

Corporate Social Responsibility

in SimCorp 2014

Statutory corporate social responsibility statement pursuant to section 99 a of the Danish Financial Statements Act – for the financial year 2014

This document – Corporate Social Responsibility in SimCorp 2014 – is an integral part of the management report in the SimCorp Annual Report 2014.

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1. Introduction

For individuals and businesses alike, social responsibility is a matter of responsible conduct as everything we do affects other people.

As a corporation SimCorp's role in society is to run a profitable business, but there is no obvious conflict between acting responsibly and caring for the surroundings and producing strong financial results. The main drivers for SimCorp's actions on corporate social responsibility are business related.

Implementing and preserving sound social responsibility may enhance our attractiveness as an employer – but equally importantly, it will improve the company's efficiency to the benefit of all stakeholders; clients, employees and shareholders alike.

SimCorp does not have a separate corporate social responsibility policy, because elements that may be part of a CSR policy are already integral elements of SimCorp's business behavior, including the company's Corporate Governance Guidelines, adopted by the Board of Directors.

This statement is thus a summary of information related to issues regarding corporate responsibility.

To SimCorp corporate responsibility is a matter of being a responsible citizen, acting with respect for our surroundings; it is an ingrained part of us – something we have always practiced in SimCorp and is as such reflected in our corporate values. So, when we say that “we are determined, enthusiastic, and perform with integrity – together”, we actually mean it. It is an approach that pervades the entire business.

Our commitment to the sustainable development of SimCorp is based on combining financial performance with socially responsible behavior and environmental awareness.

Overall, in the future we aim to maintain and enhance our professional relations with internal and external stakeholders based on mutual respect – for each other and our surroundings.

2. Profile

SimCorp is a leading provider of highly specialized software and expertise for the financial sector. Established in 1971, the SimCorp Group has 1,224 employees located at 22 offices on four continents. SimCorp's corporate headquarters are in Copenhagen, Denmark, where SimCorp A/S is also listed on the NASDAQ OMX Copenhagen A/S stock exchange.

SimCorp's clients include financial institutions, asset and fund managers, insurance companies, pension funds, mutual funds, banks and mortgage lenders primarily in Europe, North America and Asia Pacific.

- The organization's name is SimCorp A/S and it has its headquarters at Weidekamps­gade 16, Copenhagen, Denmark. In addition, SimCorp has offices and branches in Amsterdam, Boston, Bracknell, Brussels, Frankfurt, Helsinki, Hong Kong, Kiev, London, Los Angeles, Luxembourg, New York, Oslo, Paris, Singapore, Stockholm, Sydney, Toronto, Vienna, Wolverhampton and Zurich.
- At December 31, 2014, SimCorp had approximately 6,800 registered shareholders representing more than 91% of the company's share capital. Around 6% of the company's share capital was held by the company's management and employees. The company held 2.4% of the shares as treasury shares.
- In 2014 SimCorp generated revenue of EUR 241.1m and EBIT of EUR 57.3m. The EBIT margin was 23.8%. Profit after tax was EUR 41.6m.

3. Employees

In its business, SimCorp relies on its employees' financial expertise and software skills. Approximately 90% of the SimCorp employees hold an academic degree, most of them in finance, economics, IT or engineering, and we continuously focus on ongoing training and strengthening knowledge sharing.

SimCorp makes a sustained, targeted effort to continue to attract and retain highly qualified employees. This includes focused management and measurement of employee performance and development of skills to ensure that competent employees are rewarded and motivated to continuous learning in step with the development of SimCorp's business. Employees throughout the entire organization thus participate in an employee performance review several times each year to identify and follow up on specific, individual targets related to the company's general targets. This enables individual employees to see and understand their own contribution to the company's performance. It also enables management to monitor target achievements on an ongoing basis and, if required, adjust efforts.

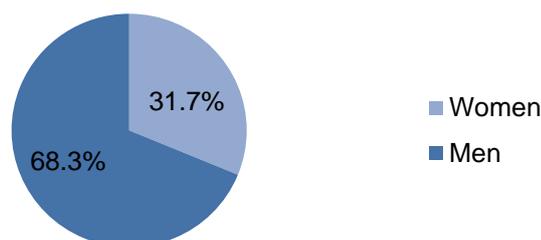
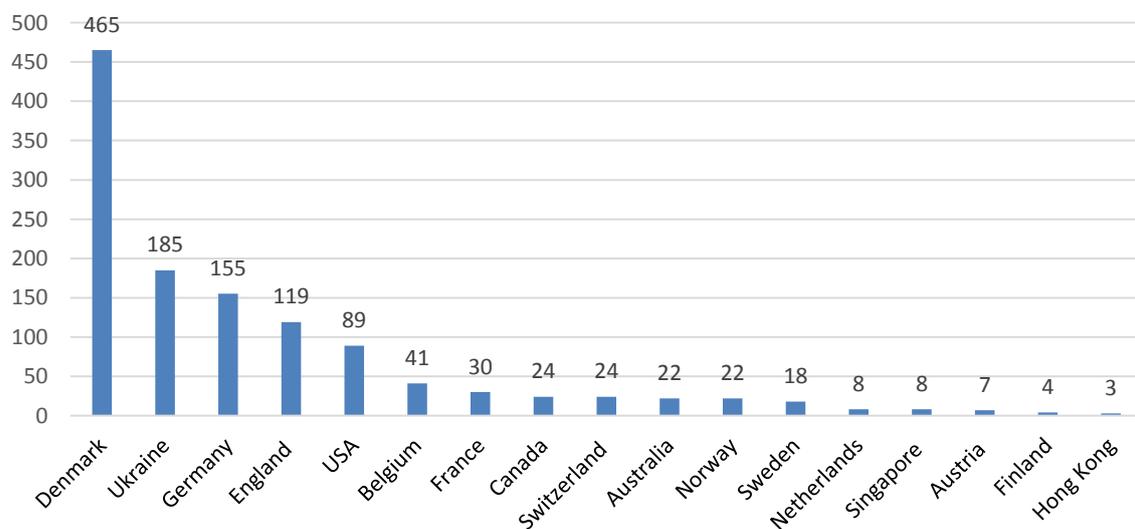
In addition, SimCorp operates a comprehensive training program, which aims to efficiently translate general knowledge into specialized skills and ensure that all employees update and develop their qualifications on a regular basis. SimCorp considers it important that employees are able to translate their theoretical knowledge into practice in order to fully utilize skills for the benefit of clients and employees alike. 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.

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

- At December 31, 2014, SimCorp had 1,224 employees. In 2014 the average length of service was approximately 6.9 years and the staff turnover rate was 7.8%, while the average age of SimCorp employees was 40 years.
- On average, SimCorp employees spent approximately 8.2 days on self-study, and internal and external training in 2014.
- The total number of lost days (defined as sick days) in 2014 amounted to 6,884 – equaling 2.19% of the total number of work days in the Group, compared to 7,300 and 2.5% respectively in 2013. SimCorp has not reported any occupational injuries or occupational diseases in 2014 resulting in any permanent damage.

Charts showing the number of employees by country of employment and gender are shown below. In SimCorp's opinion the gender distribution in the company reflects broadly the recruitment base within finance and IT in SimCorp's markets.

Number of employees per country



Data per 31 December 2014

4. Ethics and suppliers

SimCorp emphasizes a sound business relationship with the company's suppliers based on an ethically responsible foundation.

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.

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.

5. Environment

As SimCorp is committed to proper and diligent conduct in everything we do, we also aim to reduce our environmental impact. Among other things, we maintain a steady focus on reducing our energy consumption. Specific measures have already been taken, which 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 to facilitate virtual meetings and hence reduce the need for travel.

Further, we urge all employees to consider not only their on-the-job energy consumption but also their personal use.

In 2010 we implemented monitoring and measuring of electricity consumption data from all subsidiaries to identify various ways to further reduce use and spending. In 2014 electricity consumption decreased by 1% compared to 2013, while the average number of full-time employees increased by 9%.

Looking ahead, we will continuously look for ways to further reduce our environmental impact.

6. Stakeholder engagement

SimCorp wants to maintain an open and ongoing dialogue with stakeholders. We have defined our primary stakeholders as our clients, our shareholders and our employees. The ongoing dialogue is

maintained firstly by keeping an open line of communication at all times, but also through structured means. One of the methods used by SimCorp is the regular client satisfaction survey in which SimCorp gauges clients' satisfaction with the products and services we provide. Following the survey, ideas for improvement are discussed and implemented – either generally or with specific clients. In 2011 SimCorp initiated the implementation of the gauging methodology “Net Promoter Score” (NPS) that provides SimCorp with an instant measure of client satisfaction. SimCorp continually strives to improve client satisfaction in all we do and believes that going forward it will become an even more important part of SimCorp's company culture.

Internally, SimCorp prides itself on having an open and straightforward dialogue among its employees – regardless of age and rank. In addition to the less formalized communication, all SimCorp employees world-wide are invited to take part in an employee survey. The survey focuses on overall job satisfaction and engagement.

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. In order to ensure that SimCorp stakeholders have equal access to corporate information, news is released to NASDAQ OMX Copenhagen A/S, the media and on SimCorp's website, where users can also subscribe to SimCorp's news service.

In addition to this dialogue with the stakeholders, SimCorp A/S maintains membership of various industry associations, including Dansk Industri (The Confederation of Danish Industry), ITB (The Danish IT Industry Association) and Center for Ledelse (The Danish Centre for Leadership) although SimCorp as a company does not engage in any political activity, nor does it support any political party.

7. Governance

SimCorp's commitment to sustainable development of our business is based on combining financial performance with socially responsible behavior and environmental awareness. It is firmly based on the Group's core values and SimCorp's Corporate Governance Guidelines as adopted by SimCorp's Board of Directors.

7.1. Board of Directors

As provided by the company's articles of association, SimCorp's Board of Directors consists of between three and six members elected by the company's shareholders in addition to members elected by and from among SimCorp A/S employees. The Board currently consists of five members elected by the shareholders and two members elected by employees. All shareholder-elected board members are regarded as independent, whereas the two employee-elected members are not regarded as independent due to their employment with SimCorp. Members of SimCorp's Board of Directors are elected for one year at a time (employee-elected members for three years).

The composition of the Board of Directors ensures its ability to act as an efficient, visionary and result-oriented dialogue partner for SimCorp's Executive Management Board, independent of any special interests, just as it reflects diversity in terms of age, gender and international experience.

7.2. Whistleblower policy

SimCorp has established a whistleblower system to increase its focus on transparency. The whistleblower system allows employees, management and members of the Board of Directors of SimCorp 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 e-mail account.

The Board of Directors has appointed an independent member of SimCorp's Board of Directors, Simon Jeffreys as administrator of the whistleblower policy and to act as gatekeeper in respect of the whistleblower account.

Reports and questions that are received via the whistleblower system are treated confidentially.

No reports were received through the whistleblower system in 2012, 2013 and 2014.

7.3. The SimCorp Organization

SimCorp's Executive Management Board is responsible for the day-to-day management of the company and currently consists of three members. The Executive Management Board reports to the Board of Directors, which is elected directly by the SimCorp shareholders in Annual General Meeting. Two members of the Board of Directors are elected for a three-year-period by and among all employees in the SimCorp Group.

Board of Directors

Jesper Brandgaard (chairman), Peter Schütze (deputy chairman),
Hervé Couturier, Simon Jeffreys, Patrice McDonald
Jacob Goltermann (employee-elected), Raymond John (employee-elected)

Executive Management Board

CEO Klaus Hølse, CTO Georg Hetrodt, CFO Thomas Johansen

SimCorp management structure as at December 31, 2014

SimCorp is headquartered in Denmark and has subsidiaries throughout the world:



In addition to this document, we refer to SimCorp's Annual Report 2014 <http://www.simcorp.com/Investors/Financial-Info-and-News/Annual-Reports> and SimCorp's Corporate Governance Guidelines <http://www.simcorp.com/Investors/Corporate-Governance>

8. Report profile

The SimCorp Group's CSR reporting is prepared with a view to the G4 Sustainability Reporting Guidelines. This is the Group's sixth CSR report and covers the period January 1, 2014 – December 31, 2014. The report is updated annually. Questions relating to the contents of the report can be directed to info@simcorp.com.

There have been no comments on previous reports.

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