

SIMCORP

SUSTAINABILITY REPORT 2020



Statutory report cf. Section 99a of the Danish Financial Statements Act for the financial year 2020.



SimCorp

Acting responsibly

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

CONTENTS

3	SimCorp at a glance	9	Business model and stakeholder engagement	14	ESG report
4	CEO letter: Making everything count	10	Key sustainability impact drivers	18	SimCorp ESG ratings and memberships
6	Policies, principles, and supporting actions	13	A resilient organization		



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

REPORT PROFILE

This is the Group's 12th Sustainability Report (previously Corporate Social Responsibility statement), including an ESG report on non-financial metrics and covering the period January 1, 2020 - December 31, 2020. Both reports are updated annually. Questions relating to the contents of the report can be directed to info@simcorp.com. The company's Board of Directors and auditors have assessed and approved the report.

SIMCORP AT A GLANCE

A leading provider of integrated front-to-back, multi-asset, investment management solutions to the world's largest investment management companies

SEGMENTS



Asset management



Treasury



Fund management



Central banks



Insurance



Sovereign wealth



Asset servicing



Wealth management



Life/pension

LONG TRADITION OF INVESTING IN INNOVATION, EXPANSION, AND TRANSFORMATION

A long-lasting partner

49

years of experience

Number of clients

206

(SimCorp Dimension)

Allocating around

20%

of revenue to R&D

Average client tenure

11.7

years (SimCorp Dimension)

A GLOBAL AND DIVERSE COMPANY

Employees

1,901

Nationalities

68

Culture



A truly diverse workplace for our courageous, capable, and curious employees, who collaborate to create value for our clients.

OUR PRODUCTS

SimCorp Dimension

SimCorp' core system providing fully integrated front-to-back multi-asset class support across the investment value chain.

SimCorp Coric


Dedicated solution for client communications and reporting automation.

SimCorp Gain

Dedicated enterprise data management solution for reference and market data management.

SimCorp Sofia

Front-to-back investment management solution for the Italian insurance market.

[Read more about our solutions](#) 



KLAUS HOLSE
Chief Executive Officer

MAKING **EVERYTHING** COUNT

At SimCorp, sustainability and financial performance go hand in hand. While our main focus is on delivering value to our clients and shareholders, our business decisions are also guided by considerations that include our people and our planet. Acting responsibly is realizing that everything counts. For the people we engage with, for us as a company, as well as for the planet and future generations we impact by our choices.

Our employees and who we are as a company enable us to make a positive contribution to the world, just as we take responsibility for reducing the negative impact of our operations. While we believe that everything counts, we want to direct our efforts towards those areas where we have the biggest impact.

FOUR KEY FOCUS AREAS

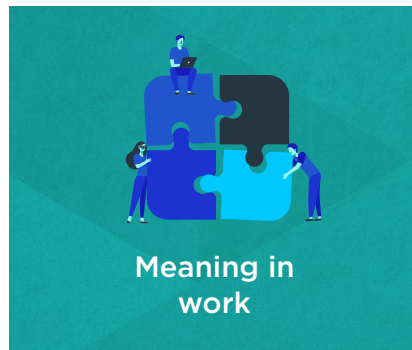
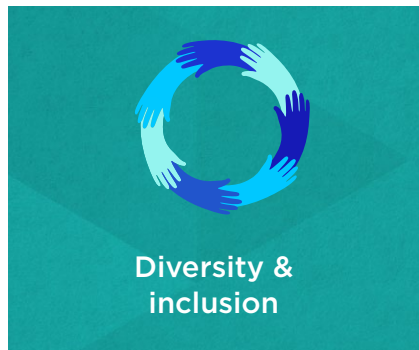
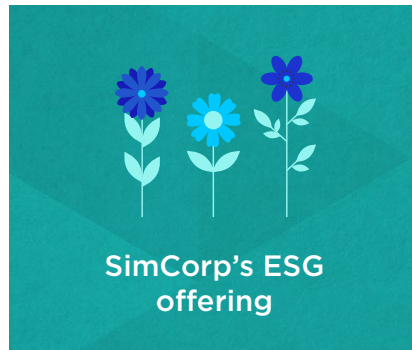
In 2020, we have taken a decision to make sustainability part of our corporate strategic agenda and ambition. Based on a materiality assessment, taking into account our business and operating model, culture, and values, and including a systematic assessment of our impact on the Sustainable Development Goals (SDGs), we have identified four key areas of impact: 'Reducing CO2 footprint', 'Expanding ESG investment support', 'Fostering a truly

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Acting responsibly is about choices and mindset, but it also makes sense. Now and for the future.”

diverse and inclusive culture', and 'Creating meaning in work'. These four impact drivers will contribute particularly to three UN SDGs: 'Climate action' (SDG 13), 'Responsible consumption and production' (SDG 12), and 'Decent work and economic growth' (SDG 8).

WHERE CAN WE MAKE MOST IMPACT?

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



UN SDGs

These four impact drivers will contribute particularly to three UN SDGs: 'Climate action' (SDG 13), 'Responsible consumption and production' (SDG 12), and 'Decent work and economic growth' (SDG 8).



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Across our company, we actively integrate the UN Global Compact's Ten Principles into our policies and activities.

WE SET AND COMMIT TO OUR GOALS

Technology will be the key driver of positive climate impact, and as a software-enabled services provider, we will leverage cloud and new technologies to help reduce CO2 emissions. During COVID-19, we have witnessed how technology has enabled business continuity, as virtual collaboration has replaced face-to-face meetings with colleagues and clients across the globe. Travel-related CO2 emissions by far constitute our main footprint and we commit to supporting virtual collaboration and reducing our travel activity in 2021 by 50% compared with 2019 levels.

ESG investments have become a major driver of redefining the role investment management firms can and must play in ensuring global sustainable development. SimCorp's services enable the world's largest investors to optimize wealth creation for millions of people, and at the same time maximize their impact on the well-being of humans and our planet through sustainable investments. We commit ourselves to expanding the scope and strength of our ESG investment support to help sustainable investments become mainstream and part of the new normal.

We are committed to making SimCorp a truly diverse and inclusive workplace. A workplace where all employees have equal opportunities, feel included, and are valued for the different

perspectives and competencies they bring. Specifically, we want to build an inclusive culture, boost diverse talent, and increase female leadership. We commit to increasing the share of women at all management levels and on our Board.

Meaning in work means something different to each of our employees. Therefore, we commit to supporting meaning in work in a number of different ways: through professional development, by enabling employees to contribute to sustainability, and by supporting work-life-balance and well-being. Because everything counts.

STAYING ACCOUNTABLE

This report is our second Communication on Progress (COP) on our efforts to integrate the UN Global Compact's Ten Principles into our business strategy, culture, and operations. We reaffirm our support of the principles and stay accountable for acting responsibly. In 2021, we will work to identify important industry sustainability agendas and explore how we can play a role to increase the corporate responsibility taken on by our industry at large.

KLAUS HOLSE
Chief Executive Officer

POLICIES, PRINCIPLES AND SUPPORTING ACTIONS

SimCorp’s approach to corporate social responsibility and sustainability is rooted in our DNA and integrated in how we act and do business. Our policies and guidelines are developed to help us and our stakeholders act in accordance with our values and regulations.

POLICIES AND GUIDELINES

Our Board of Directors have adopted our policies and guidelines, which can all be found on our website:

- Corporate Social Responsibility Policy
- Diversity and Inclusion Policy
- Guideline for Good Business Behavior
- Remuneration Guidelines
- Corporate Governance Guidelines
- Tax Policy
- Whistleblower Policy

Our policies and guidelines, as well as our contracts, are aimed at ‘doing the right thing’ concerning social and labor matters, human rights, anti-corruption, bribery, and the environment. We commit to ensuring a sustained adherence to the principles by carrying out training and information activities for those to whom they apply and perform continuous monitoring.

SUPPORTING ACTIONS AND PROCESSES

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 corporate social responsibility. These activities focus on:

- Social and labor matters;
- Human rights, anti-corruption, and bribery;
- Impact on the environment.

We stay accountable for our commitment to these focus areas and track our performance on a selection of related non-financial metrics, included in the ESG report on pp. 14-17. Furthermore, SimCorp’s compliance with the Danish Corporate Governance recommendations is covered in our Corporate Governance Report, which is part of the management report of SimCorp’s Annual Report 2020.

SOCIAL AND LABOR MATTERS

Employee programs

We regard the continual development of our employees’ competences and their social, mental, and physical well-being and safety to be of high importance. In all our business, and to realize our strategic priorities, we rely on our employees’ financial expertise, software skills, and diversity. Our employees have many different educational backgrounds,

spanning from Economics, IT, and Engineering to UX Design, Communication, Psychology, and more, and we have a strong focus on ongoing training and knowledge sharing. New employees are informed about the SimCorp code of conduct and how we do business, all outlined in our Guideline for Good Business Behavior. In addition, all SimCorp policies and procedures are available on our intranet.

We run a comprehensive training program, which aims to ensure that all employees update and develop their qualifications on a regular basis. An important feature of SimCorp’s training program is the SimCorp Dimension Academy certification program, which is mandatory for all new SimCorp Dimension consultants and developers. A global well-being program is also in place, including a number of regular activities, which focus on the social, mental and physical well-being of all employees (see also p. 13 on resilience and employee well-being during COVID-19).

Our Working Environment Organization (WEO) at SimCorp’s headquarters in Copenhagen is established to manage and bring attention to health and safety in our work environment. We run a workplace assessment every third year to ensure that employee input on health and safety is discussed and considered. Employees have a WEO representative to whom any working environment issue should be reported.

HUMAN RIGHTS, ANTI-CORRUPTION, AND BRIBERY

Our approach to human rights, anti-corruption, and bribery, as well as the principles to which we as employees and the company’s suppliers should adhere, are outlined in

These documents can all be found on our website



SimCorp's Guideline for Good Business Behavior, which is found on our website.

SIMCORP'S GUIDELINE FOR GOOD BUSINESS BEHAVIOR

For employees

SimCorp's Guideline for Good Business Behavior acts as a framework to guide and support our employees to act within SimCorp's core business principles. The Guideline is established as a means of ensuring that we continuously maintain a high standard in our conduct and it sets forward principles directing employees to:

- Avoid conflicts of interest
- Avoid insider trading
- Avoid bribes and facilitation payments or any kind of corruption*
- Maintain high standards when it comes to information security and privacy**

***Zero tolerance towards bribes and facilitation payments**

SimCorp has zero tolerance towards bribes and facilitation payments. Our corporate anti-bribery rules and guidelines are described in our Guideline for Good Business Behavior.

****Information security and privacy**

SimCorp maintains an Information Security Policy, which defines the security-related rules and requirements for use of Information Technology across the company. The policy also defines the rules for monitoring and

logging events in order to detect and investigate security incidents.

This policy is based on ISO27001 principles. It is reviewed and updated at least annually and subsequently approved by the Executive Management Board and the Board. The Audit and Risk Committee is responsible for maintaining the policy and overseeing our compliance with the policy.

Additionally, our 'SimCorp Dimension as-a-Service' (ASP) offerings are supported by ISAE3402 and SOC2 third-party audit reports, which document the control framework and operating effectiveness of this service.

We provide our Privacy Policy to all new contacts (clients, prospect clients, and visitors to the company's website) that are registered in the company's CRM system to inform them about our protection of personal data. The Privacy Policy is compliant with EU General Data Protection Regulation (GDPR) and informs contacts about their right to insight, deletion, and to complain about processing of personal data. The Privacy Policy is easily accessible on our website.

Further, we provide Employee Privacy Policies detailing the information gathered and used by SimCorp during the course of the employee's employment with SimCorp. SimCorp Dimension supports the clients' efforts to ensure compliance with GDPR, including functionality to better protect and separate personal data within the application. When dealing with suppliers, SimCorp enters into data processing agreements, whenever this is required under GDPR.



Our policies and guidelines are aimed at addressing any risks that our business could generate concerning social and labor matters, human rights, anti-corruption, bribery, and the environment.

For suppliers

Our Guideline for Good Business Behavior also applies to our procurement process and to all our suppliers. We will on a regular basis inform them about the provisions and any amendments hereto. Suppliers are requested to confirm adherence to these principles:

- Suppliers must ensure that they, and any relevant sub-contractors, comply with the UN convention on child labor, article 32.1, and must recognize children's rights to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral, or social development.
- Suppliers must respect equal status between the sexes and between persons of different races and religion.
- Suppliers must not offer products and services, which have directly or indirectly been designed, manufactured, produced, or procured in contravention of local environmental legislation or other legisla-

tion, or by means of corruption, bribery, or other fraudulent behavior.

Compliance

From time to time, we carry out tests and surveys to ensure that all employees and suppliers are familiar with the terms of these guidelines.

In 2020, one non-compliance incident was registered (2019: 0 incidents).

WHISTLEBLOWER POLICY

SimCorp's has established whistleblower system as a means of increasing focus on transparency. The whistleblower system allows employees, management, members of the Board of Directors of SimCorp, and other stakeholders of SimCorp (such as supplier representatives, clients, or SimCorp shareholders) who believe they have become aware of actions or omissions that could damage SimCorp whether financially, reputationally, or in some other way to pass on this information to a whistleblower hotline.

SimCorp's guideline for good business behavior



The Board of Directors has appointed two Board members to oversee whistleblowing. The Board of Directors is responsible for appointing representatives who possess the professional qualifications and integrity to safeguard the administration of the whistleblower policy.

Any information received via the whistleblower system will be passed on as appropriate to the CEO and the Chairman of the Board of Directors who will then consider the appropriate measures, and all cases are monitored to their conclusion. Reports and questions that are received via the whistleblower system are treated confidentially.

One report relating to employee data security was submitted through the whistleblower hotline in 2020 (2019: 0).

IMPACT ON THE ENVIRONMENT

We work to run our business operations in a continually more sustainable way, thereby reducing our negative environmental impact, which almost entirely relates to energy consumption. In 2020, we have made 'Reducing our own and our clients' footprint' one of four key focus areas of SimCorp's sustainability agenda. For more information on our specific goals and actions, see p. 11.



BUSINESS MODEL AND STAKEHOLDER ENGAGEMENT

SimCorp’s business model is highly transparent, and we maintain an open ongoing dialogue with our stakeholders. The past year has demonstrated the robustness of our business model during a time of unprecedented challenges and volatility.

A ROBUST BUSINESS MODEL

SimCorp’s business model builds on four main revenue drivers: software licenses; software updates and support; professional services; and hosting and other services. Our role in society is to generate economic value for all our main stakeholders; clients, shareholders, employees, and society alike.

As reflected in our business model, SimCorp contributes to society through job creation, tax payments, and contribution to GDP. SimCorp is committed to fulfilling the tax requirements in all the countries where we do business, including paying corporate income tax and payroll tax from salaries paid to our employees. SimCorp’s corporate income tax is included in our ESG report pages 14-17.

During COVID-19, we have continued our nurturing of client relationships through virtual meetings, workshops, and training programs. The strength of these relationships and a resilient operating model have enabled our solution delivery and business continuity to be largely uninterrupted, allowing us to

continue carrying out implementations, software updates and support activities, client-driven development programs, and our professional services operations.

NURTURING AND MEASURING STAKEHOLDER ENGAGEMENT

We maintain an open dialogue with our stakeholders and actively nurture engagement. In our regular client satisfaction survey, Net Promoter Score (NPS), we gauge our clients’ satisfaction with our solutions, services, and support. In 2020, we managed to reach an impressive score of 44 points (2019: 39), largely driven by high levels of product quality (see ESG report pages 14-17).

Internally, we pride ourselves on having a straightforward dialogue with and among all of our employees. Our Employee Engagement Survey, which is carried out twice a year, ensures that we have a constantly high level of engagement and motivation among our employees across the organization and are able to address any potential issues (see also page 12).

BUSINESS MODEL

RESOURCES



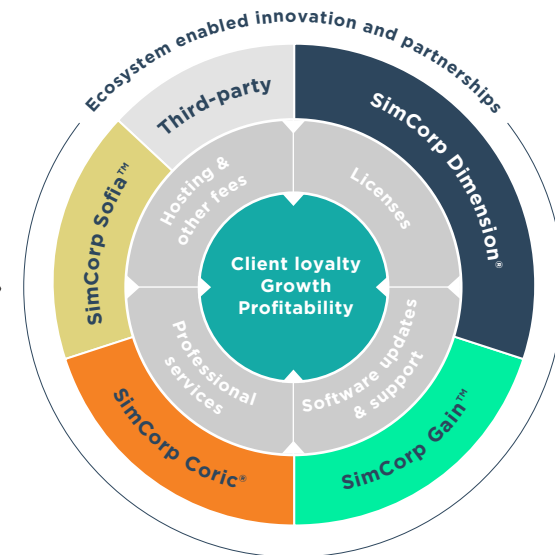
Capital provided by investors



Revenue invested back in R&D



A talented, skilled, and diverse staff



COMPLETE OFFERS
(bundled solutions, e.g. Datacare and Coric Digital Portal)

VALUE CREATION



For clients
Operational efficiency and investment enablement



For shareholders
Return on investment



For employees and society
Jobs, salary, tax, and GDP contribution

KEY SUSTAINABILITY IMPACT DRIVERS

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 in everything we do, as individuals and as a company, and to focus where we can make the most impact.

OUR COMMITMENT TO SUSTAINABILITY

Sustainability takes 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 where we can make the biggest impact. We have chosen four key sustainability impact drivers that are rooted in, who we are as a company:

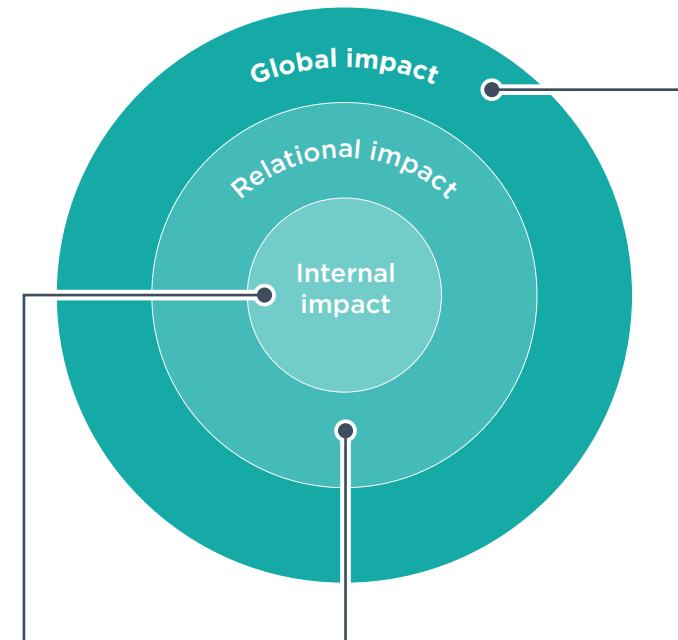
- Reducing our own and our clients' CO2 footprint
- Expanding our support for ESG investments
- Ensuring a truly diverse and inclusive culture
- Creating meaning in work

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.

IMPACT MAPPING - BECAUSE EVERYTHING COUNTS

To help assess the impact of our activities, we divide these into three categories and regard these as equally important (see illustration to the right):

IMPACT MAPPING



Internal impact

e.g. through reducing our own CO2 emissions, supporting diversity and inclusion, and ensuring meaning in work for our staff.

Relational impact

e.g. through reducing CO2 emissions from SimCorp offerings consumed by our clients and choosing suppliers who are aligned with SimCorp's values and principles.

Global impact

e.g. indirectly through expanding our support for our clients' ESG investments, which can drive a massive positive impact and significantly reduce negative impact.



REDUCING OUR OWN AND OUR CLIENTS' CO2 FOOTPRINT

There is a need to help protect our planet from climate change caused by increasing global resource consumption. We want to contribute by reducing SimCorp's and our clients' CO2 emissions, short and long term.

Decarbonizing our offerings and operations
Intelligent resource optimization is a key driver of reducing our CO2 emissions, enabled by modern technology and behavioral change. Overall, our goal is to reduce our CO2 emissions by 50%. To achieve this, we will focus on where we have the biggest negative impact and reduce our energy consumption by:

- Reducing air travel and increasing virtual meetings to reduce carbon emissions
- Moving SimCorp's and our clients' operations from on-premise to cloud (Microsoft Azure) for improved data center energy efficiency.
- Applying modern computing to improve overall energy footprint and utilize digital resources in optimized ways.

We have set specific targets for these three focus areas along with energy consumption related to our office buildings. These targets and our results can be found in our ESG report on pages 14-17.

Initiatives, goals, and achievements:

Air travel → Virtual meetings

Our goal is to reduce CO2 emission from air travel by 50% compared with 2019 level.

On-premise → Cloud

In 2019, SimCorp started decommissioning its own datacenters as part of a cloud transition with Microsoft Azure as our main cloud supplier. Microsoft's public cloud services have been operating 100% carbon neutral since 2012 by applying a global internal carbon fee model that charges Microsoft business units for carbon emissions from their operations. Microsoft has pledged to reduce its operational carbon emissions by 75% by 2030, against a 2013 baseline, and to purchase 70% renewable energy for their datacenters by 2023, on a path to 100% (60% in 2019). Our goal is to reduce CO2 emission from internal server installations by 45% in 2022 (compared with 2019).

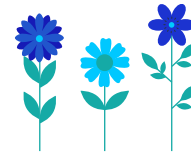
Also, we offer clients to move SimCorp operations to cloud computing. Our goal is to move 35% of our client business to cloud by 2025.

High Performance Computing

A number of R&D projects apply modern computing to investigate how SimCorp can apply for instance high performance computing that provides much faster processing and consumes less energy. This will allow us to offer our clients to consume services with a reduced CO2 footprint.

Reducing food waste

At SimCorp Headquarters, our canteen staff have investigated what measures would have most impact in order to reduce food waste and CO2 emission from providing breakfast and lunch to our employees. The 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 CO2 emissions by around 50%. Based on these findings, we have made it mandatory to register whether you are having lunch at the office and all food is portioned. With most people working from home due to COVID-19, the canteen is currently only serving very few employees, but we will maintain these measures, when more return to the office, as well as look into how reducing e.g. the consumption of meat can help reduce CO2 emissions.



EXPANDING OUR SUPPORT FOR ESG INVESTMENTS

SimCorp's ambition is to become a leading provider of an ESG investment platform and a digital enabler of ESG investments globally. SimCorp will help enable the world's largest investment institutions to turn sustainability into a mainstream activity across their businesses.

We want to help our clients comply with current and future regulations applying to ESG investments by providing data transparency in the growing landscape of ESG

investment opportunities, where financial and non-financial data together shape new forms of complexity, and by ensuring sufficient data management and portfolio construction capabilities.

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.*



ENSURING A TRULY DIVERSE AND INCLUSIVE CULTURE

Operating from 26 locations, counting 68 nationalities, SimCorp is a truly global workplace. Our ambition is to put diversity into play, to ensure different perspectives can come together, and that all voices are heard. Great minds don't think alike and that is what fuels an innovative company like SimCorp.

At SimCorp, we want to create a strong sense of belonging for all our employees and nurture a culture of inclusion. We will do this by advancing equal career opportunities and by welcoming every new perspective to spark collaboration and innovation. We will promote a culture where everyone can bring their true selves.

We make a sustained effort to be able to attract and retain a highly talented, qualified, and diverse staff in SimCorp. Our managers play a crucial part in acting as role models for inclusion and creating an environment where diversity can thrive. Therefore, all managers are trained in how to support inclusive behaviors in their teams. This training also includes focus on race and how to overcome taboos related to race. Furthermore, all SimCorp employees are offered training in how they can contribute to an inclusive culture and support colleagues from minority groups.

Within diversity, we have a special obligation as an IT company to help increase the share of women especially at management levels, where women are underrepresented across the industry. To measure our achievements, we have set specific goals for women in management to be reached by the end of 2023 (see ESG report pages 14-17).

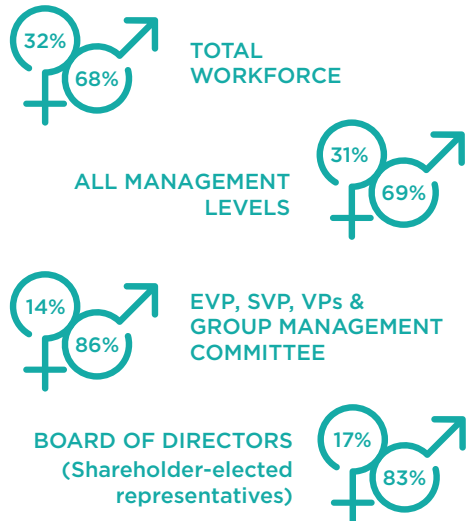
Our efforts to support UN SDG 5, 'Gender equality' (specifically indicator 5.5.2 | Proportion of women in managerial positions), are described in-depth in our Diversity report.

In 2020, SimCorp was included by Goldman Sachs in the Europe Womenomics basket (GSSTWOMN), which contains companies with a relatively high level of women at all levels of the organization.

SimCorp's diversity report 2020



Gender balance 2020



CREATING MEANING IN WORK

Meaning in work can mean and be something different to different people. We will strive to ensure that all our employees feel that they have a meaningful worklife. For instance, we will give employees opportunities to contribute to sustainability, hereby helping SimCorp drive its sustainability agenda and also contribute to the greater good. We will also make it transparent how each single employee contributes to fulfilling SimCorp's overall strategy in their daily work. We believe that every single employee's contribution



We believe that this [sustainable innovation] will both help create sustainable solutions for our clients and increase meaning in work for our employees.

to sustainability and to fulfilling SimCorp's strategic goals is valuable - because everything counts.

Sustainable innovation

Going forward, we will be putting more attention on sustainable innovation. In 2021, we have become part of UN Global Compact's Young SDG Innovators Program, and we already include sustainability as one of the criteria assessed when considering new development ideas. We believe that this will both help create sustainable solutions for our clients and increase meaning in work for our employees.

Monitoring meaning in work

To keep an open dialogue and monitor the perception of meaning in work among our employees, we run biannual employee engagement surveys, which include questions related to meaning in work. Latest score in September 2020: 72 (2019: 69).

To sustain engagement and open dialogue with our employees, we will implement three key actions points in a future where working remotely will be part of normal business:

- Ensure focus on virtual leadership and make sure that employees feel a sense of belonging and engagement despite working remotely
- Continue monthly Q&A meetings where top management communicates key strategic activities and goals, and offer the opportunity to ask questions
- Making feedback an integrated part of how we collaborate across SimCorp, from manager to employee and back.

A RESILIENT ORGANIZATION

In 2020, the COVID-19 pandemic created unprecedented challenges for individuals, businesses, and society. A crisis-prepared organization put SimCorp in a strong position to adapt and innovate, keeping all of us safe, while building resilience for the challenges and opportunities beyond the pandemic.

PEOPLE AND TECHNOLOGY

At SimCorp, our people are the foundation for everything we do, and ensuring their safety is our main obligation. While technology is key to our business as a software company, it is also key to ensure the well-being of our employees and to help us keep creating value for our clients.

Through the COVID-19 crisis, SimCorp teams have showed amazing adaptability to working virtually with each other and our clients across borders to ensure business continuity and ongoing value creation for our clients. No doubt, a great technical setup and relentless commitment, high skills, and creative thinking by all our employees have made virtual collaboration a success at SimCorp. Looking ahead, we will continue to make large investments in digitalization and technology, which will also be crucial in a post-COVID-19 environment, in order to keep ensuring the well-being of our employees and to better serve our clients.

ENSURING WELL-BEING IN A VIRTUAL WORKING ENVIRONMENT

While working from home can be technically possible and sometimes improve work-life balance due to less travelling and commuting, it presents other challenges to mental health and well-being.

Our daily routines have been disrupted and uncertainty can lead to anxiety and stress. Isolation, too little exercise, and a bad physical working environment can be other downsides of working from home.

At SimCorp, we have taken a number of measures to mitigate the physical and mental risks of going to work or working from home. Social distancing and frequent cleaning have been put in place to safeguard those who have come to the office, where this has been possible. Employees have been able to participate in online meditation, yoga, and pilates sessions guided by a professional instructor. We have also established a number

of online discussion forums, where employees can share ideas for improving the working from home situation and keeping up the spirit. Furthermore, we offer ergonomic home work stations.

THE 4Cs

Our employees share four key behavioral traits that have been and will continue to be instrumental in keeping us all well through challenging times, while also making sure that we do our outmost to support our clients:

- Curiosity
- Courage
- Collaboration
- Capability

Combined, these traits fuel our passion for our clients and the positive and lasting change we want to make in the world.



SIMCORP

ESG REPORT 2020



ENVIRONMENTAL DATA

ENVIRONMENTAL DATA

A stable climate is a critical factor in the growth and advancement of human societies. Failure to mitigate climate change caused by the build-up of greenhouse gases presents an existential threat to human civilization.

SimCorp's carbon footprint is related to electricity and heating consumption (Scope 1 and 2) and travel (Scope 3). We are committed to tracking and reducing our negative impact.

CO2 emission scope 1 and 2

Our CO2 emission related to electricity and heating consumption has been calculated based on the Carbon Calculator formula.

For HQ, electricity consumption data has been submitted by the provider Ørsted/Radius and heating consumption data by the provider Hofor. The remaining data has been provided by our landlord. For our subsidiaries, data has been provided by the office managers based on provider input. Input for the CO2 emission calculation is based on the consumption of electricity and heating and the use of leased company cars.

CO2 emission scope 3

Our CO2 emission based on travel activity has been calculated by our travel agency Egencia and is almost entirely based on air travel.

	Unit	Target	2020	2019	2018	2017	2016
ENVIRONMENTAL DATA							
Electricity consumption (HQ)	MWh		501	573	602	624	629
Electricity consumption (Group)	MWh		1,970.4	2,349.4	n/a	n/a	n/a
Renewable energy as share of electricity consumption (HQ) ¹	%		59	59	53	53	51
Heat consumption (HQ)	MWh		706	948 ⁷	811	752	941
Heat consumption (Group)	MWh		2,571.6	n/a	n/a	n/a	n/a
Water consumption (HQ)	ML		3.0	n/a ⁴	5.3	4.4	4.2
Waste (HQ)	tons		43.6	61.6	64.5	70.9	n/a
CO2 emission, scope 1 and 2 ² (HQ)	tons CO2		171	212	209	251	277
CO2 emission, scope 1 and 2 ² (HQ), per €m revenue	tons CO2 /€m		0.4	0.5	0.5	0.7	0.9
CO2 emission, scope 1 and 2 ² (HQ), per €m EBIT	tons CO2 /€m		1.4	1.7	2.0	2.8	4.1
CO2 emission, scope 1 and 2 ² (HQ), per FTE in HQ	tons CO2 /FTE	0.4	0.3	0.4	0.4	0.5	0.6
CO2 emission, scope 1 and 2 ² (Group)	tons CO2		645.6	n/a	n/a	n/a	n/a
CO2 emission, scope 1 and 2 ² (Group), per €m revenue	tons CO2 /€m		1.4	n/a	n/a	n/a	n/a
CO2 emission, scope 1 and 2 ² (Group), per €m EBIT	tons CO2 /€m		5.2	n/a	n/a	n/a	n/a
CO2 emission, scope 1 and 2 ² (Group), per FTE in Group	tons CO2 /FTE	0.4	0.4	n/a	n/a	n/a	n/a
CO2 emission, scope 1 and 2 ² (Internal server installations)	tons CO2	54 ⁵	108	98	n/a	n/a	n/a
CO2 emission, scope 3 ³ (Group)	tons CO2		1,574.5	5,873.1	5,179.5	4,697.6	4,643.6
CO2 emission, scope 3 ³ (Group), per €m revenue	tons CO2 /€m		3.5	12.9	13.5	13.7	15.7
CO2 emission, scope 3 ³ (Group), per €m EBIT	tons CO2 /€m		12.7	45.9	50.1	52.8	68.1
CO2 emission, scope 3 ³ (Group), per FTE in Group	tons CO2 /FTE	1.75 ⁶	0.9	3.4	3.3	3.3	3.6

For footnotes, please see "ESG definitions" on page 17.



SOCIAL DATA

SOCIAL DATA

We are living 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, 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.

People are crucial for every organization and their growth - in knowledge, prosperity and well-being - and central to the success of all organizations and societies. We are committed to ensuring that all our employees can fulfil their potential in dignity and equality and in a healthy environment.

We are also committed to measure and disclose information on how we continue to ensure an engaged, skilled, thriving, and healthy workforce across our business. Due to COVID-19, we have had to cancel a limited number of training programs for our employees in 2020, which explains the slight decrease in the overall training activity (see table to the right), but fortunately, we have been able to transform most training into a virtual setting.

	Unit	Target	2020	2019	2018	2017	2016
SOCIAL DATA							
<i>Diversity</i>							
Women as share of Executive Management Board	%	25	0	0	0	0	0
Women as share of Group Management Committee	%	34 ⁸	10	10	10	11	11
Women as share of EVP, SVP & VPs	%	34 ⁸	14	16	13	11	12
Women as share of Directors	%	34 ⁸	21	22	35	34	31
Women as share of Managers	%	34 ⁸	46	35	35	36	34
Women at management levels (all of the above)	%	34 ⁸	30	29	31	29	28
Women as share of all employees	%		32	32	33	33	31
Nationalities among all employees	number		68	63	57	48	45
Voluntary leavers	number		93	127	104	81	85
Involuntary leavers	number		58	76	43	48	32
Leavers (total)	number		151	203	147	129	117
Voluntary turnover ratio ⁹	%	<7	5.0	7.0	6.6	5.9	6.5
Employee turnover ratio ¹⁰	%		8.2	11.1	9.4	9.4	9.0
Employee training hours as share of total working hours	%		2.8	3.2	3.7	3.0	4.2
Corporate income tax	EURm		27.8	30.9	25.6	21.2	16.6
Effective tax rate	%		24.0	24.2	24.9	24.2	24.6
Number of human rights violation cases	number	0	0	0	0	0	0
Work-related injuries (Group)	number	0	2	5	5	3	0
CEO pay ratio ¹¹	ratio		1:19	1:23	1:23	1:19	1:12
Employee engagement score	%	73 ¹²	72	69	n/a	n/a	n/a

For footnotes, please see "ESG definitions" on page 17.



GOVERNANCE DATA

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.

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 its members' and its committee's activity and engagement level.

	Unit	Target	2020	2019	2018	2017	2016
GOVERNANCE DATA							
Board meetings, annually	number		6	6	6	6	6
Board attendance rate	%	100	100	97	100	100	100
Women as share of shareholder-elected Board members	%	33 ¹³	17	17	14	17	20
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		4	4	6	5	4
Board members: 71+ years	number		1	1	0	0	0
Audit and Risk Committee (ACR) meetings	number		4	4	4	4	4
AC meetings, attendance rate	%	100	100	100	100	100	92
Nomination & Remuneration Committee (NRC) meetings	number		5	4	3	2	n/a
NRC meetings, attendance rate	%	100	100	88	100	100	92
Net promoter score (NPS), client engagement measure	number		44	39	38	39	27
Staff dismissed due to non-compliance with anti-corruption policy	number	0	0	0	0	0	0

ESG DEFINITIONS

- ¹ Historical data have been updated due to adopting the Environmental declaration.
- ² Scope 1 and 2 - electricity and heat consumption. As a software company, our Scope 1 emissions are limited, and hence, Scope 1 and 2 emissions are reported together.
- ³ Scope 3 - business travel by air.
- ⁴ Water consumption data was not yet available at the time of reporting.
- ⁵ The goal for 2022, which equals a 45% reduction from 2019 level to be achieved by moving to Microsoft Azure. The 2022 target level is expected to increase by 10% on an annual basis equal to SimCorp's expected long-term growth rate. Emission in 2019 has been calculated by The Footprint Firm based on data provided by Colt.
- ⁶ Target equals a 50% reduction from 2019 level.
- ⁷ During our rebuild of SimCorp Headquarters, an extra 4,000 square meters were rented, causing an additional temporary heating consumption.
- ⁸ Target to be reached by end of 2023.
- ⁹ Voluntary leavers as share of total number of employees.
- ¹⁰ Total leavers as share of total number of employees.
- ¹¹ Total CEO compensation divided by average total FTE compensation (Group).
- ¹² Benchmark for EES - New Tech 1000+ in 2020.
- ¹³ Corresponds to two persons of the underrepresented gender and the goal is set to be reached in 2021.

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 is 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: April 20, 2020).



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: March 17, 2020).



BLOOMBERG GENDER REPORTING

The index tracks the financial performance of public companies most committed to gender equality in the workplace.



NASDAQ ESG TRANSPARENCY PARTNER

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



ISS QUALITY SCORE GOVERNANCE

SimCorp's management of ESG issues is analyzed by ISS based on up to 100 rating criteria. SimCorp has achieved the highest rating '1' by ISS.

GSSTWOMN INDEX

WOMENOMICS BY GOLDMAN SACHS

SimCorp has been included in the Europe Womenomics basket (GSSTWOMN), which includes companies with a relatively high level of women at all levels of the organization.



CDP DISCLOSURE ON CLIMATE CHANGE

SimCorp supports CDP's disclosure system. CDP Global is a not-for-profit charity that runs a global disclosure system to manage environmental impacts.



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.

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 www.simcorp.com.

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ONE SYSTEM FOR A COMPLEX WORLD

