

CORPORATE SOCIAL RESPONSIBILITY STATEMENT AND ESG REPORT 2018

STATUTORY CORPORATE SOCIAL RESPONSIBILITY
STATEMENT CF. SECTION 99A OF THE DANISH
FINANCIAL STATEMENTS ACT FOR THE
FINANCIAL YEAR 2018.



This document is an integral part of the management report in the SimCorp Annual Report 2018.

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1. INTRODUCTION

Corporate Social Responsibility is an ingrained part of SimCorp’s business and our commitment to the sustainable development of SimCorp is based on combining financial performance with socially responsible behavior and environmental awareness.

As a corporation, SimCorp’s role in society is to run a profitable business hereby contributing to GDP and job creation (see [Business model](#)). We see no conflict between acting responsibly, contributing to environmental sustainability and producing strong financial results. The main drivers for SimCorp’s Corporate Social Responsibility (CSR) activities are business-related and we believe that our CSR profile and initiatives will strengthen our attractiveness as an employer and benefit our relationship with all our stakeholders; clients, employees, shareholders and society, alike.

Following section 99a of the Danish Financial Statements Act, the Corporate Social Responsibility Statement and ESG Report 2018 covers SimCorp’s related policies, principles, activities, and performance.

SimCorp’s approach to CSR is integrated in the way we do business and described through different elements of SimCorp’s policies and business behavior guidelines, including:

- Diversity and Inclusion Policy (see Diversity Report 2018)
- Guideline for Good Business Behavior
- Remuneration Guidelines
- Corporate Governance Guidelines 2018

as adopted by the Board of Directors.

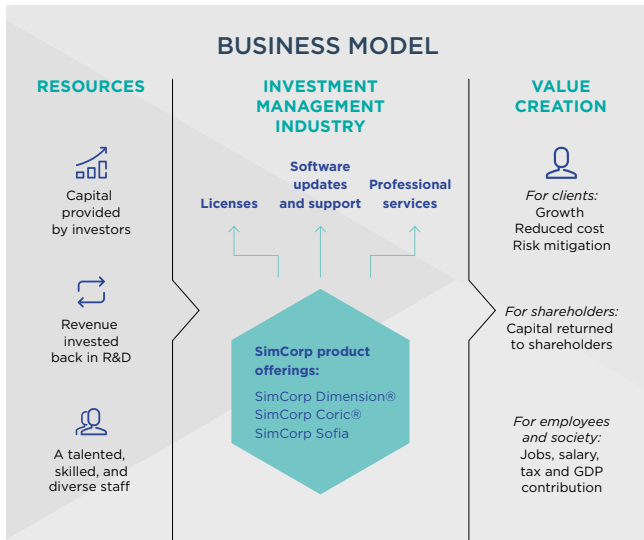
THESE DOCUMENTS CAN ALL BE FOUND ON THE COMPANY’S WEBSITE



2. BUSINESS MODEL

SimCorp’s business model is highly transparent and is based on three main revenue drivers:

- Software licenses
- Software updates and support (formerly named maintenance)
- Professional services



Our due diligence processes, our Guideline for Good Business Behavior for employees and suppliers, and our procurement processes and supplier contracts are aimed at addressing any risks that could occur concerning social and staff matters, human rights, anti-corruption, bribery, and the environment. As part of our due diligence processes, a sustained adherence to the principles, and any updates to these, are ensured through continuous monitoring.

Failure to comply with the principles will lead to cancellation of the contract concerned.

Below follows a description of SimCorp’s principles and activities regarding:

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

SimCorp’s performance on a selection of non-financial metrics, including governance, are covered in the [ESG report](#) further below. SimCorp’s policies, principles and compliance with the Danish Corporate Governance recommendations are covered in the Corporate Governance Report, which is part of the management report of SimCorp’s Annual Report 2018, and in the Corporate Governance Guidelines 2018.

2.1. SOCIAL AND STAFF MATTERS

For SimCorp, the continuous development of employee competences and the social, mental and physical well-being and safety of its employees are of utmost importance.

In all its business and to realize its strategic priorities, SimCorp relies on people and, more specifically, its employees’ financial expertise, software skills and diversity. Approximately 90% of the company’s employees hold an academic degree, most of them in finance, economics, IT, and/or engineering, and SimCorp has a continuous focus on ongoing training and knowledge sharing.

THE STRATEGIC PRIORITIES FOR 2018



All new SimCorp employees participate in an introduction course led by senior management and senior employees. Part of the program focuses on the SimCorp code of conduct, our values and beliefs and how we do business, all outlined in our Guideline for Good Business Behavior. In addition, all SimCorp policies and procedures are available to employees on the company's intranet.

SimCorp makes a sustained, targeted effort to continue to attract and retain a highly talented, qualified and diverse staff. This includes a strong focus on employer branding to attract talent and on the management and measurement of employee performance and development of skills. It is important to ensure that competent employees are rewarded and motivated to continuous learning in step with the development of SimCorp's business.

SimCorp runs 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.

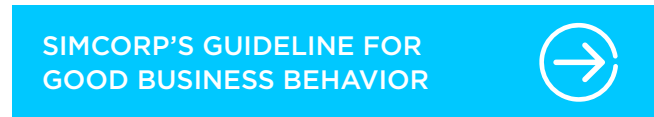
A global well-being program is in place, including a number of regular activities, which focus on the social, mental and physical well-being of all employees. Activities included are step-count challenges, healthy food campaigns, sports clubs, meditation courses and focus on work-life balance.

Our Working Environment Organization (WEO) is established to manage and bring attention to health and safety in the work environment. The main activities of the WEO involve planning health and safety activities to ensure that our working conditions meet today's security requirements and support the well-being of our employees. At headquarters, a yearly workplace assessment is in place to ensure that input from employees is discussed and considered. All employees have a WEO representative to whom any working environment issue should be reported.

2.2. HUMAN RIGHTS, ANTI-CORRUPTION, AND BRIBERY - GUIDELINES FOR EMPLOYEES AND SUPPLIERS

SimCorp's approach to human rights, anti-corruption, and bribery is firmly based on our corporate value

statement: "we are determined, enthusiastic, and perform with integrity - together". How we should act as employees and the principles which the company's suppliers should adhere to are outlined in SimCorp's Guideline for Good Business Behavior, which can be found on the company website.



For employees

SimCorp's Guideline for Good Business Behavior acts as a framework to guide and support employees to act within SimCorp's value statement and the core business principles of SimCorp. The Guideline is established as a means of ensuring that SimCorp continuously maintains a high standard in its conduct that is in line with what can reasonably be expected from the company and its employees. The Guideline sets forward the principles which employees must act according to, in order 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*

*** 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 of Directors. SimCorp's Audit Committee is responsible for maintaining the policy and for ensuring that SimCorp remains in 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.

SimCorp provides its 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 about SimCorp's 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 the right to complain about processing of personal data. The Privacy Policy is easily accessible on the company's website.

SimCorp further provides Privacy Policies to all employees, 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 by the introduction of new 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.

For suppliers

Our Guideline for Good Business Behavior also applies to our procurement process and suppliers.

All suppliers must comply with SimCorp's Guideline of Good Business Behavior and SimCorp will on a regular basis inform its suppliers about the provisions of this Guideline together with any amendments hereto. In addition, suppliers are requested to confirm adherence to the following principles:

- Suppliers must ensure that they and any relevant sub-contractors comply with the UN convention on child labor, article 32.1, and suppliers 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.

Further, SimCorp does not accept products and services which have directly or indirectly been designed, manufactured, produced, or procured in contravention of local environmental legislation or other legislation, or by means of corruption, bribery, or other fraudulent behavior.

Compliance

From time to time, SimCorp carries out tests and questionnaires with a view to ensure that all employees and suppliers are familiar with the terms of these guidelines. SimCorp will continuously monitor compliance with this Guideline.

In 2018, one employee was terminated due to company credit card abuse.

2.3. ENVIRONMENT

As SimCorp is committed to proper and diligent conduct in everything we do, we also aim to run our operations in an environmentally conscious way in order to reduce our environmental impact, which almost entirely relates to energy consumption.

In 2010, we implemented monitoring and measuring of electricity consumption data from all subsidiaries to be able to identify the results of various actions taken to reduce use and spending related to energy consumption. Specific measures aimed at reducing our energy consumption that have already been taken include:

- Replacing all standard computers and servers with low-energy devices
- Installing automatic light and heat adjustment at our corporate headquarters to reduce energy use during off-peak hours
- Establishing video equipment at all SimCorp locations and providing laptops to facilitate virtual meetings and hence reduce the need for travel.

Looking ahead, we will continually look for ways to further reduce our environmental impact, within the restrictions related to not owning but renting our office space.

SimCorp's performance on relevant environmental metrics can be found in the [ESG report](#) further below.

3. STAKEHOLDER ENGAGEMENT

SimCorp maintains an open and ongoing dialogue with its stakeholders, which is maintained by keeping an open line of communication at all times, but also through structured means.

We have defined our primary stakeholders as

- our clients
- our employees
- our shareholders,

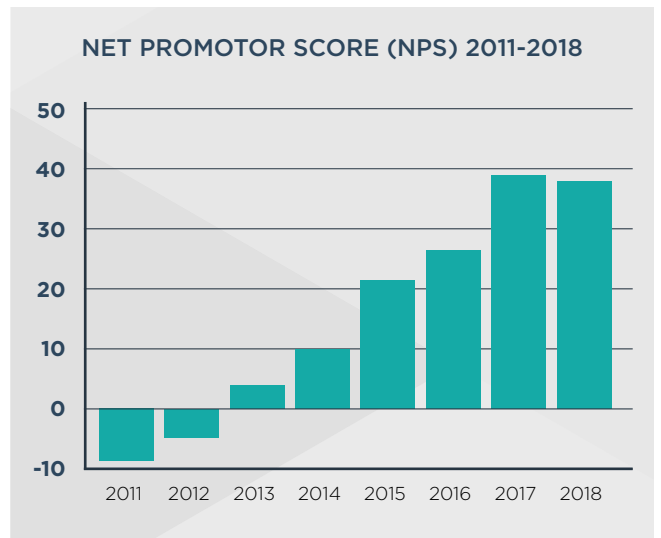
however, SimCorp also regards

- society

as a major stakeholder. As reflected in our business model, SimCorp contributes significantly 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](#) further below.

Our clients

One of the means used by SimCorp is the regular client satisfaction survey in which SimCorp gauges its clients’ satisfaction with the solutions, services and support we provide. Following the survey, ideas for improvement are discussed and implemented – either generally or for specific clients. In 2011, SimCorp initiated the implementation of the gauging methodology “Net Promoter Score” (NPS) that provides SimCorp with a single measure of client satisfaction. SimCorp continually strives to improve clients’ satisfaction by meeting their demands as they evolve. In 2018, we managed again to reach a high score (38 points), largely driven by high levels of product quality.



Our employees

Internally, SimCorp prides itself on having an open and straightforward dialogue with and among all of its employees. In 2018, it was decided to look for a new tool to replace the Employee Engagement Survey, which has been carried out for the past couple of years. This new global tool, which was piloted in 2018, will be launched in 2019 and will provide the ability to measure satisfaction and motivation in a more flexible way – both from a content and a timing perspective.

Our shareholders

It is part of SimCorp’s communication policy to pursue an open dialogue with investors and analysts about the company’s business and financial performance. To ensure that SimCorp’s stakeholders have equal access to corporate information, news about SimCorp is released to Nasdaq Copenhagen, the media and on SimCorp’s website, where users can also subscribe to SimCorp’s news service.

Society

SimCorp A/S maintains membership of various industry associations, including Dansk Industri (The Confederation of Danish Industry) and Center for Ledelse (The Danish Centre for Leadership). SimCorp as a company does not engage in any political activity, nor does it support any political party.

4. WHISTLEBLOWER POLICY

SimCorp has established a whistleblower system as a means of increasing focus on transparency and to capture behavior contradicting with our fundamental values and business policies. 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 has engaged with a third party, Got Ethics, who provides an internet-based reporting tool. Reports

sent through the whistleblower hotline are electronically submitted directly to the Chairman of the Audit Committee and an independent member of SimCorp's Board of Directors.

The whistleblower system is continually tested. Two reports have been submitted through the whistleblower hotline in 2018 (2017: 0). To learn more about our whistleblower policy, please refer to our website.

[LEARN MORE ABOUT OUR WHISTLEBLOWER POLICY](#)



5. ESG REPORT 2018

ESG REPORTING METRICS

The report below covers data on the environmental, social, and governance (ESG) metrics identified as most relevant to SimCorp's business. ESG reporting enables us to track and improve our performance, supports accountability, and offers transparency for all our stakeholders.

The electricity consumption data has been provided by the provider Ørsted/Radius, the heating consumption data by the provider Hofor, and the CO₂ emission has been calculated based on the Carbon

Calculator formula developed in partnership between the Confederation of Danish Industry and the Danish Business Authority under the Danish Ministry of Business and Growth. The input for the CO₂ emission calculation is based on the consumption of electricity and heating at headquarters and the use of leased company cars. The remaining environmental data have been provided by SimCorp headquarter's landlord.

The social and governance data are all based on company records.

METRIC	DEFINITION	2018	2017	2016
Environmental data				
Electricity consumption	Annual amount of electricity consumed at headquarters (MWh)	602	624	629
Heat consumption	Annual amount of heating consumed at headquarters (MWh)	811	752	941
CO ₂ emission	Annual amount of CO ₂ emission at headquarters (tons CO ₂)	209	251	277
Use of renewable energy sources				
Renewable energy share	Amount of renewable energy as share of total electricity consumption (%)	12%	13%	12%
Water consumption	Annual amount of water consumption at headquarter (ML)	5.3	4.4	4.2
Waste consumption	Annual amount of waste at headquarters (tons)	64.5	70.9	n.a.
Social data				
Diversity: EVP, SVP and VPs	Women as share of total number of EVP, SVP and VPs (%)	13%	11%	12%
Diversity: Directors	Women as share of total number of Directors (%)	35%	34%	31%
Diversity: Managers	Women as share of total number of Managers (%)	35%	36%	34%
Diversity: Total employees	Women as share of total number of employees (%)	33%	33%	31%
Voluntary leaves	Number of voluntary leaves	104	81	85
Involuntary leaves	Number of involuntary leaves	43	48	32
Leavers (total)	Total number of leavers	147	129	117
Voluntary turnover ratio	Voluntary leavers as share of total number of employees (%)	7%	6%	7%
Employee turnover ratio	Leavers as share of total number of employees (%)	9%	9%	9%
Lost days	Sick days as share of total number of work days (%)	1.5%	1.9%	2.5%
Employee training hours	Employee training hours as share of total working hours (%)	3.7%	3.0%	4.2%
Tax	Corporate income tax (EURm)	25.6	21.2	16.6
Governance data				
Board meetings	Number of Board meetings	6	6	6
Attendance rate	Attendance rate for Board meetings (%)	100%	100%	100%
Diversity, Board	Women as share of shareholder-elected Board members (%)	14%	17%	20%
Board members, 36-50 years	Number of Board members, 36-50 years	1	1	1
Board members, 51-70 years	Number of Board members, 51-70 years	6	5	4
Audit Committee meetings	Number of Audit Committee meetings	4	4	4
Attendance rate	Attendance rate for Audit Committee (%)	100%	100%	92%
Nomination & Remuneration Committee meetings*	Number of Nomination & Remuneration Committee meetings	3	2	n.a.
Attendance rate*	Attendance rate for Nomination & Remuneration Committee (%)	100%	100%	n.a.
Net promotor score (NPS)	A single measure of client satisfaction	38	39	27

*2017 data apply to the Nomination Committee, which was formed in 2017 and following the Annual General Meeting 2018 became a Nomination & Remuneration Committee.

6. UN SUSTAINABLE DEVELOPMENT GOALS

SimCorp’s contribution to the United Nations 17 Sustainable Development Goals (SDG) is reflected in relation to the related targets listed below.



Target 3.4 *By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.*

At SimCorp, we have a Well-being Policy, which describes how the company commits to ensuring the mental, social and physical well-being of its employees. A range of activities and guidelines actively support the well-being of employees (resilience training, stress guideline, meditation classes, and more) and a framework is in place for helping employees back to work successfully should they be hit by stress or a work-related injury. SimCorp also offers its employees a company paid health insurance.

Target 3.9 *By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination*

SimCorp’s Working Environment Organization (WEO) manages and brings attention to health and ensures safety in the work environment. A yearly work-place

assessment is in place to ensure that input from employees is discussed and considered. All employees have a WEO representative to whom any working environment issue should be reported.



Target 4.4 *By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship*

SimCorp has joined the Coding Class project, an initiative with the goal of making IT part of the curriculum in Danish schools, starting out by introducing six graders to working with IT and technology. SimCorp has joined the Coding Class project as one of the main sponsors, who also obtain a spot in the Steering Committee. These sponsors are called “Coding Class Angels”. SimCorp believes this initiative will help increase the number of young people with relevant skills for future jobs in a global world where IT plays an increasing role.

Target 4.5 *By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations*

SimCorp has initiated a mentoring program in 2015, which aims to ensure that men and women have equal opportunities for reaching a managerial position in SimCorp. Employees selected for the program are supported in their current roles and managerial aspirations by being assigned a mentor from SimCorp's management group. Furthermore, SimCorp runs courses targeted at equally supporting all employees with manager potential.

Target 4.7 *By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development*

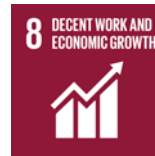
SimCorp's Diversity and Inclusion Policy states that SimCorp "... strive to create a diverse and inclusive workplace that welcomes people of all views and backgrounds, and offers equal opportunities regardless of race, gender, religion, national origin, physical ability, marital status, or sexual orientation. We believe that we are stronger when we reflect the diversity in the world around us, making us more dynamic, more innovative and more successful in the marketplace."



Target 5.5 *Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life*

It is SimCorp's objective to develop female talent within the business and to increase the proportion of women at management level in SimCorp, so that it reflects the total proportion of female employees in the SimCorp Group. In 2018, the female representation at management level in SimCorp has increased to 31.0% compared to 29.1% in 2017, while the total proportion of women in the SimCorp Group is 33.0% (2017: 33.2%). Regarding gender diversity on the Board of Directors, the company has set as a target to have two directors of the underrepresented gender elected by the annual

general meeting (AGM) to the Board of Directors, which currently has seven AGM-elected members of which only one is a woman.



Target 8.8 *Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment*

It is important to SimCorp that we have a workplace where there is room for everyone regardless of race, gender, religion or belief, age, national origin, physical ability, marital status or sexual orientation. SimCorp has a Senior policy in place to ensure that employees from the age of 60 can remain a part of our workforce. The aim is to provide a workplace where seniors can continue to develop their skills and contribute with their considerable experience - for example by acting as mentors for younger colleagues.



Target 10.2 *By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status*

SimCorp strives to maintain a workplace that is diverse and inclusive, offering equal career opportunities regardless of race, gender, religion, national origin, physical ability, marital status, or sexual orientation. The approach applies to job applicants as well as all current employees. As part of its activities, SimCorp has created a special pool of 15 headcounts, which can be allocated to offering jobs to disabled people, flexible jobs (for people with a reduced ability to work), or internships.

Target 10.5 *Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations*

SimCorp's product offering SimCorp Dimension® and its regulatory compliance services enable global investment managers to always comply with the latest regulatory demands. A separate module in SimCorp Dimension, the "Compliance Manager", enables users to reconcile compliance demands from regulators and customers. Furthermore, SimCorp's offering allows real-time compliance monitoring.

7. REPORT PROFILE

This is the Group's tenth Corporate Social Responsibility statement, now also including an ESG report on non-financial metrics and covering the period January 1, 2018 - December 31, 2018. The statement and report are updated annually. Questions relating to the contents of the report can be directed to info@simcorp.com.

The company's Board of Directors has assessed and approved this statement and report.



ABOUT SIMCORP

SimCorp provides integrated, best-in-class investment management solutions to the world's leading asset managers, fund managers, asset servicers, pension and insurance funds, wealth managers and sovereign wealth funds. Regardless of how you deploy it, SimCorp's core solution, SimCorp Dimension[®], and its life-cycle services support the entire investment value chain and range of instruments, all 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, regionally covering all of Europe, North America, and Asia Pacific.

For more information, please visit www.simcorp.com

ONE SYSTEM FOR A COMPLEX WORLD



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