



Sustainability Report 2021

SimCorp A/S
Weidekampsgade 16
2300 Copenhagen S
Denmark

Company reg. no: 15505281
simcorp.com





Acting responsibly is part of our DNA
at SimCorp, as a company, as an
employer, and as individual employees.
Because everything counts.

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Statutory report of. Sections 99a, 99b, and 107d of the Danish Financial Statements Act for the financial year 2021 and the EU Taxonomy regulation.

This is the Group's 12th Sustainability Report, including our Diversity, Equity and Inclusion Report 2021 and an ESG report on non-financial metrics covering the period January 1, 2021 – December 31, 2021. All three reports are updated annually. Questions relating to the contents of the reports can be directed to info@simcorp.com. The company's Board of Directors has assessed and approved the report.



→ [Remuneration Report incl. executive ESG targets](#)

At a glance

As a truly global organization committed to foster a diverse, equitable, and inclusive workplace, our people are at the core of everything we do. We also help drive positive change in the world through our ESG investment solutions and our efforts to reduce our own and our clients' carbon footprint.



Number of employees

1,998

Increase in women as share of people leaders since 2019

32%

Nationalities across 27 locations

67



Sustainalytics' assessment of SimCorp with regard to experiencing material financial impacts from ESG factors

Low risk

Increase in share of clients hosted on **energy-efficient cloud solutions** from 2020 to 2021

25%

SimCorp Dimension clients

SimCorp's ESG investing solution was launched in 2021 with support for EU's Sustainable Finance Disclosure Regulation (SFDR) and EU Taxonomy – see case on Danske Bank Asset Management pages 17-18

25 clients bought the solution in 2021

SimCorp's ESG Fund for employees was established in 2021 to amplify impact of employee engagement in local sustainability projects

50,000

EUR in annual funding

Our sustainability promise

In fulfilling our purpose of ‘Enabling a prosperous life in a liveable world’, we commit to act on our beliefs, engage all our people, and put technology at the center. Demands for commitment to sustainability are rapidly increasing, with action on climate change and sustainable ESG investing at the forefront. Acting responsibly is realizing that everything, and everyone, counts.

SimCorp is part of a global ecosystem connecting the world’s largest financial players. As a leader in our field, we offer services that allow our clients to manage trillions of dollars in assets, ultimately affecting the lives of billions of people all over the world. With this position comes a responsibility and an obligation for us to embed sustainability into everything we do.

We will mobilize the company around the actions that will allow us to make the biggest sustainability impact. Therefore, while we strive to embed sustainability into as many

aspects of our organization as possible, we focus on the areas in which we see the biggest potential. To succeed, we will engage all our people and empower the efforts and competencies of each individual. Because everyone, and everything, counts.

As true sustainability goes beyond tackling climate issues, our approach must be broader than ‘environmental action’. We must establish an overarching and pragmatic model for working towards the greater good.

“We will engage all our people across the organization and put technology at the center to ensure sustainable growth.”

Christian Kromann
Chief Executive Officer



- 1 Christian Kromann, Chief Executive Officer.
- 2 Marlene Nyholm Voss, Chief Human Resources Officer.
- 3 Marc Schröter, SVP, Global Product Management.

Sustainability begins with commitment

In 2020, we took the first step on our journey by making sustainability part of our corporate strategic agenda and ambition. We also identified our three current sustainability focus areas ‘Expanding our support for ESG investing’, ‘Reducing our own and our clients’ carbon footprint’, and ‘Building a diverse, equitable, and inclusive culture’. We continue to believe that these areas are where we can make the biggest sustainability impact, while – combined – they also help create a meaningful work-life for our current and future employees.

Linking executive pay to ESG goals

In 2021, we unfolded our impact areas into material topics to enable concrete ambitions to be set. We already report on a number of metrics and KPIs in our ESG report (pages 19-24) and will stay accountable to our goals. In 2021, the corporate scorecard included an ESG target on inclusion. In 2022, we include two ESG targets linked to the corporate scorecard and Executive Management Board's bonus. One ESG goal is linked to our clients' transition to energy-efficient cloud solutions and one is related to improving diversity, equity, and inclusion.

Reducing our own and our clients' carbon footprint

Climate change and the transition to a low-carbon economy, as set forth by the 2015 Paris Agreement and reaffirmed with the 2021 Glasgow Climate Pact, are among the defining challenges and opportunities of our time and key sustainability impact drivers for SimCorp. We are committed to run our business in an increasingly more sustainable way and will move all our internal operations from on-premise data centers to cloud (Microsoft Azure) by 2024. We also leverage cloud and other technologies to offer energy-efficient services that help our clients reduce their carbon footprint.

Supporting sustainable ESG investing

SimCorp's ambition is to be a leading provider of sustainability-related solutions and to support the industry in its transition towards sustainable finance. Already, we make it possible for the world's largest investment institutions to turn sustainable ESG investing into a mainstream activity across their investment business areas. We do this by offering data services across financial and non-financial data, by offering comprehensive services for ESG regulation, and by enabling the use of ESG metrics and new analytics across the value chain of investment operations. Already six months after launch, 25 clients have acquired SimCorp's ESG investing solution.

Running a sustainable company built on a diverse, equitable, and inclusive culture

Our ambition is to make SimCorp a platform for positive sustainable social change – for our employees, our clients, and the societies in which we operate. Reflecting our commitment, in 2021, we introduced two new workplace policies and a mentorship program, signed a pledge to achieve a 40/60 gender balance, and conducted various diversity, equity, and inclusion activities. We continue these efforts in 2022, because this is the right thing to do for both our people and our business. By leveraging diversity, we can enhance performance, increase innovation and creativity, and achieve our sustainability goals together.

Staying accountable

This report is our third Communication on Progress on our efforts to integrate the UN Global Compact's Ten Principles and contribute to the UN Sustainable Development Goals.

“Building a diverse, equitable, and inclusive culture is key to running a sustainable company. It will enhance our performance by creating more innovative, creative, and effective teams that can bring more perspectives into our decisions – big and small.”

Marlene Nyholm Voss
Chief Human Resources Officer

“Enabling sustainable investing and developing energy-efficient services are key priorities.”

Marc Schröter
SVP, Global Product Management

Christian Kromann
Chief Executive Officer

Marlene Nyholm Voss
Chief Human Resources Officer

Marc Schröter
SVP, Global Product Management

Our roadmap to sustainable impact

SimCorp's approach to sustainability is rooted in our DNA, and we are guided by our values, policies, and codes of conduct. Our roadmap to sustainable impact is supported by our governance structure and our monitoring, measuring, and reporting framework.

To meet our sustainability ambitions and to do what we believe must be done, we carried out a comprehensive sustainability project in 2021 under the header 'Roadmap to sustainable impact'. Run by PwC and involving key internal stakeholders, the purpose of the project was to ensure that we have the necessary foundation in place to pursue our ambitions, while also being able to meet increasing reporting regulations and stakeholder demands. Also, the project included a further exploration of our current sustainability focus areas.

Charting the path to impact

To chart a strategic path to further developing our work with sustainability and to help maximize impact from our sustainability activities, the following key project outcomes have been achieved and planned.

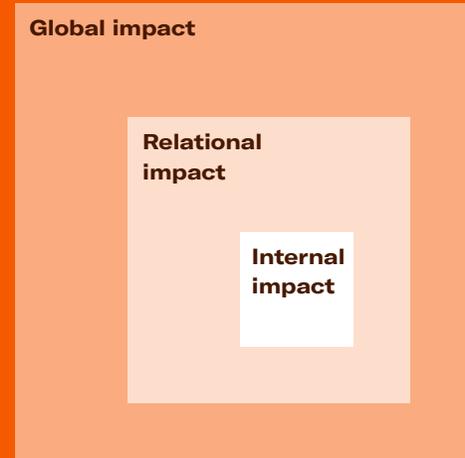
Outcomes achieved:

- Sustainability governance structure mapped
- Establishment of a Sustainability Committee, chaired by our CEO
- SimCorp's impact areas unfolded into material topics and adjacent material topics identified to monitor
- Double materiality concept applied to SimCorp's impact areas and underlying value- and risk-drivers identified
- Identification and selection of sustainability-related management incentives

Scheduled 2022 activities:

- Exploration of requirements for Science-Based Target commitment
- Preparation for TCFD disclosure (Task Force on Climate-related Financial Disclosure)

Impact mapping



Global impact: Indirectly through expanding our support for our clients' ESG and sustainable investments, which can drive a huge positive impact and significantly reduce negative impact.

Relational impact: Through reducing the carbon emissions related to running the SimCorp services consumed by our clients, choosing suppliers who align with our values, and supporting our employees' engagement in sustainability projects in their local communities.

Internal impact: Through reducing our own carbon emissions from our operations and offices, and by building a diverse, equitable, and inclusive workplace where our staff can thrive and develop.

→ Sustainability Policy

→ All policies and Codes of Conduct

- Preparation for SASB (Sustainability Accounting Standards Board) aligned reporting

Governance framework and policies

In 2021, we have established a Sustainability Committee as the oversight and decision body for sustainability, chaired by our CEO, which will report on sustainability updates and progress to the Board of Directors on a quarterly basis. Further, we have mapped sustainability governance roles and responsibilities to ensure progress and accountability on our focus areas.

Our policies and codes of conduct are part of our onboarding process for new employees and are aimed at guiding us when pursuing our business goals and sustainability agenda. We commit to ensuring a sustained adherence to the rules, guidelines, and principles by carrying out training and information activities for those to whom they apply and to perform continuous monitoring.

Supporting actions, processes, and achievements

Reflecting who we are as a company, we run a number of activities and processes to support the Ten Principles of the UN Global Compact and our commitment to realizing our sustainability ambitions. These activities focus on:

- The environment
- Social and employee matters; human rights and labor rights; and diversity, equity, and inclusion
- Ethics and anti-corruption

We stay accountable for our commitment to these focus areas and track our performance on a selection of related non-financial metrics, which are included in the ESG report on pages 19-24. Furthermore, SimCorp's compliance with the Danish Corporate Governance recommendations is covered in our Corporate Governance Report, which is part of our Annual Report 2021.

Impact on the environment

At SimCorp, we are committed to run our business operations and offer our services in a continually more sustainable way, thereby reducing our negative environmental impact, primarily comprised of energy consumption related to IT and software operations, office buildings, and travel activity. For a full overview of our main activities to reduce our negative impact on the environment see page 10 and our report on CO₂¹ emissions on pages 20-22.

Social and employee matters

Our strongly committed and skilled staff remains the foundation for our company and the key to our success and long-term growth. Ensuring that SimCorp is an attractive workplace where our employees thrive stays a top focus area for us. SimCorp's business is based on specialized expertise and innovation, hence, it is imperative that SimCorp continues to attract, develop, and retain the most skilled employees and management talent. Failure to do so constitutes a risk to the company.

To ensure SimCorp's ability to attract talented employees, an 'Employer Value Proposition' program is in place to strengthen the company's employer brand by increasing the awareness of what SimCorp has to offer new employees.

To retain talent in SimCorp, mentoring and leadership training programs are in place.

Substantial resources are allocated to training and development programs to ensure the strengthening of professional and personal skills across the organization. We regard the continual development of our employees' competences and their social, mental, and physical well-being and safety to be of high importance.

SimCorp's goals and metrics on employee turnover can be found in the ESG report on page 23.

Human rights and labor rights

At SimCorp, we are committed to respecting human rights and preventing any kind of modern slavery or child labour in our business and our supply chain. We support the rights set forth in the Universal Declaration on Human Rights and the core Conventions of the International Labour Organization (ILO), as well as the Principles of the UN Global Compact. Failure to comply with these rights and principles constitutes a reputational risk to the company.

Our commitment and principles are reflected in our Code of Conduct for Suppliers that guides our procurement processes, our Guidelines for Good Business Behavior for employees, and SimCorp's Statement on Modern Slavery Act, which can be found here:

- Code of Conduct for Suppliers
- Guidelines for Good Business Behavior
- Statement on Modern Slavery Act

¹ Emissions are reported as CO₂ equivalents (CO₂e), i.e., greenhouse gases other than CO₂ are multiplied by their Global Warming Potential (GWP) and hence converted to the equivalent amount of CO₂.

We recognize every human being as free and equal in dignity and rights at work, and we are committed to respect human and labor rights both in our own operations and in our relations with external partners. We wish to promote a working environment that is characterized by respect and fairness, equality, non-discrimination and non-harassment, and respect for labor. We do not accept any form of forced labor, nor child labor. All of our employees are expected to consider how their decisions may adversely impact human and labor rights, and to report any breaches of our standards to management or through our Whistleblower system.

In 2021, we have not reported any violations of human rights.

Our Guidelines for Good Business Behavior is part of the contract signed with all new employees, and our Code of Conduct for Suppliers is part all supplier contracts entered into. Going forward, we also aim to include our principles and guidelines on human rights in an e-learning program that all employees need to complete on a regular basis.

Further, SimCorp respects the rights of our employees to associate freely and engage in collective bargaining, if they so choose.

Diversity, equity, and inclusion

At SimCorp, we are dedicated to increasing diversity, equity, and inclusion across our organization. Following core values, national legislation and the international frameworks listed above, we commit to ensuring an inclusive organization with equal opportunity for all, treating all people with respect and working against discrimination in all its forms, and which respects individual characteristics such as gender, age, sexual orientation, nationality, religious, and political beliefs.

For a full overview of our commitment to diversity, equity, and inclusion, see our Diversity, Equity, and Inclusion Report on pages 12-14 and find our report on diversity metrics on page 23.

Ethics and anti-corruption

Respect for business ethics and the rule of law are a precondition for a fair and sound business environment.

In 2021, SimCorp adopted a Data Ethics Policy in accordance with Section 99 d of the Danish Financial Statements Act. The aim is to raise awareness of and enhance SimCorp's data ethical values and their anchoring in our organization. At SimCorp, we have a zero-tolerance policy on corruption and bribery in any form, and we are committed to conducting our business responsibly, both in our own organization and in our dealings with external partners. Non-compliance in this areas could lead to significant reputational damage among clients and employees as well as financial losses.

All new employees must sign up to our Guideline for Good Business Behavior that sets out thorough rules and thresholds around gifts and hospitality. In addition, SimCorp has an e-learning program in place that employees need to complete on a regular basis.

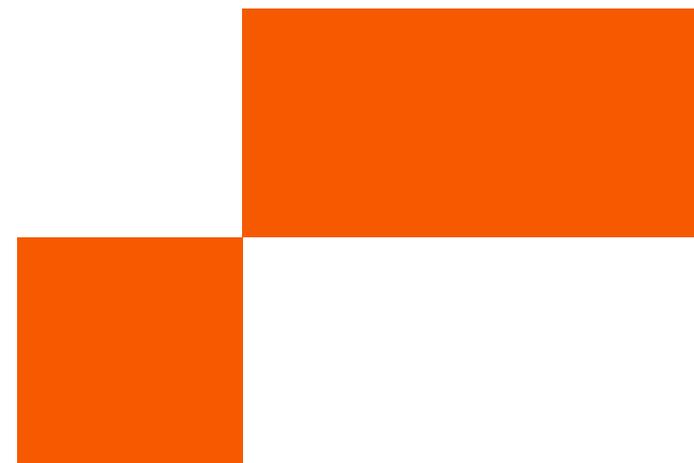
Our corporate anti-bribery rules and guidelines are also described in our Code of Conduct for Suppliers, which serves as a framework to guide our suppliers to act responsibly and in alignment with SimCorp's values. SimCorp has not seen any breaches of our anti-bribery rules during 2021, and we will keep up the work to inform employees and suppliers on the guidelines to prevent any breach in the future.

EU Taxonomy

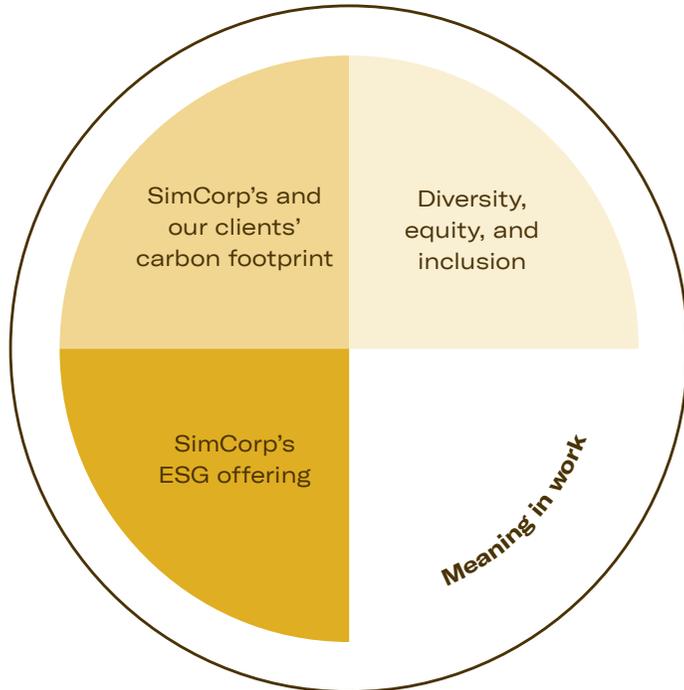
Report on EU Taxonomy Eligibility 2021

As part of the EU Sustainable Finance Action Plan, the EU Taxonomy was developed as a tool to help investors, companies, issuers, and project promoters navigate the transition to a low-carbon, resilient, and resource-efficient economy. As part of the first implementation phase entering into force by January 2022, technical screening criteria have been issued for economic activities which substantially contribute to climate change mitigation or adaptation.

During the year, we have assessed whether our activities are covered by the current scope of the Taxonomy to which they would be deemed taxonomy-eligible. In this assessment, we have not found any material taxonomy-eligible activities, and will in 2021 report 0% eligible turnover, CapEx and OpEx.



Key sustainability impact drivers



We have identified four key value drivers rooted in who we are as a company

Our commitment to sustainability is about making everything count and having a long-term impact. Although, we are a small part of a large ecosystem of financial institutions and investors, we are a leader in our field. And with our size and role comes responsibility. To embed sustainability into everything we do, as individuals and as a company, and to set our focus where we can make the most impact.

Our commitment to sustainability

Sustainability requires an holistic approach and it is not about cherry-picking or doing quick fixes. It is about working for the greater good in the long term. SimCorp's commitment to sustainability is to make everything count,

while focusing on the areas in which we can make the biggest impact. We have chosen four key sustainability impact drivers that are rooted in who we are as a company:

- Reducing our own and our clients' carbon footprint
- Expanding our support for ESG investments
- Ensuring diversity, equity, and inclusion for all across the company
- Creating meaning in work through the above

While currently focusing our efforts on these key impact areas, we continue to assess where we can make the most impact and, if necessary, adjust our priorities.

UN SDGs

SimCorp's four value drivers above will contribute particularly to these UN SDGs: 'Climate action' (SDG 13), 'Responsible consumption and production' (SDG 12), 'Decent work and economic growth' (SDG 8), and 'Gender Equality' (5).

Reducing our own and our clients’ carbon footprint

There is a need to help protect our planet from climate change caused by increasing global resource consumption. As carbon emissions constitute the key environmental impact related to SimCorp’s business model (see page 16), we commit to increasingly decarbonize our offerings and operations. We do this by leveraging technology for intelligent resource optimization, which is a key driver of reducing our own and our clients carbon emissions.

Decarbonizing our offerings and operations – initiatives and goals

In 2021, we have established:

- A roadmap for moving all our internal operations to more energy-efficient cloud hosting (Microsoft Azure) by 2024
- A full CO₂e baseline for all our data centers to be able to set future targets for our carbon emissions and track the impact of our carbon emission reduction efforts
- Greenhouse Gas (GHG) Protocol aligned reporting, which will enable us to track our carbon emissions in a more streamlined manner across our global organization and enable us to better focus our efforts on the most relevant impact areas.

In 2022:

- A dedicated project team will focus on exploring ‘green code’ and establishing best practices for developing energy-efficient client services
- A climate-related 2022 corporate scorecard goal is directly linked to our target for the number of clients who run a Software-as-a-Service (SaaS) energy-efficient cloud hosted solution.

Reducing food waste

Our canteen staff at SimCorp Headquarters has identified the most impactful measures to reduce food waste and carbon emission related to serving breakfast and lunch to

our employees. Their analysis clearly documented that knowing the exact number of people to serve and portioning the food instead of serving a buffet can potentially reduce food waste and carbon emissions by around 50%. Based on these finding, we have made it mandatory to register for lunch at the office and all food is portioned.

Expanding our support for ESG investments

Sustainability-related disclosure regulation is progressing in multiple jurisdictions around the globe. The closest deadlines have been set by the EU, which is phasing in the Sustainable Finance Disclosure Regulation (SFDR) and EU taxonomy. The aim is to raise the bar for ESG products, by demanding transparency and simplifying comparability between ESG products, to the benefit of investors.

SimCorp supports the aim of the regulation. During 2021, we have launched a set of solutions that help investment managers meet the specific regulatory demands of SFDR and EU taxonomy reporting, and also provide a consistent, integrated approach to sustainable investing. The offerings allow integration of ESG investing across the entire investment value chain, and in particular enable dilligent compliance management to ensure that critical ESG promises are fulfilled in every investment decision.

The sustainable investing solutions were co-created in partnership with Danske Bank Asset Management (AM) to ensure key outcome deliverables. The client-vendor partnership has enabled Danske Bank AM to take the solutions live and generated a fast traction on the onboarding of the solutions by other clients. In 2022, we seek to further evolve offers that improve efficiency in ESG investing operations, and also a more comprehensive support for impact investing. This will help further the societal impact captured by the double materiality concept, i.e. that sustainability matters can be:

We commit to:

- Reduce CO₂ emissions by moving all SimCorp operations from on-premise data centers to the cloud (Microsoft Azure) by 2024.
- Offer our clients to move their operations from on-premise data centers to cloud hosting (Microsoft Azure) for improved energy efficiency. We set a specific target of hosting 10 additional existing clients and 10 new clients in Azure in 2022.
- Develop and offer energy-efficient services to our clients to help improve overall energy footprint.

1. financially material to the company’s business value, and;
2. material to the market, the environment, and people.

SimCorp’s main product offering SimCorp Dimension® and its regulatory compliance services already enable global investment managers to meet increasing general demands for transparency and reporting, thereby supporting SDG Target 10.5: *Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations.*

Read the case on Danske Bank Asset Management on pages 17-18.

Diversity, Equity, and Inclusion Report 2021

We are committed to making SimCorp a truly diverse, equitable, and inclusive workplace. A workplace where all employees have equal access to opportunities, feel included, and are valued for the different perspectives and competencies they bring. We believe that SimCorp will be most successful when we are courageous, curious, and capable, and we collaborate to build a culture where everyone can thrive and be their true self – together.

To succeed with our global diversity, equity, and inclusion (DEI) commitments and ambitions, we continue to concentrate our efforts on our three strategic focus areas:

1. Build an inclusive culture
2. Boost diverse talent
3. Increase women in leadership

In 2021, we have continued to build upon the foundations of an inclusive culture, including increasing diversity and equity across our organization. We have reported on our DEI efforts and achievements in a number of external assessments, both voluntarily and by request, to ensure that we not only benchmark ourselves globally, but also continually improve. See page 21 for a full overview of our diversity reporting.

One significant change from 2020 is the addition of “equity” to our global diversity and inclusion strategy. Equally important is the hiring of our first ever Global Head of Diversity, Equity, and Inclusion.

In brief, during 2021, we have continued or expanded upon our activities within learning and development, internal policies and employment practices, external reporting, and our communication and awareness-raising across all areas. These initiatives are explained in greater detail below, and they overlap and complement one another.

Build an inclusive culture

To promote a diverse, equitable, and inclusive culture, all new employees participate in an onboarding program, which introduces them to SimCorp’s DEI agenda. Also, we offer



→ Diversity, Equity, and Inclusion Policy

→ Anti-Harassment and Anti-Bullying Policy

Statutory report on the underrepresented gender and diversity, cf. Sections 99b and 107d of the Danish Financial Statements Act.

self-guided and virtual training to promote a culture not only of inclusion, but also of continual learning and development. Topics are related to race, unconscious bias, inclusive leadership, and inclusion. Training is free to all employees and actively promoted via internal channels.

To bring these DEI learnings alive throughout the organization, we encourage the creation of Employee Resource Groups (ERGs). At the end of the year, we had three employee-driven groups globally, which cover topics related to race, ethnicity, gender, equality, LGBTQIA+, culture, and beyond. ERG activities include guest speakers, book clubs, training, event-planning, webinars, and more. We encourage employees to combine their curiosity and passion, and we promote the creation of further ERGs.

While COVID-19 has presented various challenges to our business globally, we have seized the opportunity to create guidelines and best practices for our new ways of working. This includes the creation of a global “Hybrid Work Policy”.

Boost diverse talent

We track, measure, and report on progress related to gender, age, and nationality. To increase diversity across these dimensions, we have created an internal “Diversity Dashboard” that provides managers access to their team’s diversity compositions. Further, we share best practices and success stories internally to inspire teams globally.

We continue to focus on gender throughout our recruitment process and strive for at least 40% of the underrepresented gender among shortlisted and hired candidates, which is aligned with our 2030 target of the same gender representation. We continue to make use of AI technology to screen job postings for biased language that might discourage otherwise qualified candidates. We aim to expand our talent pool while also hiring the most qualified applicants.

Increase in women as share of people leaders since 2019

32%

At the end of 2021, we defined expectations and established a Diversity Council of senior SimCorp leaders. This group will meet from 2022 to ensure that the voices, challenges, and experiences from the various parts of the organization are shared, amplified, and continually fed into our global DEI journey.

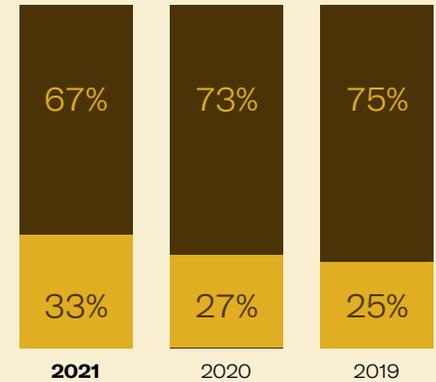
Board and Executive Management level

SimCorp aims for diversity for both the Board of Directors (BoD) and Executive Management Board (EMB). Selections for new EMB and BoD members should take into consideration gender, age, nationality, professional capabilities, and experience to ensure diversity for both group’s overall composition. In 2021, the BoD concluded that the total diversity for both groups is satisfactory considering the company’s strategy and markets. We are focused on increasing gender diversity in both the EMB and BoD, as this is aligned with our DEI strategy and gender pledge.

We met our 2021 target of 29% women on the BoD. Our target for EMB is 25% women by 2025. Going forward, we aim to increase gender diversity and will consider expanding targets to other diversity metrics for both groups.

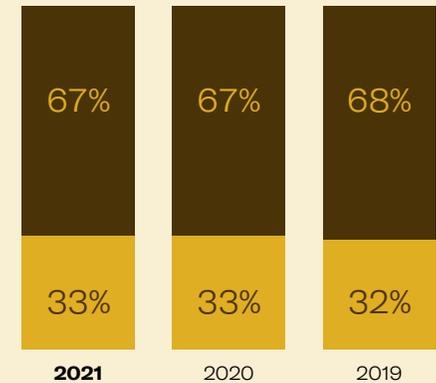
Women as share of people leaders (Managers)

Men
Women



Total workforce gender balance

Men
Women



In 2021, we improved our gender balance for people leaders (Managers) with an increase year-on-year of 27% for women; we will continue our gender balance focus for all employees in 2022. In 2021, 0.2% of our total employee population did not declare gender (2020: 0.1%, 2019: n/a).



To support our strategic focus on women in leadership, we launched our women's mentorship program in 2021.



Increase women in leadership

In 2021, we signed the Confederation of Danish Industry “Gender Diversity Pledge,” publicly declaring our commitment to reaching 40% representation of women at SimCorp by 2030. We are committed to increasing gender diversity at all levels of our organization, including at the management level. We regularly report on gender composition to the Board.

One concrete initiative designed not only to increase women in leadership, but also boost diverse talent and build an inclusive culture, is the creation of the women’s mentoring program. All SimCorp women have been invited to apply for the mentorship program and all participants were carefully matched with mentors as a way to develop, retain, and advocate for women in our organization. Importantly, the mentorship program is seen as a two-way learning process for both mentors and mentees.

Looking ahead

In 2022, we will continue to actively champion for diversity, equity, and inclusion in the organization. We will do this through the efforts mentioned above, while continually raising awareness and sharing knowledge and best practices across our organization.

- We actively knowledge-share through internal communications to champion diversity, equity, and inclusion in our organization and ensure best practices are shared
- We participate in internal and external events to encourage curiosity, growth, and development, including e.g. participating in external DEI networks; organizing internal “Inspirational Talks” and webinars on a range of DEI subjects; participating in Women Hack to promote gender equality in technology; and partnering and sponsoring World Pride & EuroGames.



Above: SimCorp's three Young SDG Innovators 2021: Wojciech Michal Pawlak, Vasileia Stavarakaki, and Valiant Hansen D'Souza.

To the right: Marta Wróbel, Anette Bank, and Roland August joined their SimCorp team in helping build a playground in a local daycare facility in Warsaw.

Creating meaning in work

In a number of ways, our sustainability focus areas help create meaning in work for our employees.

Young SDG Innovators Program

The UN Global Compact's Young SDG Innovators Program engages young professionals from companies participating in the UN Global Compact around the world to learn how to use the Sustainable Development Goals (SDG's) as a catalyst for the development of new products and services. The goal is to help design more sustainable business models, initiatives and products that will advance the company's sustainability efforts while driving innovation and delivering tangible solutions with potential market value.

In 2021, three young SimCorp employees participated in the program, and based on their thought-provoking innovation proposal they were selected to present their ideas for energy-optimized software development at UN Global Compact's world-wide event Uniting Business LIVE.

SimCorp's ESG Fund for Employees

The SimCorp ESG Fund supports employees who take an active part in sustainability-related activities that make a positive impact in their local communities. With a current budget of EUR 50,000 per year, all SimCorp employees globally can apply for support for projects, which they actively engage in.

In 2021, the ESG Fund gave donations for:

- A playground in a local daycare facility in Warsaw
- An 'All Kids Bike' initiative
- An organization which helps people with autism secure meaningful employment.

2022 supported projects in the pipeline include:

- Junior football teams in areas with high immigration and low-income families

- Planting of trees in collaboration with sharecrop farmers and locals.

code.org – a way of giving back

code.org is a nonprofit organization dedicated to expanding access to computer science in schools and increasing participation by young women and students from other underrepresented groups. In 2021, SimCorp decided to donate EUR 1,000 to code.org for each employee referral across the global SimCorp organization. By donating to code.org, we will give something back to the talent pool that we are hiring from.



Sustainability is an integral part of our business model

SimCorp’s sustainability focus areas are strongly linked to our business model, which directly supports our sustainability-related ambitions for ESG investing, carbon emission reductions, and a diverse, equitable, and inclusive culture.



Integrated data and workflows underpin SimCorp’s ESG investment offering
 Enabling sustainable ESG investing for our clients is a core aim of SimCorp’s wider sustainability strategy. Our sustainability-related solutions, created in partnership with clients, will enable asset managers to bring in any type of ESG data to their platform, create tailor-made ESG Key Performance Indicators, and integrate those into the entire investment management value chain.

SimCorp’s SaaS platform offers energy-efficient services that drive carbon emission reductions for us and our clients
 SimCorp’s transformation to a technology-enabled service company has substantial carbon emission reduction benefits, as the cloud acts as a lever in our pursuit to decarbonize our business operations and client services. SimCorp’s continued growth in Annual Recurring Revenue demonstrates our commitment to this strategy as it reflects the constant increase in the share of clients on cloud-hosted subscription-based solutions.

A diverse staff and a strong inclusive culture powers a sustainable company
 Our people are the foundation of everything we do. We commit to create a strong diverse and inclusive culture at SimCorp with equal opportunities for all. This is the right thing to do, and it is good for the business, as it enables teams and individuals to be innovative, creative, and efficient.

Case: Danske Bank Asset Management

New ESG solutions from SimCorp help Danske Bank AM achieve sustainability ambitions

Enabling ESG investments for clients is a core aim of SimCorp's wider sustainability strategy. A concrete example is a development partnership with Danske Bank Asset Management (AM).

Danske Bank AM is one of the largest asset managers in the Nordics. They have a long track record of integrating sustainability considerations into their financing and investment activities. With a commitment to decarbonize their portfolios and investments into net-zero by 2050, Danske Bank AM found a need to continuously evolve their investment operations platform.

SimCorp's new ESG solution, co-created with Danske Bank AM, will enable them to bring in any type of sustainability data to their platform, create tailor-made sustainability Key Performance Indicators (KPIs) and integrate those into the entire investment management value-chain.

Christian Kromann, CEO of SimCorp, said: "Enabling ESG and sustainable investing for our clients is a core aim of our wider sustainability strategy, and close client partnerships remain a formidable way to support our clients' long-term strategic ambitions."

Having automated sustainability data at their fingertips, analysts and portfolio managers will always have an up-to-date view of how their portfolio, holdings and benchmarks are performing against relevant sustainability metrics.

95%

of all Danske Invest funds are ESG funds or funds with a sustainable investment objective¹

¹ About 95% of Danske Invest funds are classified as so-called article 8 or article 9 funds as defined in the EU's Sustainable Finance Disclosure Regulation, see <https://danskebank.com/news-and-insights/news-archive/news/2021/01122021>



Christian Heiberg, CEO of Danske Bank Asset Management, said: “The sustainable agenda is rapidly picking up speed and we are fully focused on constantly improving our sustainability efforts to stay ahead of the curve and be one of the best Nordics banks for responsible investments. This requires a strong infrastructure and that we continuously work to develop our investment operations platform. Our partnership and collaborative co-creation approach with SimCorp is an important part of ensuring that we have relevant tools and systems to consistently integrate sustainability-related perspectives in our investment management processes and products.”

Reporting obligations for financial firms

Danske Bank was the first client to go live with SimCorp’s ESG investing framework. Part of the outcome of the co-creation partnership between Danske Bank and SimCorp is also an SFDR solution that will cover the Sustainable Finance Disclosure Regulation and EU taxonomy regulation.

Set to be introduced in 2022, the second phase of EU’s SFDR will oblige financial firms to comply with various reporting requirements and SimCorp’s new SFDR solution will among others enable the periodic reporting as prescribed by SFDR, enabling a classification of ESG funds and funds with a sustainable investment objective.

→ [Read the full case](#)

“The sustainable agenda is rapidly picking up speed and we constantly improve our sustainability efforts to stay ahead of the curve. This requires a strong infrastructure.”

Christian Heiberg
CEO of Danske Bank Asset Management

ESG report 2021

Environmental data

Improved ESG data foundation

Demands on sustainability are rapidly increasing, with action on climate change at the forefront. To improve our environmental data disclosure, and provide the foundation for future commitments and plans, we improved our ESG data and analytics significantly in 2021, aligning our emissions data reporting with global standards.

Alignment with GHG Protocol

As the primary drivers of global temperature rise are greenhouse gases (GHGs), we have focused on ensuring alignment with the GHG Protocol Corporate Standard (see 'Accounting principles for GHG reporting' page 22).

For company offices, the increase in emissions related to power consumption

between 2020 and 2021 can mainly be attributed to the first-time application of country-specific emission factors in 2021. Location-based reporting has been introduced as part of the effort to improve our GHG accounting in accordance with the GHG Protocol.

Full datacenter baseline established

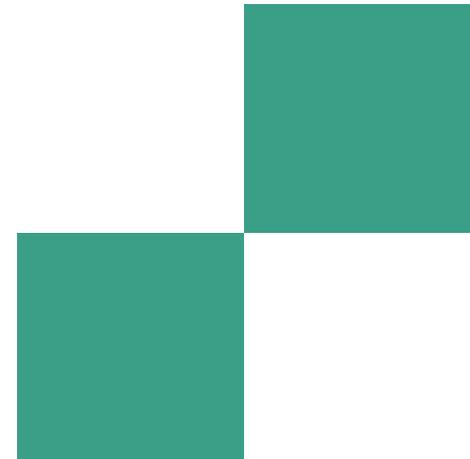
In 2021, we have established a full baseline and reporting structure for our datacenter emissions under Scope 2 and Scope 3, now covering all own and client-related operations across the globe. Reporting on a full datacenter baseline, also applying country-specific emission factors, results in a higher but more correct emissions value, which will enable us to better set and pursue future reduction targets.

Why cloud hosting is better for the planet

Cloud hosting of our clients' operations is a key element of our strategy to become a true SaaS company. This also means moving our clients' operations from their on-premise data centers to more energy-efficient third-party hosting in the cloud (Microsoft Azure). Whereas this will mean an increase in our Scope 3 emissions, it will reduce the overall emissions from our clients' operations significantly (C11: Use of sold products: Third-party cloud hosting of clients' operations).

For a full overview of our environmental data, see page 21.

For accounting principles for GHG reporting, see page 22.



Environmental data (continued)

Greenhouse gas emissions	Unit	Target 2025	2021	2020	2019	2018	2017
Mobile combustion	mtCO ₂ e		212.7	n/a	n/a	n/a	n/a
Scope 1 – Total ¹	mtCO ₂ e		212.7	n/a	n/a	n/a	n/a
Purchased electricity and heat for leased offices	mtCO ₂ e		1,115.0 ²	645.6	212.0 ³	209.0 ³	251.0 ³
Purchased electricity for operated datacenters ⁴	mtCO ₂ e	0 ⁵	130.2 ⁴	108.0 ⁴	98.0 ⁴	n/a	n/a
Scope 2 – Total ¹	mtCO ₂ e		1,245.2 ²	753.6	310.0 ³	209.0 ³	251.0 ³
C1: Purchased goods & services: Third-party cloud hosting of own operations ⁶	mtCO ₂ e		79.4	n/a	n/a	n/a	n/a
C5: Waste generated in operations ⁶	mtCO ₂ e		29.3	n/a	n/a	n/a	n/a
C6: Business travel	mtCO ₂ e		580.1	1,348.6 ⁷	5,873.1	5,179.4	4,697.6
C11: Use of sold products: Third-party cloud hosting of clients' operations ⁶	mtCO ₂ e		388.2	n/a	n/a	n/a	n/a
Scope 3 – Total	mtCO ₂ e		1,077.0	1,348.6 ⁷	5,873.1	5,179.4	4,697.6
Total – Scope 1, Scope 2, and Scope 3	mtCO ₂ e		2,534.9	2,102.2⁷	6,183.1	5,388.4	4,948.6
Emissions intensity							
Total Scope 1, Scope 2, and Scope 3 emissions per revenue	mtCO ₂ e/EURm revenue		5.1	4.6	n/a	n/a	n/a
Electricity and heating emissions for offices per FTE (HQ)	mtCO ₂ e/FTE	0.3	0.2	0.3	0.4	0.4	0.5
Electricity and heating emissions for offices per FTE (Group)	mtCO ₂ e/FTE	0.4	0.6	0.4	n/a	n/a	n/a
Business travel emissions per FTE (Group) ⁸	mtCO ₂ e/FTE	1.7	0.3	0.7 ⁷	3.4	3.3	3.3
Additional environmental data							
	Unit		2021	2020	2019	2018	2017
Electricity and heat consumption at offices (HQ)	MWh		1,589.7	1,207.0	1,521.0	1,413.0	1,376.0
Electricity consumption at offices (Group)	MWh		2,618.7	1,970.4	2,349.4	n/a	n/a
Heat consumption at offices (Group)	MWh		2,471.7	2,571.6	n/a	n/a	n/a
Electricity and heat consumption at offices (Group)	MWh		5,090.4	4,542.0	n/a	n/a	n/a
Electricity consumption at operated data centers (Group)	MWh		1,109.8	n/a	n/a	n/a	n/a
Energy intensity – total energy consumption per revenue (Group)	MWh/EURm revenue		12.5	n/a	n/a	n/a	n/a
Energy mix – renewable energy as share of electricity consumption (HQ)	%		58	59	59	53	53
Water consumption (Group)	Mio. liters		8.1	n/a	n/a	n/a	n/a
Waste (Group)	mt		292.7	n/a	n/a	n/a	n/a

- 1 Before 2021, Scope 1 and Scope 2 emissions have been reported jointly.
- 2 The increase in emissions related to power consumption between 2020 and 2021 can mainly be attributed to the first-time application of country-specific emission factors in 2021. Location-based reporting has been introduced as part of the effort to improve our GHG accounting in accordance with the GHG Protocol.
- 3 Metric only included Headquarter (HQ) consumption in 2017-2019.
- 4 The metrics on Scope 2 datacenter emissions are only partial before 2021. A comprehensive tracking of all datacenter emissions has been conducted in 2021, where a full baseline has been established. Thus, the larger figure in 2021 is related to improved reporting, not increased emissions.
- 5 The 2025 target for Scope 2 datacenter emissions replaces a prior 45%-reduction target for 2022 that was based on an incomplete baseline.
- 6 Category added in 2021 to better and fully reflect upstream and downstream emissions of SimCorp's own operations and third-party hosting of clients' operations.
- 7 Restated as a result of increased data availability and improved calculation methods.
- 8 Formerly reported as "CO₂ emission, Scope 3 (Group), per FTE in Group".

Environmental data (continued)

Accounting principles for GHG reporting

All emissions are accounted for in accordance with the GHG Protocol Corporate Standard. All CO₂ emission factors used for fossil fuels and electricity are in accordance with the 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories. Emissions are reported as CO₂ equivalents (CO₂e), i.e. greenhouse gases other than CO₂ are multiplied by their Global Warming Potential (GWP) and hence converted to the equivalent amount of CO₂. GWP factors of the different greenhouse gases are from the 2007 IPCC Fourth Assessment. The organizational boundaries have been based on the operational control approach as set out in the GHG Protocol.

SCOPE 1 emissions are related to mobile-combustion by leased cars. As recommended in the GHG Protocol, for mobile combustion, activity data is based on fuel consumption when possible and otherwise on distance activity. Mobile combustion activities are multiplied by vehicle-specific emission factors from the Environmental Protection Agency (EPA).

SCOPE 2 emissions are related to the purchase of electricity and heating for leased offices and the electricity consumption of all data centers within the operational control of SimCorp. The emissions are calculated using the location-based approach. For offices, the electricity and heating consumption data is mostly based on meter readings and invoices provided by the building lessors. Where meter readings are not available, consumption of electricity and heating is estimated based on the office-specific FTE numbers. The data is multiplied by IEA emission factors for the respective countries. For operated datacenters, the energy consumption data is either based on total power consumption as provided by vendors or based on power-use calculations considering technical specifications of the installed servers. IEA emissions factors dependent on the server location are applied.

SCOPE 3 emissions are reported based on the Greenhouse Gas Protocol, which divides the Scope 3 emissions into 15 subcategories (C1-C15), and encompass the following categories that have been identified as relevant for SimCorp:

- **C1 – Purchased goods and services:** Includes emissions related to cloud usage which is not operationally controlled by SimCorp but is used for SimCorps own operations. Total emissions calculations are based on the data provided by the operators, i.e., either GHG emissions data, power usage, or server specifications. Where applicable IEA emissions factors dependent on the server location are applied.
- **C5 – Waste generated in operations:** Includes emissions related to office waste. Calculations are based on the waste-type-specific method and DEFRA emissions factors are applied. Where waste types were not available at local offices, an estimate was made based on waste type composition at HQ.
- **C6 – Business travel:** Includes emissions related to air and train travel as provided by the travel management platform. Flight duration, mileage, cabin class, and segments are considered, and the relevant DEFRA emissions factors are applied.
- **C11 – Use of sold products:** Includes emissions related to cloud usage which is not operationally controlled by SimCorp but is sold for clients' operations. Total emissions calculations are based on the data provided by the operators, i.e., either GHG emissions data, power usage, or server specifications. Where applicable, IEA emissions factors dependent on the server location are applied.

Social data

We live in a connected world in which society is increasingly committed to the values of responsible business, sustainable economic development, and long-term value creation. Organizations like SimCorp are expected to embrace human rights, by fostering diverse, equitable, and inclusive workplaces, by ensuring well-being and safety for its employees, and by offering all those with a stake in the firm’s value creation the opportunity to thrive and grow.

We are a global company with Danish roots. We therefore follow the Danish legislation and actively monitor, promote, and report on age/generation, gender, and nationality as three diversity dimensions. However, we also acknowledge the cultures and societies in which our employees operate globally. We therefore allow our regions to give attention to further diversity dimensions, e.g. race, ethnicity, etc. in addition to our focus on gender, age, and nationality.

A strategic focus area within Diversity, Equity, and Inclusion is to increase women in leadership – an internal commitment supported by a number of initiatives. Also, SimCorp is a signatory to The Danish Confederation of Industry’s “Gender Diversity Pledge” to reach an overall goal of a 40/60 gender ratio in the business community by 2030.

	Unit	Target 2030	Target 2025	2021	2020	2019	2018	2017
Diversity								
Women as share of Executive Management Board	%		25	0	0	0	0	0
Women as share of Group Management Committee	%	40 ²	36 ³	12	10	10	10	11
Women as share of people leaders (Managers) ¹	%	40 ²	36 ³	33	27	25	n/a	n/a
Women as share of all employees	%	40 ²	36 ³	33	33	32	n/a	n/a
Nationalities among all employees	Number			67	68	63	57	48
Share of employees: x-30 years	%			12	12	14	13	12
Share of employees: 30-44 years	%			52	52	52	52	54
Share of employees: 45-59 years	%			32	32	31	33	32
Share of employees: 60+ years	%			4	4	3	2	2
Voluntary turnover ratio ⁴	%		<7	8.7	5.0	7.0	6.6	5.9
Employee turnover ratio ⁵	%			12.0	8.2	11.1	9.4	9.4
Employee training hours as share of total working hours	%			2.7	2.8	3.2	3.7	3.0
Corporate income tax	EURm			27.4	27.8	30.9	25.6	21.2
Effective tax rate	%			20.0	24.0	24.2	24.9	24.2
Number of human rights violation cases	Number			0	0	0	0	0
CEO pay ratio ⁶	Ratio			1:18	1:19	1:23	1:23	1:19
Employee engagement score	%		76 ⁷	67	72	69	n/a	n/a

1 In 2021, we streamlined our job categories; “people leaders” are now defined as any manager with at least one direct report. While data may vary compared with past reporting, the data is accurate as per definitions at the time of publications.
 2 Target to be reached by end of 2030.
 3 Target to be reached by end of 2025.
 4 Voluntary leavers as share of total number of employees.
 5 Total turnover reflects both voluntary and involuntary departures and is calculated on the rate employees leave, divided by the average number of employees during 2021. For total turnover, we do not count retirees or fixed term/temporary employees.
 6 Total CEO compensation divided by average total FTE compensation (Group).
 7 Benchmark for EES – New Tech 1000+ in 2021.



Governance data

Across existing reporting frameworks and standards, we have selected the key governance metrics that we believe are most relevant to measure good governance and that enable us to continue to track a constantly high level of corporate governance in SimCorp.

SimCorp's Board of Directors and its committees have a primary influence on the quality of oversight and the decisions made for ensuring long-term sustainable value creation. We comply with regulation by disclosing the Board's composition and the activity and engagement level of its members' and its committee's.

	Unit	Target	2021	2020	2019	2018	2017
Board meetings, annually	Number		6	6	6	6	6
Board attendance rate	%	100	100	100	97	100	100
Women as share of shareholder-elected Board members	%	29 ¹	29	17	17	14	17
Nationalities among shareholder-elected Board members	Number		4	4	4	4	4
Board members: x-35 years	Number		0	0	0	0	0
Board members: 36-50 years	Number		1	1	1	1	1
Board members: 51-70 years	Number		5	4	4	6	5
Board members: 71+ years	Number		1	1	1	0	0
Audit and Risk Committee (ARC) meetings	Number		5	4	4	4	4
ARC meetings, attendance rate	%	100	100	100	100	100	100
Nomination & Remuneration Committee (NRC) meetings	Number		4	5	4	3	2
NRC meetings, attendance rate	%	100	100	100	88	100	100
Net promoter score (NPS), client engagement measure	Number		42	44	39	38	39
Staff dismissed due to non-compliance with anti-corruption policy	Number	0	0	0	0	0	0

¹ Corresponds to two persons of the underrepresented gender.

SimCorp ESG ratings and memberships

SimCorp is regularly assessed by global rating agencies on our environmental, social, and governance (ESG) performance. These ratings are used by investors as part of their investment decisions. Furthermore, we actively contribute information to leading ESG indices and are a signatory to the UN Global Compact.



MCSI ESG Rating

MSCI's ESG rating is designed to measure a company's resilience to long-term ESG risks. SimCorp is rated AA (Last update: August 10, 2021).



Sustainalytics

SimCorp is rated as "low risk" of experiencing material financial impacts from ESG factors and is noted for its strong corporate governance, which is reducing its overall risk. (Last update: May 26, 2021).



ISS ESG QualityScore

An ISS score of 1 indicates better disclosure and lower risk, while a 10 indicates worse disclosure and higher risk. SimCorp has received the following scores: Environment: 2, Social: 3, Governance: 2 (December 2021).



CDP Disclosure on Climate Change

SimCorp supports CDP's disclosure system that focuses on factors impacting climate change. In 2021, we have put several efforts in place to improve our current score (2021: D) and will disclose again in 2022.



Nasdaq ESG Transparency Partner

SimCorp submits its ESG data to Nasdaq to help increase market transparency and raise awareness of environmental standards directly to the public as well as present and future investors.



UN Global Compact

SimCorp is a signatory to the UN Global Compact and actively supports its Ten Principles by integrating these into its processes and policies across the business. This is our annual COP report.



About SimCorp

SimCorp provides integrated, best-in-class, multi-asset investment management solutions to the world's leading asset managers, fund managers, asset servicers, pension and insurance funds, wealth managers, central banks, sovereign wealth funds, and treasury. Deployed on premise or in the cloud, SimCorp's core solution, SimCorp Dimension®, alongside SimCorp Coric®, SimCorp Gain™, and SimCorp Sofia™ form a powerful and complete solution. Together with a range of managed services, they support the entire investment life cycle, based on a market-leading IBOR. SimCorp invests around 20% of its annual revenue in R&D, helping clients develop their business and stay ahead of ever-changing industry demands. Listed on Nasdaq Copenhagen, SimCorp is a global company, with regional offices across EMEA, North America, and Asia Pacific.

For more information, please visit simcorp.com

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