

# Linedata, a global company on a human scale



### 1311\*

Employees in the world



### 20 offices

**Covering 50 countries** 



### **179 M€** Turnover 2017 (+7.3% vs 2016)

**19 M€** 

R&D investment in 2017 (+11.6% vs 2016) **4** core businesses

700 Clients

**47** NPS\*\* 2017 (+2 vs 2016, +13 vs industry average)



**31%** women

**60%** women at the Board of Directors



**6 years** Group average seniority

### 14 years

France average seniority

\* The workforce is 1292 employees excluding trainees, and 1237 excluding specific contracts (such as SIVP & VIE)

\*\* Net Promoter Score (customer satisfaction index)

### Message from our CSR ambassador

#### Laurianne Le Chalony, Group Human Resources Director

"Linedata Group is committed to sustaining tomorrow's world. Ethics is one of our core values, as is our corporate and social responsibility".



We see it more than ever, the world around us evolves. It is connected and even more interconnected than before thanks to the growth of Artificial Intelligence, Connected Objects, SaaS, Big Data and Blockchain. Growth and progress possibilities offered by this hyper-connection are endless.

It is crucial for us to analyze our impact on the world, in particular the sustainability of our company and respect for the environment, but also our place in society, the well-being and development of our

employees.

Corporate Social Responsibility (CSR) and ethics are key stakes for Linedata Group. The CSR approach is part of the Group's global strategy and that of the countries in which we operate. Our 3-year action plan aims to continue to reduce our carbon footprint, strengthen our involvement in society and improve the working conditions of our employees to foster their personal and professional development.

The redesign of our brand image is in line with this business project. It is based on 4 values, 4 pillars that support our ethical and responsible approach:



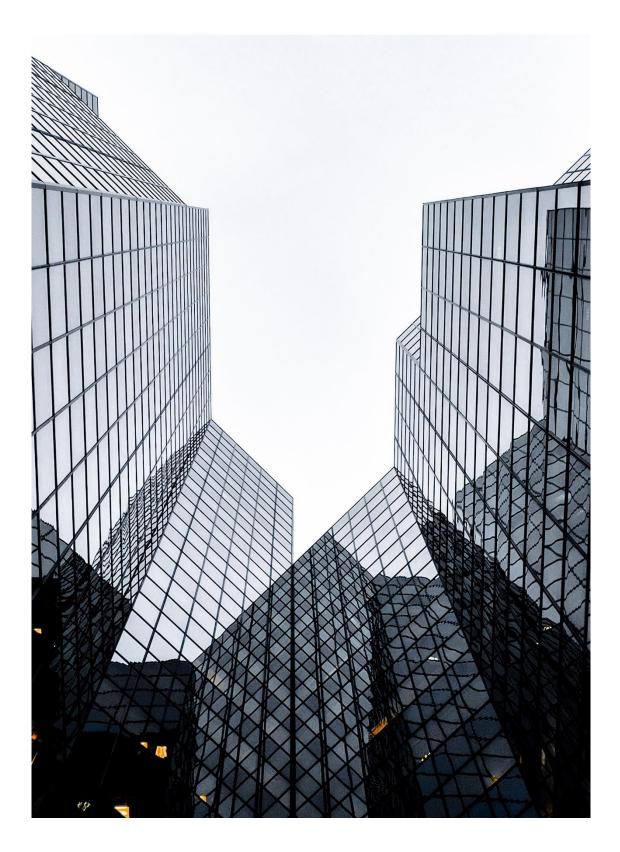
These 4 values drive Linedata Group and are the basis for trust among all stakeholders.

Linedata Group has decided to act proactively. The 2017 edition of the CSR report shows its commitment and the daily mobilization of each of its employees.

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## 1. LINEDATA PRESENTATION



#### 1.1 Business model

Linedata offers its customers global technology platforms based on the combination of four complementary businesses:

#### • Software editing

Linedata offers powerful and innovative IT solutions for professionals in asset management, insurance, lending and leasing. These solutions take into account all the linguistic, regulatory, legal and fiscal aspects specific to each country where they are deployed.

#### • Integration of solutions

Linedata must make its software operational very quickly, ensuring their full integration into the organization of its customers.

#### Provision of services

Linedata offers its customers different types of services to support them in their development. This varied offer includes training, functional and technical consulting and a complete SaaS hosting and running service of Linedata software.

#### Cloud Outsourcing & Services

The offer extends in 2017 to outsourcing and cloud services through the integration of two companies: Gravitas and QRMO. These acquisitions are intended to create synergies between software and services and to strengthen Linedata's presence in Asia and the United States.

#### Linedata offices



#### 1.2 Governance

Legal form

Since April 2017<sup>1</sup>, Linedata is a French limited company with a Board of Directors. The members of the Board of Directors are appointed by the General Assembly for two years. They are re-eligible. The Board meets regularly according to its missions provided by the law and the articles of association of the company. At the end of 2017, the Board of Directors had 3 women among its 5 directors, ie 60% women. The legal requirement of 40% of each sex in the Board of Directors is therefore met.

#### Management team

General Management is composed of a Chief Executive Officer assisted by two Deputy Chief Executive Officers.

An enlarged executive committee with 12 members is in charge of the Group's operational management. It is composed of 7 members of the central functions, 3 members of the Asset Management activity and 2 of the Lending & Leasing activity.

#### 1.3 2017 Highlights

#### January A 2017 ir

August

2017

#### **Acquisition of Gravitas**

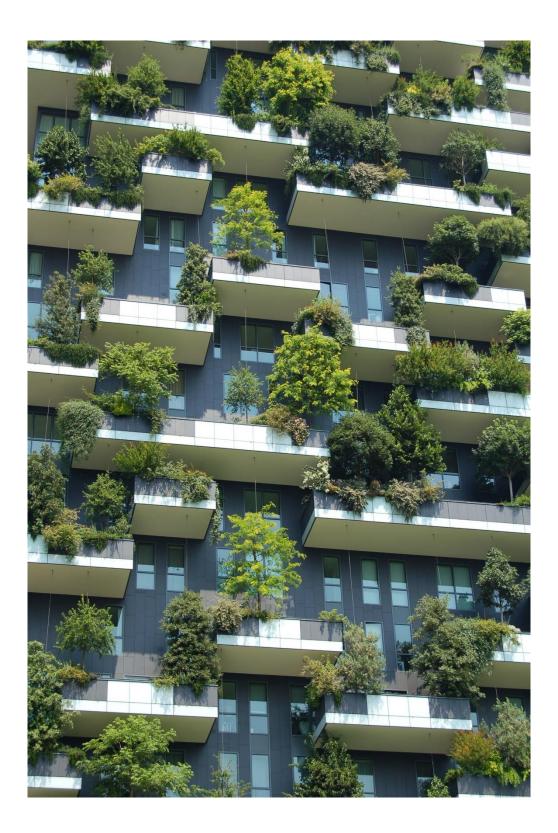
Acquisition of a leading provider of middle office and technology services based mainly in New York (USA) and Mumbai (India). Linedata continues to broaden its range of products with outsourcing services to span the entire value chain of institutional and alternative managers, and fund administrators.

#### Acquisition of QRMO

QRMO (Quality Risk Management & Operations) is a Hong Kong based outsourcing and risk control services provider for the asset management sector. This acquisition enables Linedata to expand its outsourcing activities and strengthen its presence in Asia. Linedata also increases its ability to offer its services around the world, 24 hours a day.

<sup>&</sup>lt;sup>1</sup> The Annual Shareholders' Meeting of April 27, 2017 changed the Company's governance from a model composed of a Management Board & Supervisory Board to a Board of Directors structure.

## 2. CSR APPROACH & STRATEGY



#### 2.1 CSR approach

CORPORATE RESPONSIBILITY, AN INTEGRAL PART OF THE GROUP'S CULTURE AND STRATEGY

Linedata's sustainable development approach is aimed at meeting the needs of the present without compromising the ability of future generations to meet their needs.

As part of the "Grenelle II" French law of 12 July 2010 and its implementing decree of 24 April 2012, the Group implemented a process in 2012 to identify the information to be published on the social and environmental consequences of its activity, as well as on corporate commitments to sustainable development.

In this report, Linedata has voluntarily limited its disclosure to relevant and representative information given Linedata's business segments. Given its very low-polluting activity, Linedata has chosen to ensure development on social and corporate policy while promoting environmental actions.

#### 2.2 Reporting methodology

#### • Scope and data sources

Linedata's CSR policy and the information presented in this report apply to all Linedata Group companies (including Gravitas and QRMO companies, acquired in 2017), unless otherwise stipulated.

#### Reporting Management

Data collection is centralized at Group Internal Audit team level, who is responsible for the reliability and consistency of the information provided. The collection social data was carried out through the human resources team of each region and verified by Group Internal Audit. Qualitative information comes from interviews with stakeholders across the Group.

A multidisciplinary team composed of the Legal, Finance, HR and Internal Audit Departments guarantees the overall approach adopted by the Group. In addition to this team, a network of local correspondents for each component of corporate responsibility has been established in all geographical areas.

This organization ensures the regularity of information flows within the Group, the practical implementation of actions at all levels, and a dialogue at the highest level of the company regarding corporate responsibility issues.

#### • Data control and verification

Data is collected and analyzed by Group Internal Audit, which ensures its consistency before the final CSR Report is sent to the Independent Third Party Organization for verification (see Certificate of the OTI attached to this report).

#### • Unavailable or irrelevant information

Unavailable information :

✓ Means dedicated to the prevention of environmental risks and pollution

#### Irrelevant information :

Given its software providing activity, Linedata Group considers that hereunder information as not relevant:

- ✓ prevention measures, discharges into the air, water and soil,
- ✓ taking into account activity-specific pollution forms
- ✓ fight against food waste
- ✓ water consumption and water supply according to local constraints
- ✓ land use
- ✓ measutre taken to develop biodiversity
- ✓ measures taken for the health and safety of consumers

#### 2.3 CSR Strategy

Conscious of its civic responsibility, Linedata has put in place a CSR strategy articulated around 10 key themes, and being a concrete roadmap underpinning our medium and long-term ambitions. This roadmap is intended to promote good practices within the Group and to unite employees around clear and common objectives.

	THEME	AMBITION 2018-2020	ACTION PLAN
1	Human Rights	<ul> <li>Join the United Nations Global Compact</li> </ul>	<ul> <li>Sensitize the Group to the key principles of the United Nations Charter through a dedicated communication</li> </ul>
2	Sustainable development	<ul> <li>Strengthen eco-responsible actions on a daily basis</li> </ul>	<ul> <li>Systematize selective sorting</li> <li>Set up a "Zero Paper" policy (going paperfree on invoices, electronic archiving)</li> <li>Limit the use of cups &amp; other disposable resources</li> </ul>
3	Employee responsibility	<ul> <li>Engage employees in charity actions (voluntary, humanitarian,)</li> </ul>	Establish "solidarity days" throughout the Group
4	Team diversity	<ul> <li>Set up diversity programs</li> </ul>	<ul> <li>Sensitize teams to gender diversity and the means to promote it</li> <li>Identify diversity "ambassadors" within the Group</li> </ul>
5	Third party responsibility	<ul> <li>Ensure third parties CSR engagement (customers, suppliers, partners)</li> </ul>	<ul> <li>Establish a CSR assessment system for business partners</li> <li>Target the most CSR committed third parties (Supplier CSR Charter,)</li> </ul>
6	Disability	<ul> <li>Implement disability (whether visible or non visible disability) awareness actions</li> </ul>	<ul> <li>Strengthen communication around disability</li> <li>Deploy disability awareness sessions</li> <li>Study the option of adhering to the ILO Global Network Corporate &amp; Handicap Charter</li> </ul>
7	Employee Group commitment	<ul> <li>Reinforce employees' commitment to the Group's values through team projects</li> </ul>	<ul> <li>Promote Team Building activities within the Group (example: set up a "LOL project Entreprises")</li> </ul>
8	CO2 emissions	<ul> <li>Measure our carbon footprint to reduce it</li> </ul>	<ul> <li>Set up indicators to measure servers energy consumption</li> <li>Measure the CO2 impact of travel (planes, vehicles,)</li> <li>Promote teleworking and car pooling</li> </ul>
9	Responsible purchasing	<ul> <li>Set up an Eco-Sourcing policy</li> </ul>	<ul> <li>Target suppliers of eco-friendly products / services (notably "Green IT")</li> </ul>
10	Energy	<ul> <li>Set energy saving devices</li> </ul>	<ul> <li>Evaluate the feasibility and viability of possible savings tracks</li> </ul>

## **3. ETHICS & COMPLIANCE**



#### 3.1 Ethical commitment (Code of Ethics)

#### Group Code of Ethics and Professional Conduct

Linedata Group values and principles are brought together in a Code of Ethics and Professional Conduct.

Proposed in English and French, this Code is the identity cement that gives each employee a reference framework for his daily work.

#### • Employee ethics awareness

Since 2017, an annual electronic signature campaign of the Code of Ethics and Professional Conduct is in place.

Each year, each employee and each new entrant is asked to read the provisions of the Code of Ethics and to confirm the reading by affixing his electronic signature. Group Internal Audit team monitors the signature process to ensure compliance.

#### 3.2 Prevention of corruption (SAPIN II law in France)

#### • Corruption awareness

Linedata is committed to fighting corruption.

In accordance with the French SAPIN II law, Linedata is putting in place a system for preventing corruption through an awareness program that fosters good practices and strengthens a culture of prevention and risk-detection.

A set of policies has been developed to fight and raise awareness against corruption and influence peddling:

- ✓ Establishment of an awareness program for Group employees to detect corruption and influence peddling. Our employees are considered ambassadors of the Group's ethical standards compared to third parties.
- ✓ A device for declaring received or given gifts or invitations. This system extends to donations and contributions to associations or other third parties and helps prevent or detect actions contrary to Group's policy.
- Establishment of a third-party evaluation system (customers, suppliers, partners) through questionnaires & an ethical charter to which they must adhere

#### Whistleblowing system

In accordance with the requirements of the SAPIN II law, Linedata will deploy in 2018 a whistleblowing system, accessible to all Linedata employees throughout the world in case they need to report any unlawful or unethical act or wrongdoing.

It will be a secure external platform, accessible 24/7 days via internet or telephone (free number in all languages), and will allow whistleblowers to remain anonymous if they choose to.

#### 3.3 Data Privacy (GDPR)

Linedata Group is concerned with the protection of personal data, both internal (employee data) and external (commercial third parties' data).

With this in mind, the Group has launched a plan to comply with the requirements of the General European Data Protection Regulation (EU) 2016/679 (General Data Protection Regulation, "GDPR"), adopted on 14 April 2016 and enforceable from May 25, 2018.

Initiated at Group level, with the support of external consultants, this plan is structured around the following axes:

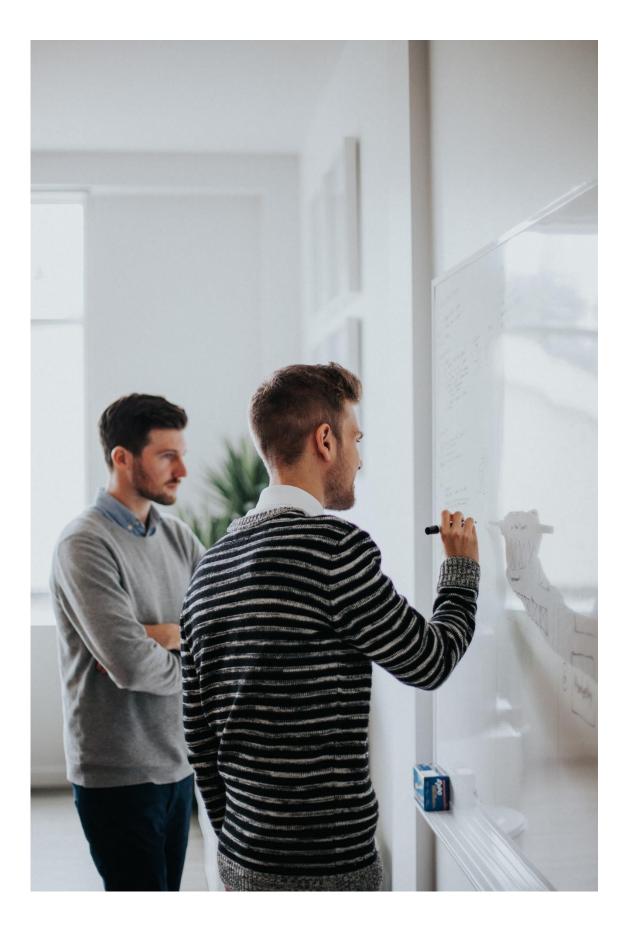
- ✓ Identify and qualify all personal data processings (keeping a "register")
- Review if necessary the legal framework of intra-group (standard contractual clauses, BCR) and external (client relations, suppliers, partners) processings
- Adjust our products, particularly through actions of anonymization or encryption of personal data ("Privacy by Design & by Default")
- ✓ Adjust means of collecting consent within the different processes (HR, IT, Sales, ...)
- ✓ Conduct impact studies when applicable

This compliance plan involves all the functions of the company and is followed up by a Steering Committee composed of representatives of Internal Audit, Legal and Information Security departments. The appointment of a manager dedicated to the protection of personal data and interactions with the CNIL (French regulatory authority) is under study.

Linedata will make data privacy a priority, for both its employees and its external stakeholders.



## 4. PEOPLE



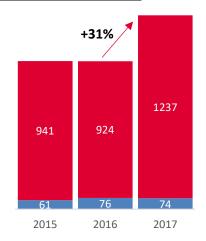
#### 4.1 Employment

Linedata's commitment to employee development is an integral part of the Group's human resources policy. Linedata teams are multi-cultural and multidisciplinary, thus promoting the quality of human relations. Linedata ensures to promote diversity, facilitate knowledge transfer, motivate and involve employees and foster social dialogue.

#### • Workforce (end of 2017)

2017 was marked by a strong growth for Linedata Group with the acquisition of two companies: Gravitas in January and QRMO in August.

With these two acquisitions, Linedata Group has 1,237 employees (excluding trainees and similar positions) as of December 31, 2017, and strengthens its presence in Asia and the United States. External growth is an important lever in Linedata Group's development policy.



#### **Workforce evolution**

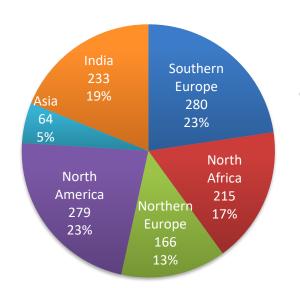
With the acquisition of Gravitas and QRMO, headcount is up 31% from 2016

Workforce (Open-ended contracts, Fixed-term contracts, Training Contracts)

Internships and equivalent (apprenticeship contract, VIE & SIVP \*) \* Work experience courses: specific to Tunisia.

#### See Appendix 8.1

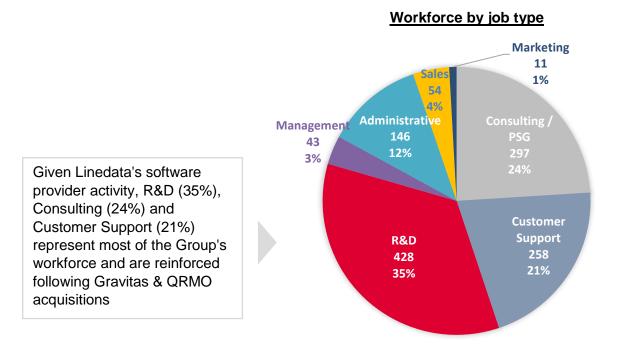




The acquisition of Gravitas and QRMO has strengthened the Group's presence in Asia (+29 employees), India (+218 employees) and the United States (+62 employees).

Note: the contributive share of the workforce in India increases from 2% in 2016 to 19% in 2017.

See Appendix 8.2

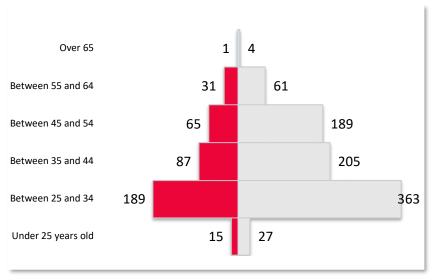


See Appendix 8.3

**99%** Of permanent contracts

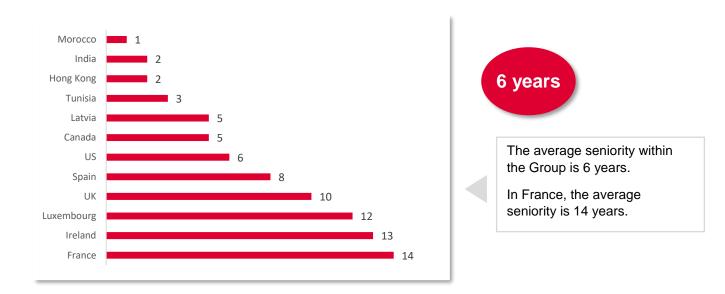
Linedata favors hiring under permanent contracts, the use of fixed-term contracts being reserved for temporary replacements (maternity or parental leave, individual training leave).

#### Age structure



See Appendix 8.6

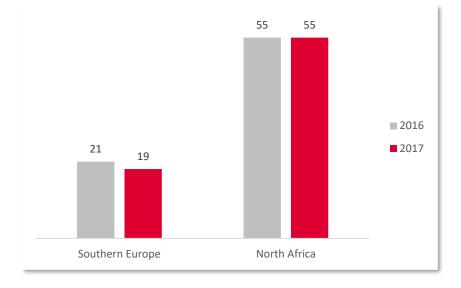
#### Average seniority by country



#### Talent attraction

Linedata promotes the integration of young people by having recourse whenever possible to internships, apprenticeships or professionalization contracts, and VIEs to encourage the employability of young people.

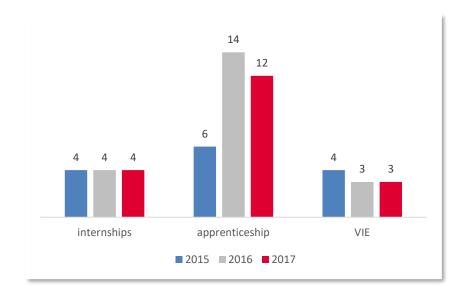
In Tunisia, Linedata in 2017 transformed 43 SVIP contracts into permanent contracts.



#### Evolution of the number of internships & assimilated \* in the world

\* including VIE & SIVP

### Evolution of the number of internships, apprenticeships & professionalization contracts in France



#### International mobility program

International mobility is a major source of motivation for employees for a global group. This mobility not only helps to attract new talent but also to keep our experts. This mobility policy, whether geographical or functional, is based on the progress, professional careers and promotions that result.

#### • Hires & departures

Recruitment is a driving force of Linedata Group's development strategy.

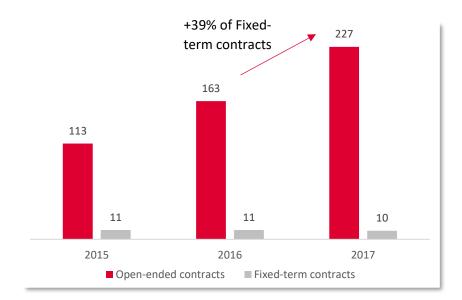
Most hiring is done on senior profiles, even if a special and increasing effort is made to integrate young people into the teams in order to make them evolve within the Group.

Nearly 95% of the Group's employees are executives from engineering schools, postgraduate education or business schools. They have either technical or functional skills, or a combination of both.

Being a software and service provider for the financial world requires to understand technical and functional aspects. Strong functional skills in the teams make it possible to better understand customers' needs & businesses.

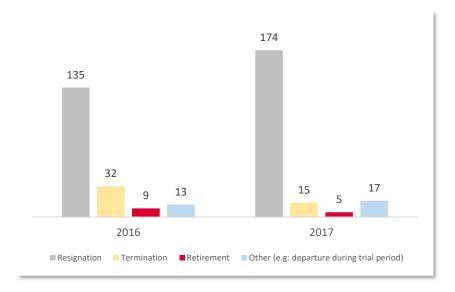
As Linedata continues its digital transformation, social networks have taken an increasingly important part in the recruitment process. Our LinkedIn account is followed by more than 18,000 subscribers and we have more than 1,200 followers on Twitter since 2009.

#### Evolution of recruitments by type of contract



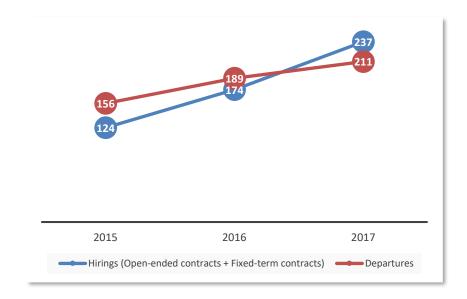
See Appendix 8.8

#### **Departures by nature**



See Appendix 8.9

#### Comparison between entries and departures



Our ambition is to attract more talents. Looking forward, Group Human Resources rolled out a program to standardize processes and practices worldwide. In 2017, the number of hirings exceeds the number of departures, thus reinforcing workforce growth.

#### Compensation policy

Linedata Group compensation policy is based on common principles applied in an appropriate way according to the laws, regulations and regional specificities.

This policy aims to:

- ✓ Attract, recognize and retain talent
- ✓ Reward performance, both individual and collective
- ✓ Implement Group strategy and take into account the financial and operational objectives

A variable compensation policy is implemented for most employees to encourage performance. The principles for increasing compensation, including fixed and variable components, are defined each year based on guidelines given for the entire Group and taking into account all local regulations. The study of annual salary increases is based on company performance and market conditions. When the legislation allows it, negotiations take place with employee representation organizations.

Given the heterogeneity between the countries where Linedata is based, the publication of average salaries does not add value to this document. In addition, according to Linedata, detailed information (average wages per country, steps, etc.) constitutes a strategic competitive factor that should not be published.

New pension schemes were negotiated or instituted in 2014 for French companies. These arrangements, which have been applicable since 2015, are: a Group Savings Plan (PERCOG, including an employer contribution for voluntary payments) and a group defined contribution savings plan (Article 83, including paid contributions) by the company).

#### • Equal treatment

#### • Female/Male equality

Linedata promotes gender diversity in its workforce, by increasing women's access to its various professions, and by ensuring career progression fairness. French and foreign companies are subject to specific laws, particularly in the fight against professional discrimination between men and women.



Women represent 31% of the Group's workforce in 2017.

In France, this figure rises to 33%, which is higher than the largest French IT services companies average (23% according to a study).

See Appendix 8.7

In France, Linedata set up a Male/Female Professional Equality Commission. This Commission reports no discrimination in hiring but finds that there are more male than female candidates.

#### • Fight against discrimination

Linedata's commitment to equal opportunities is reflected in the following measures:

- Create a work environment that prohibits any form of discrimination or harassment;
- ✓ Recall the need to respect religious differences;
- Establish recruitment practices that ensure that individuals, or members of a particular group, have equal access to employment and do not suffer discrimination based on specific characteristics.

#### o Insertion of people with disabilities

The premises used in France are equipped with facilities facilitating access for people with reduced mobility.

#### 4.2 Work organization and absenteeism

#### • Organization of working time

In most countries where the Group is present, the organization of working time is governed by law. In the absence of agreement on working time, local legislation prevails.

Working conditions and organization are essential for HR management. Linedata Group ensures that every employee works in an environment that respects local legal provisions.

In order to reinforce employee identification, an Economic and Social Unit ("UES" in french) has been set up since the end of 2001, bringing together all the French operating companies. Linedata Services joined this UES late 2002 in preparation for its transformation into an operating company. The French companies acquired later joined the UES, and their employees now enjoy all its advantages.

A new participation agreement has been negotiated for the years 2015 to 2017. Following these agreements, the Group has put in place new retirement plans, the Group Retirement Savings Plan and a group savings plan (Article 83).

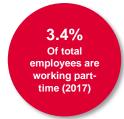
Resulting from various acquisitions, Linedata Group companies continue their policy of harmonizing pay and qualifications processes.

The readjustment of the qualifications and classifications of all the staff of the companies of the French SEU was finalized in 2006.

Under the framework of Working Time Agreement concluded at the UES level, employees of these companies benefit from a reduction in working time resulting in the majority of between them by package-days of 216 or 218 days worked per year according to their category (including solidarity days, but excluding additional seniority days up to 2).

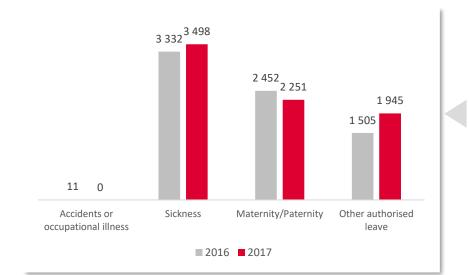
#### Full-time / part-time division

		2015	2016	2017
Women		326	331	388
	Full-time	296	304	360
	Part-time	30	27	28
Men		615	593	849
	Full-time	607	581	835
	Part-time	8	12	14
TOTAL		941	924	1237



#### • Absenteeism

Absenteeism is monitored locally in accordance with the legislation in force in the various countries where Linedata operates.



#### Absenteeism (excluding paid leave, number of days)

While the workforce grew by 31% in 2017, absences (excluding holidays) increased by only 6% compared to 2016.

Note: "Other authorized leave" includes "exceptional" absences (family events, leave without pay, etc.)

See Appendix 8.11

#### 4.3 Skill development

#### • Performance appraisal

Each employee receives at least once a year a performance review interview with his / her supervisor, in order to assess his / her performance, skills and possible areas for improvement.

These interviews also make it possible to estimate the employee's training needs, determine his objectives for the coming year and consider his medium-term outlook.

In 2017, the group has deployed a tool for monitoring individual performance and annual assessment ("People Development Review"), which assesses an employee's contribution to his position and the associated skills, and helps establish a development and career plan for the coming year. This tool should bring more fluidity in sharing and monitoring employee development plans.

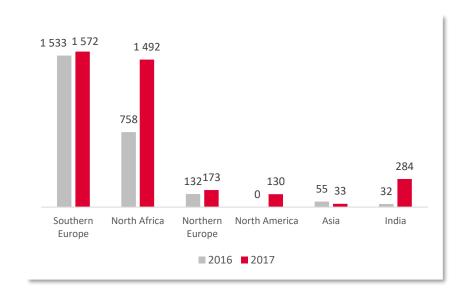
In addition, Group French companies have put in place an action plan for the use and maintenance of skills, in application of the legislation. This plan is structured around the following areas of action:

- Anticipating the evolution of professional careers
- Improving working conditions and preventing hardship situations
- ✓ Development of skills and qualifications and access to training
- ✓ Career development and the transition from activity to retirement
- ✓ The transmission of knowledge and skills and the development of tutoring

#### • Training

To maintain and increase the level of skills of its employees, Linedata Group has adopted a training policy for all its employees and annually invests a significant percentage of its payroll in training. The Group has also set up internal training sessions on functional subjects led by recognized experts in their field.

Locally, each country builds and deploys an offer of internal and external training aligned with the needs of its activity.



#### Evolution of the number of training days

NOTE : In North America, training figures are reported since 2017

#### 4.4 Health and security at work

Linedata Group provides all its employees throughout the world access to a good level of social protection, incorporating various supplements such as, depending on the country, subrogation and salary maintenance in the event of illness or even mutual or supplementary health insurance in conditions superior to legal or contractual requirements. Group's companies cover social security contributions in excess of their legal obligation, thereby reducing payroll deductions.

Linedata Group does not observe any noise pollution or other pollution specific to its activity. Nevertheless, measures have been taken to limit noise pollution inside the premises for the benefit of employees.

In France, health and safety conditions are examined during meetings of the CHSCT (Committee for Hygiene, Safety & Working Conditions).

Premises are classified labor code and built in respect of surrounding housing (noise limitation related to evacuations).

#### 4.5 Labor relations

In France, Linedata promotes a constant dialogue with employee representative bodies.

#### Number of meetings with staff representatives

	2015	2016	2017
Work council	14	8	12
Employee representatives	2	2	8
TOTAL	16	10	20

The topics addressed in the meetings with the CHSCT most often regard working hours, health & safety, remuneration, training and gender equality in the workplace.

#### 4.6 Employee shareholding

Since 2000, for French companies, a Group Savings Plan (PEG) scheme allows employees to purchase Linedata Services shares with an additional contribution paid by the company by making voluntary payments or by allocating participation.

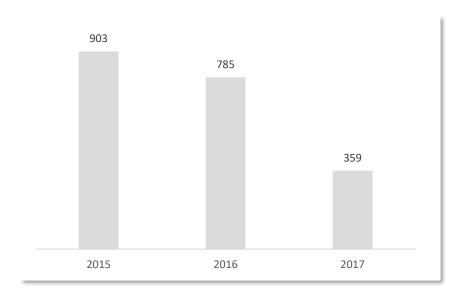
Participation varies according to the results of French companies according to the legal formula for calculating the Special Participation Reserve (RSP).

Corporate representatives and employees have 54.50% of the capital of the company, of which 1.11% through a mutual fund company investment (FCPE) from the PEG.

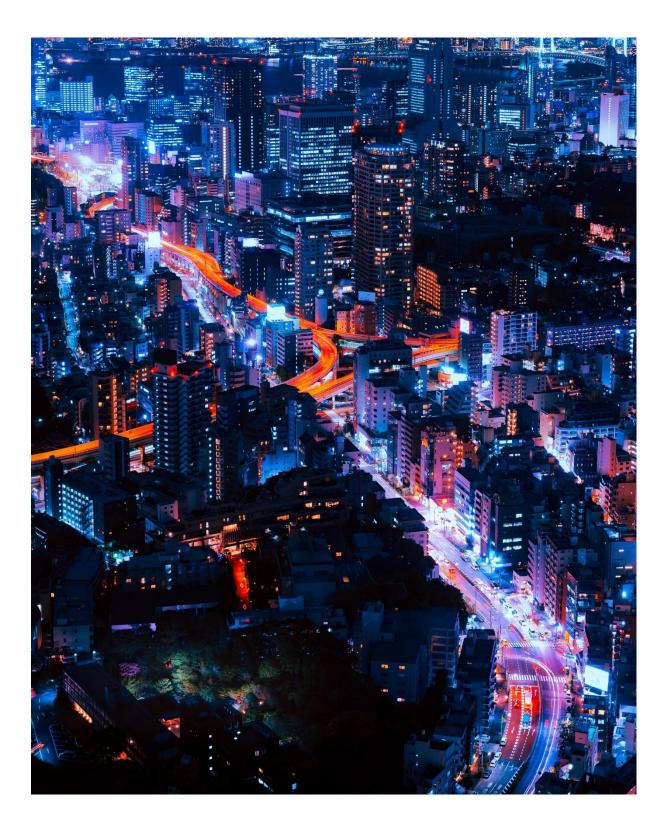
The Group wishes to pursue this policy and gradually extend it to its subsidiaries abroad in accordance with local constraints, in order to enhance the feeling of belonging to the same Group.

In addition, Linedata Management is authorized by the General Assemblee of the Company to grant Linedata Services stock subscription or purchase options to Group employees (since the IPO) and to grant free shares to Group employees (since 2005). Each of these authorizations has already been used several times, and for the last time in 2014.

#### Participation Evolution in France (K€)



## **5. SOCIETY**



#### 5.1 Territorial, economic and social impact of Linedata

Linedata Group takes into account the territorial impact of its economic and social activities in each of its locations.

In order to stimulate local economy, recruitments within Linedata are done mainly locally.

Linedata has always maintained close relations with educational institutions. These relationships have been impacted by the technical need for R&D teams to strengthen their links with schools or universities providing training tailored to Linedata's business lines:

- ✓ In France, Linedata signs annual work-study and apprenticeship contracts for Master's degrees in IT applied to management.
- ✓ In Tunisia, Linedata has been using SIVP internships since 2012 for first-time job-seekers of Tunisian nationality who hold a higher education diploma or an equivalent degree. This system is designed to encourage young graduates to enter the workforce. The SIVP contracts, whose duration cannot exceed one year, generate on average 60 hirings per year in Linedata Tunisia. While Tunisian state provides each beneficiary with a social security coverage, a monthly allowance and the funding of additional training (within the limit of 200 hours), Linedata Tunis undertakes to grant the trainee a monthly supplementary allowance and to recruit at least 50% of the total number of trainees during a period of 3 years

#### 5.2 Dialogue with stakeholders

In order to ensure adequacy of its corporate responsibility policy with the expectations of stakeholders (employees, customers, suppliers, partners and shareholders), Linedata organizes exchange meetings around the various projects of the company.

These collegial meetings foster the development of a shared vision of the Group's engagement with its stakeholders.

#### • With employees

Employees are Linedata's main asset and therefore play a key role in the development and implementation of the sustainability strategy.

Open and transparent dialogue is fundamental to ensuring understanding and adherence to Linedata's strategy and activities.

The exchange and sharing of ideas have their place in the company and are done via several tools:

- ✓ Internal information sessions & newsletters
- ✓ An Intranet (KEN) that gathers most of the internal information
- ✓ A company network & a blog (JoinIn & PluggedIn)

#### • With clients

Most contracts signed by Linedata with financial institutions have a term of 3 to 5 years, based on a recurring licensing model.

The Group works continuously, on the one hand on the renewal of contracts, and on the other hand on the optimization of its customer intimacy in order to establish a long-term collaboration in a climate of mutual trust.

The Group informs its customers on a regular basis about the evolution of its activity via different channels:

- ✓ Press Releases
- Market animation through "Linedata Exchange" events. Designed clients and prospects, these events create opportunities for discussion and debate on business issues and between experts to discuss current and future issues in the sector.



Linedata Exchange 2017 (Hong-Kong, London, New York)

- ✓ Project committees regularly organized with each client
- User-clubs that promote exchanges with customers about new products and technical or functional changes anticipated by Linedata
- ✓ Annual campaigns measuring customer satisfaction through the Net Promoter Score (NPS)

#### • With suppliers

Most purchases cover computer and services equipment and subcontracting.

Linedata favors major players in order to benefit from environmental policies implemented by these companies.

As far as outsourcing is concerned, Linedata punctually calls on external companies in order to benefit from advanced skills in technical fields or from sufficient resources to carry out major projects.

A Supplier Charter and a supplier evaluation system are being set up within the Group.

#### 5.3 Sponsoring & Volunteering

#### FRANCE

Linedata has been sponsoring donations every year since 2010 at Institut Montaigne.

Some French sites purchase office supplies from a sheltered workshop (ESAT).

Linedata France took part in a running event in 2017 called « Hero run » ("la course des héros").

#### TUNISIA

Linedata Tunisia is strongly involved in the development of solidarity actions. In September 2017, the company took part in the mission "a bagpack for all", where each employee makes a donation to buy supplies for students in precarious situations.

An equipement donation was made by Linedata Tunisia to a Math, Physics and Natural Sciences University of Tunis.

Linedata Tunisia also participated in 2017 in the first edition "Green Boots" for a reforestation operation in Tunisia with a goal of planting between 4,000 and 6,000 trees.

#### NORTHERN EUROPE AND NORTH AMERICA

In Canada, Linedata participates in charity

In the United States, employees are encouraged to take part in volunteering.

INDIA

In India, Gravitas participated in a blood drive at the NGO Samarpan (helping sick children).

#### 5.4 Human rights

Linedata's commitment is based on the recognition and respect of applicable national laws as well as fundamental standards relating to social rights and the protection of the environment.

#### Child labor fight

Linedata is committed to fighting against forced labor or any other form of compulsory child labor, through the establishment of an Ethics code.

Linedata ensures respect for the refusal of child labor in the emerging countries in which it operates. In India, Linedata has taken into account the respect of the "Child Labor Act" which came into effect in 1986.





#### 6.1 Environment

As Linedata is a software company, its activities have a low environmental impact.

Nevertheless, the Group is aware of its responsibility for protecting the environment and pays particular attention to actions to reduce its environmental footprint.

Environmental actions are the result of an everyday behavior of all employees in the course of their activities. The main actions implemented are presented below and tend towards a circular economy through the prevention of the production of waste, the reuse of products, recycling or, failing that, waste recovery.

Linedata does not record a provision for environmental risks.

#### 6.2 Recycling and waste management

Linedata attaches great importance to the environmental impact of its IT equipment, both in terms of material use and recycling. This computer fleet includes fixed stations, laptops and data servers. When purchasing new equipment, Linedata inquires about environmental labels such as "Energy Star", an internationally recognized label.

The recycling of computer and electronic devices (computers, mobile phones, photocopiers) is generally provided by companies or associations that comply with the local environmental standards in force for the treatment of electronic waste.

Other recycling and waste disposal actions are mainly based on:

- ✓ Collection of used ink cartridges on all sites concerned
- ✓ Donations made occasionally by employees to schools or charities.

#### Did you know ?



For the archive recycling needs of the Neuilly head office change in 2017, Linedata resorted to companies employing people with disabilities and made possible the plantation of 20 trees on a plot located on the commune of Saint Hilarion.

#### 6.3 Sustainable use of resources

Linedata Group has a policy of raising the awareness of its employees by associating them to the measures taken to save resources through eco-friendly practices and technologies that can reduce the environmental impact of Group activities.

Sustainable use of resources is based on different actions:

#### • Use of energy

- ✓ Linedata continues to renew its IT infrastructure by focusing on more efficient servers and benefiting from the latest technologies in terms of reducing power consumption; the reduction in the number of servers makes it possible to reduce the size of the "computer rooms" and thus to reduce their energy consumption (electric power, air conditioning ...)
- ✓ In most cases, employees are equipped with computers that have a "sleep" mode after a certain period of inactivity, thus saving energy
- ✓ The new printer models implemented on some sites have eco-functionalities (reduction of energy consumption, management of paper and digital documents)
- ✓ In the context of the European Directive 2012/27/EU on energy efficiency, Linedata France conducted an energy audit in 2015. The scope of the audit covered energy consumption related to the buildings and vehicles of the two French sites. The energy and environmental performances were considered satisfactory.

#### • In terms of lighting

- ✓ Replacement of lighting with low energy light bulbs when possible (off neons) at all sites
- Presence in the common parts of timers allowing an automatic extinction of the lights. In addition, cleaning companies and guardians are encouraged to turn off the lights of the offices at all sites in the evening.

#### • In terms of paper

The Group encourages employees to print only when necessary and preferably use double-sided printing. Linedata favors where possible the use of the electronic signature with external third parties.

Linedata has also set up documents dematerialization procedures:

- ✓ With regard to the administrative management of staff: internal administrative documents such as leave requests or expense reports are managed via the intranet and a computer tool; these two tools also manage the entire approval process
- ✓ In terms of internal and external communication: public documents, such as annual reports and greetings cards, are made available electronically
- ✓ With regard to the dematerialization of supplier invoices: the invoices of certain suppliers with voluminous proof (notably those of the telecommunications operators) are administered via electronic mail; only invoices are printed as part of the expenditure commitment process
- ✓ In France, since September 2017, Linedata has dematerialized:
  - employee pay slips. An electronic safe is available to staff allowing employees to see, retrieve their pay slips, and if the employee wants to store various documents for free
  - restaurant tickets

#### 6.4 Climate change

Linedata is aware of the importance of indirect emissions of greenhouse gases caused by the high energy consumption of the servers.

As a software provider in the tertiary sector, transportation is the main source of greenhouse gases for the Group.

#### • Short distance

The Group has opted for establishments close to public transport, thus limiting the use of personal vehicles and thus promoting the limitation of air pollution.

In France, Linedata is continuing to renew its car fleet by focusing on vehicles with low CO2 emissions.

#### • Travel policy

The Group has put in place a travel policy designed to limit the environmental impact of travel. According to this policy, employees must favor:

- ✓ Audio-conference and videoconference meetings rather than travel (provision of highperformance computing tools)
- Travel by train instead of plane
- ✓ Economic class for air travel, the carbon footprint of the Business class being much higher than that of the Economy class

### 7. APPENDICES (years 2015-2017)

#### 7.1 Workforce evolution

	2015	2016	2017
Staff (permanent contract, fixed- term contract, professionalization contracts)	941	924	1237
Internships and equivalent (apprenticeship contract, VIE & SIVP *) * <i>Work experience program specific to Tunisia.</i>	61	76	74
TOTAL	1002	1000	1311

If trainees are excluded, the workforce is 1292 employees (including 55 SIVP contracts)

#### 7.2 Workforce by region

	2015	2016	2017
Southern Europe	287	279	280
North Africa	202	212	215
Northern Europe	149	165	166
North America	254	216	279
Asia	30	36	64
India	19	16	233
TOTAL	941	924	1237

#### 7.3 Workforce by profession

	2015	2016	2017
Consulting / PSG	163	154	297
Customer Support	204	197	258
Development & R&D	389	370	428
Management	15	30	43
Administrative	97	101	146
Sales	62	58	54
Marketing	11	14	11
TOTAL	941	924	1237

#### 7.4 Breakdown by contract type

	2015		2016		2017	
	CDI	CDD	CDI	CDD	CDI	CDD
Southern Europe	281	6	273	6	275	5
North Africa	198	4	208	4	212	3
Northern Europe	148	1	164	1	165	1
North America	254	0	216	0	279	0
Asia	29	1	36	0	64	0
India	19	0	16	0	233	0
TOTAL	929	12	913	11	1228	9
TOTAL CONSO	941			24	12	237

#### 7.5 Breakdown by job category

	2015	2016	2017
Managers	88	80	126
Non-Managers	853	844	1111
TOTAL	941	924	1 237

#### 7.6 Breakdown by age group (women and men)

	2015		2016		2017	
	Men	Women	Men	Women	Men	Women
Less than 25 years old	18	12	17	14	27	15
from 25 to 34 years old	195	146	184	155	363	189
from 35 to 44 years old	165	80	160	72	205	87
from 45 to 54 years old	180	59	178	59	189	65
from 55 to 64 years old	53	28	50	31	61	31
More than 65 years old	4	1	4	0	4	1
TOTAL	615	326	593	331	849	388
TOTAL CONSO	9	41	9	924	1:	237

#### 7.7 Men / Women breakdown

	2015	2016	2017
Women	326	331	388
Men	615	593	849
TOTAL	941	924	1237

#### 7.8 Recruitment by contract type & region

	2015		2	2016		017
	OEC*	FTC**	OEC*	FTC**	OEC*	FTC**
Southern Europe	15	7	18	6	17	4
North Africa	39	2	77	4	77	4
Northern Europe	17	2	33	1	22	2
North America	26	0	29	0	26	0
Asia	8	0	6	0	15	0
India	8	0	0	0	70	0
TOTAL	113	11	163	11	227	10

237

TOTAL CONSO 124 174

\* Open-ended contracts

\*\* Fixed-term contracts

#### 7.9 Departures by nature

	2015	2016	2017
Resignation	88	135	174
Termination	34	32	15
Retiring	4	9	5
Other (ex: departure during probation period)	30	13	17
TOTAL	156	189	211

#### 7.10 Internships and equivalents (apprenticeship contracts, VIE & SIVP \*)

	2015	2016	2017
Southern Europe	10	21	19
North Africa	51	55	55
Northern Europe	0	0	0
North America	0	0	0
Asia	0	0	0
India	0	0	0
TOTAL	61	76	74

\* SIVP: Tunisia specific contracts

	2015	2016	2017
Accidents at work or occupational disease	114	11	0
Disease	2 806	3 831	3 498
Maternity / paternity	2 268	2 452	2 251
Other authorized leaves	1 151	1 006	1 945
TOTAL	6 338	7 300	7 693

#### 7.11 Number of days of absence (excluding paid leave)

#### 7.12 Evolution of the participation

	2015	2015		2016		2017	
En K€	Amount	% Payroll	Amount	% Payroll	Amount	% Payroll	
Profit		-		-			
Participation	903	3,2%	785	2,8%	359	1,78%	
TOTAL	903	3,2%	785	2,8%	359	1,78%	

#### 7.13 Number of days of training

	2015	2016	2017
Southern Europe	268	1 533	1 572
North Africa	0	758	1 492
Northern Europe	103	132	173
North America	0	0	130
Asia	52	55	33
India	0	32	284
TOTAL	423	2 509	3 683

## 8. REPORT OF THE INDEPENDENT THIRD PARTY ORGANIZATION (ITO)

Report by the independent third party on the consolidated human resources, environmental and social information included in the management report issued.

#### For the year ended December 31, 2017

To the Shareholders,

As a member of the profession of certified public accountants appointed as independent third party and certified by COFRAC under number 3-1055 (information available on www.cofrac.fr") of Linedata Services (the "Company"), we hereby report to you on the consolidated human resources, environmental and social information for the year ended December 31, 2017 included in the management report (hereinafter named "CSR Information") pursuant to article L.225-102-1 of the French Commercial Code (Code de commerce).

#### Company's responsibility

The Board of Directors is responsible for preparing a company's management report including the CSR Information required by article R.225-105-1 of the French Commercial Code in accordance with the guidelines used by the Company (hereinafter the "Guidelines").

#### Independence and quality control

Our independence is defined by regulatory texts, the French Code of ethics (*Code de déontologie*) of our profession included in the 30<sup>th</sup> March 2012 decree related to certified public accounting practices and the requirements of article L.822-11 of the French Commercial Code. In addition, we have implemented a system of quality control, including documented policies and procedures regarding compliance with ethical requirements, French professional standards and applicable legal and regulatory requirements.

#### Independent verifiers' responsibility

On the basis of our work, our responsibility is to :

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided, in accordance with the third paragraph of article R.225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information);

Our work involved 3 people and was conducted between 10<sup>th</sup> October 2017 and the 12<sup>th</sup> February 2018 during 8 days with an onsite audit the 30<sup>th</sup> January 2018.

We performed our work in accordance with the order dated 13 may 2013 defining the conditions under which the independent third performs its engagement and in accordance with the French professional standards for certified public accountants and relative to specific attestations.

#### 1. Attestation of completeness of the CSR information

#### Nature and scope of our work

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

We compared the CSR Information presented in the management report with the list provided in article R.225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by article L.233-1 and the controlled entities as defined by article L.233-3 of the French Commercial Code within the limitations set out in the methodological note, presented in the 2.2 section of the extra-financial declaration.

#### Conclusion

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

#### 2. Conclusion on the fairness of CSR Information

#### Nature and scope of our work

We conducted interviews with persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

We focused on:

- Social information: employees (managers/non-managers; short-term contracts and long-term contracts) by age, gender and geographical location; hires and departures; training policies; number of days of absence
- Environmental information: waste management ; energy consumption
- Societal information: stakeholder dialogue ; partnerships

Regarding the CSR Information that we considered to be the most important :

- at parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- at the level of a representative sample of sites selected by us on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied, and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents 23% of headcount.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

#### Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Toulouse, 12<sup>th</sup> February 2018

THE INDEPENDENT THIRD PARTY SAS CABINET DE SAINT FRONT Jacques de SAINT FRONT President

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