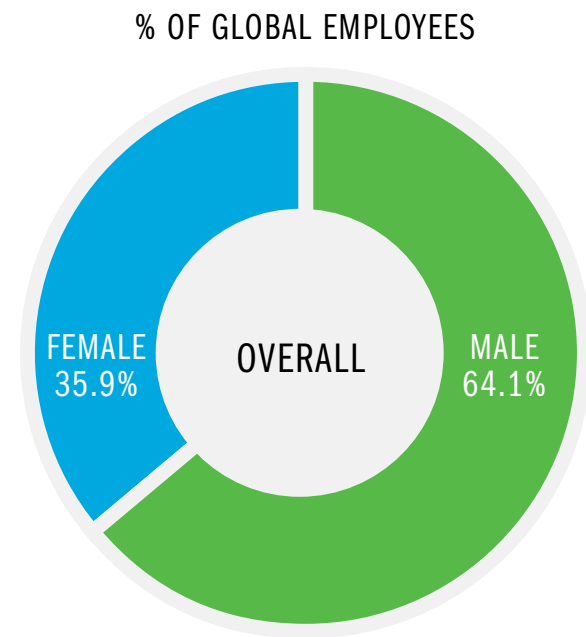
We maintain procedures and processes designed to ensure that we and our third-party suppliers that interact with personal data on our behalf, comply with laws that regulate data privacy collection and use, including the EU's GDPR and California's CCPA/CPRA. We also monitor, evaluate and adjust, as appropriate, considering relevant changes in technology, threats to PROS or to customer data and security and privacy regulations applicable to PROS. For more information on how we collect, use, and protect personal information, please see our Privacy Notice.

TRAINING

PROS requires all employees and contractors to complete annual data security awareness training to promote a culture of security awareness. As part of our ongoing cybersecurity awareness training program, our employees participate in simulated email phishing exercises on a periodic basis. PROS also requires additional role-based training to PROS personnel as appropriate, including training for employees who have access to sensitive data.

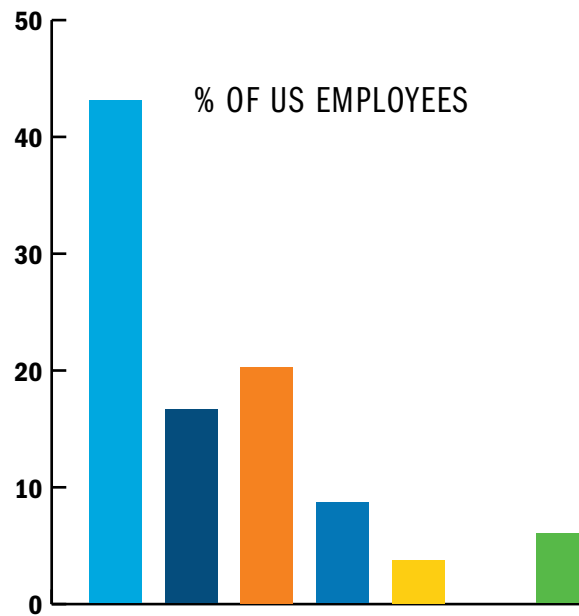
Appendix

People DIVERSITY



57% RACIAL AND ETHNIC MINORITIES

- 39.8% WHITE
- 26.9% ASIAN
- 19.6% HISPANIC OR LATINO
- 7.2% BLACK OR AFRICAN AMERICAN
- 3.0% TWO OR MORE RACES
- 0.1% NATIVE AMERICAN
- 3.4% NOT IDENTIFIED



50% RACIAL AND ETHNIC MINORITIES

- 44.0% WHITE
- 16.8% ASIAN
- 20.7% HISPANIC OR LATINO
- 8.7% BLACK OR AFRICAN AMERICAN
- 3.8% TWO OR MORE RACES
- 0.0% NATIVE AMERICAN
- 6.0% NOT IDENTIFIED

RACIAL & ETHNIC MINORITIES

DIVERSITY continued

AGE GROUP	2022 HIRING RATE	2022 EOY REPRESENTATION	2023 HIRING RATE	2023 EOY REPRESENTATION
20'S	36%	18%	43%	18%
30'S	36%	37%	31%	37%
40'S	12%	25%	12%	26%
50+	10%	18%	4%	16%
NOT IDENTIFIED	5%	2%	11%	3%

Notes:

- Analysis includes full-time employees who were employed on the last day of the fiscal year.
- Hiring rates include all hires in each year, regardless of year end employment status, and includes only external candidates (i.e., excludes internal transfers and promotions).
- Senior leadership roles are defined as the four manager levels and three individual contributor levels below our CEO (in addition to our CEO).
- Gender data is self-reported binary gender for insurance purposes. In future reports, we plan to use self-reported gender beyond the binary.
- Race/ethnicity data is self-reported. A few other notes:
 - Employees can respond to this question with multiple select options.
 - Because employees are allowed to update their demographic information at any time, and analysis is conducted using the most current demographic information, historical data from the FY22 and FY23 reports may differ.
- Data based on demographic data and categories in Workday, some of which are self-reported, and reviewed by our People and Talent Acquisition teams.

MEMBERSHIPS AND COLLABORATIONS

Through our corporate programs and the work of our Employee Resource Groups, we have continued to collaborate with and contribute to various organizations in meaningful ways and in service of our goals across Diversity, Equity, Inclusion, community outreach, and our policy work. Below are some of the organizations we worked with in 2023:



Customers

POLICIES, PRINCIPLES, AND APPROACHES

Below, we link to some of the documentation detailing our approach to trust, privacy, security, and compliance:

- [Privacy](#)
- [Acceptable Use](#)
- [Trust and Security](#)
- [Security Exhibit](#)
- [Cloud Security Guide](#)
- [Export Control](#)

MEMBERSHIPS, CERTIFICATIONS, AND OTHER COMPLIANCE STANDARDS

- CSA Star
- HIPAA
- OWASP
- SOC1
- SOC2
- ISO 27001
- ISO 27018
- PCI

Governance

BOARD OF DIRECTORS AT GLANCE:

- 10 Board members
- 100% of Non-Employee Directors are Independent
- 40% Female; 40% Ethnically Diverse
- 3 standing committees:
 - Audit
 - Compensation and Leadership Development
 - Nominating and Corporate Governance
- Separate CEO & non-Exec Chairman role
- All Board Committees comprised entirely of Independent Directors

OTHER LINKS

- [Board of Directors](#)
- [Governance](#)
- [Investor Relations](#)
- [Code of Business Conduct and Ethics](#)



Rashna Gummattira

SUSTAINABILITY AND DEI PROGRAMS

Rashna leads PROS Sustainability and Diversity, Equity and Inclusion (DEI) programs. She reports to PROS Chief People Office and Sustainability Program Executive Sponsor, Nikki Brewer, and is a member of the HR Leadership Team. Rashna partners closely with the Investor Relations, Governance and Facilities teams to drive our Sustainability strategy and collaborates regularly with owners of PROS People Programs. Prior to her current role, Rashna worked in the Professional Services organization, supporting PROS airline customers with business integration guidance through active implementations.

Forward Looking Statement Qualifier

Included in this presentation are forward-looking statements including, but not limited to, those related to our future plans related to certain sustainability topics. These predictions, estimates, and other forward-looking statements involve known and unknown risks and uncertainties that may cause actual results to differ materially from those expressed or implied in this presentation. We refer you to the documents we file with the Securities and Exchange Commission, which identify and discuss important factors that could cause actual results to differ materially from those discussed in these forward-looking statements. All statements included in these materials are based upon information known as of the date hereof, and PROS assumes no obligation to update any such statements, except as required by law.

