

# Corporate responsibility

This document is an extract of the Axway 2016 Registration Document



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**Axway's commitment to digital transformation for its customers and its own business model relies on the Group's human capital. Axway's men and women, who are based in 22 countries and from different cultures, all share the values of team work, progress, confidence, a desire for innovation, excellence and service.**

**Within its ecosystem, in the software sector and now in the cloud and mobile applications sectors, Axway aims to interact and collaborate, as a responsible stakeholder, with its employees, customers, partners, suppliers and shareholders.**

**In 2016, Axway pursued initiatives to develop collaborative tools and internal dialogue, but also to adopt responsible labels, and participate in rating and certification programs in relation to the corporate and environmental responsibility criteria which are now required for calls for tenders, investment choices and partner agreements.**

**Membership of the United Nations Global Compact and the creation of an internal CSR Committee complement the Human Resources and CSR policy, which is essential for an international group within the software sector.**

# 1 Human Resources

**The new strategic positioning of Axway requires a robust Human Resources (RH) strategy. In 2016, the Axway HR teams focused their efforts in three areas: attracting, developing and retaining talent.**

## Attracting, developing and retaining talent

As far as recruitment is concerned, we implemented a new internal talent acquisition strategy and strengthened the teams. We have dedicated some resources to sourcing activities that are more decisive in a context of intense competition and lack of technical profiles than ever before. The creation of breeding grounds, the attention paid to the candidate's experience and the definition of the employer brand directly resulting from the new "imagination takes shape" brand were all efforts to support this strategy. In addition to the ten recruitment events in which we participated, we took a proactive approach in social media. Instagram, Facebook and Twitter allow us to spread our image while LinkedIn and Glassdoor also offer us the opportunity to obtain interesting information about the market and our candidates.

Attracting new talents seems fundamental to bringing new ideas and skills to further develop our competencies in the area of engagement in the digital transformation (see consistency with Chapter 1) of our offer. Nevertheless, when we welcome new profiles, we have to understand the actions to be taken to retain these new employees. The same holds true for the expectations

of existing employees who wish to develop their skills and evolve in their careers.

## Dialogue, understanding and measuring the quality of employees' work life

In January 2016, and in close collaboration with the Axway Committee on Health, Safety and Working Conditions, we implemented the first survey on work life quality. Among the various tools and methodologies available on the market, which allow such evaluations or analyses, we made the following choices:

- 1 for the questionnaire: use of the Karasek questionnaire; an internationally recognized tool used for measuring the level of risk of exposure to stress at the workplace;
- 2 for the SuMER tool methodology: which allows the deployment of this "Medical Surveillance of Exposures to Occupational Risks" or "SuMER" survey according to recognized national thresholds,

The response rate to the SuMER survey, *i.e.* 39%, allows us to conclude representative results. The answers obtained by the Karasek model thus introduce profiles of exposure to psychosocial risks based on four typologies.

The Axway median that results from this study is 72 points on decision-making flexibility, 20 points on psychological demand and 33 points on social support. According to the Karasek terminology, these results position Axway in a so-called "relaxed profile".

At Axway, the **33-point employee social support** (well above SuMER survey's mini-threshold of 24 points) proves the existence of solid team work that allows everyone to benefit from the mutual assistance of their colleagues and line superiors. As such, no team has been subjected to stressful conditions, although some trades prove to be quite demanding in terms of psychological resources. After the survey, we also implemented discussion groups and actions to improve the conditions of the most potentially exposed teams. We also implemented a stress management training program in partnership with Stimulus.

### First survey on global commitment

Beyond this first survey, in October 2016, we carried out the first survey called "commitment" on the global scope of Axway. This type of survey provides more detailed information on employee perception, by measuring their level of motivation, connection and commitment to their professional environment. For this survey, we have chosen to partner with the Culture Amp firm recognized for their experience in our industry. With the positive results of the first survey, participation reached **83% of employees worldwide**.

The first results show a commitment rate of 50%. **As well as three main levers of employee commitment: career, communication and recognition.**

We chose to organize this survey around four factors relevant in the context of the evolution of our culture. These factors are comfort, alignment, flexibility and sense. We denote these four factors by the acronym CALM as shown in the chart below.

#### CALM model

<b>Comfort</b>	Satisfaction with rewards, compensation, benefits, physical workspace and working arrangements
<b>Alignment</b>	Alignment around individual tasks, goals, business strategy and communication, all supported by effective teamwork and accountability
<b>Latitude</b>	Having enough autonomy to effectively perform one's job and taking initiative to innovate
<b>Meaning</b>	Feeling valued, knowing that one's wellbeing is a priority, sense of belonging, and having opportunities for learning and advancement

## 1.1 Change in Axway's total workforce

	2016	2015	2014	2013	2012	2011	2010	2009
Staff	1,930	1,884	1,961 <sup>(1)</sup>	1,783	1,774	1,755	1,661	1,614

(1) Of whom 121 as a result of acquisitions.

At year end 2016, Axway had 1,930 employees, including 607 in France. (Consistency with COMFI figures)

### The breakdown of staff by geographical area is as follows:

- Europe 1,352 (70.05%) (permanent contracts);
  - North America: 487 (25.23%);
  - South America: 17 (0.88%);
  - Asia/Pacific: 74 (3.83%).
- } Americas  
504 (26.11%);

### Number of dismissals

In 2016, Axway proceeded with dismissals mainly for reasons having to do with the person, such reasons representing approximately a fourth of the departures.

### Recruitment

Axway recruited 317 new employees in 2016.

Nearly 64% of the new hires took place in Europe and nearly 30% in North America.

The recruitment of staff with highly-specialized skill sets was also stepped up.

### Average age by geographical area

	2016	2015	2014	2013
Europe	37.8	39	37.8	39
North America	42.8	44	43.2	44
Asia	40.3	41.3	39.1	39

### Breakdown by gender

In 2016, women accounted for over 26% of the workforce, of whom 87% were managers at Axway Software.

These recruitment figures represent global figures for Axway over one year.

In support of its recruitment drive, Axway continued its partnerships with a number of prestigious engineering schools and its internship scheme (mainly end-of-study internships leading to permanent recruitment in a very high proportion of cases).

Nearly all employees recruited were higher education graduates.

Please also note that Axway's recruitment policy is almost exclusively based on permanent contracts (excluding temporary cover) (99% in 2016).

### Staff by age and length of service

The average length of service of Group employees was 6.5 years at 31 December 2016.

It is higher, at 7.5 years, in Europe compared with 4.4 years in North America.

In France, the average length of service stands at 9.8 years compared with 10.1 years last year.

The average age of employees has remained stable for several years. Keeping the average age at this level is the direct result of recruiting young graduates.

## 1.2 Career development

### Compensation and performance evaluation policy

In each country, the compensation policy is based on a performance evaluation system applied worldwide. Career development is managed on individual basis.

In order to simplify the annual evaluation interview form and to make it more effective, the Human Resources Department presented a new version. Beyond being a simple revision of the form, the goal is to reduce the pressure and stress which may be inherent to a year-end evaluation cycle and an annual evaluation interview. In order to do so, support which would be particularly customized for managers, but also for employees, was proposed.

### Procedure to assist in the definition of the year-end process

In particular, a procedure to assist in the definition of the year-end process and the preparation for the annual interviews was put into place. More precisely, there were four modules that were created to assist the managers in understanding the evaluation process and thus to give them the necessary tools, whether it be:

- to integrate effectively and to understand the year-end evaluation, the steps, and the expectations;
- to perform an objective and clear evaluation of the performance of each of one's employees;
- to know how to set SMART objectives: Simple, Measurable, Acceptable, Realistic, and Time-bound; or
- to conduct annual evaluation interviews.

### Payroll (including social contributions)

(in millions of euros)

	2016	2015	2014	2013	2012
Total	190	180	169	149	140

#### Profit-sharing at Axway Software SA

In France, an amendment to the June 2011 profit-sharing agreement was signed in June 2016. This agreement covers all employees of Axway Software SA. By way of derogation, the special profit-sharing reserve is calculated on the basis of French revenue and Axway Group profit (loss) from operations. The entire amount was allocated according to length of service in 2016.

#### The Company Savings Plan at Axway Software SA

A rule pertaining to the establishment of a company savings plan within Axway Software SA was implemented on 8 June 2012. The amounts paid under this plan are invested in mutual fund shares. The Group's contribution consists of the payment of all operating fees for the Company Savings Plan.

For the employees, a module was also created, in order to enable them to prepare their interview calmly, and to give them the opportunity to have exchanges with their management on the subject of their hopes for development. Extensive work on the implementation and roll-out of the Job Interview in 2016 made it possible to offer new tools to all employees in order to better apprehend their expectations in terms of their careers.

- Based on this evaluation, wage increases were awarded to the employees who achieved or exceeded their performance targets in 2016. This strong link between performance assessment and the awarding of individual wage increases is the cornerstone of Axway's compensation policy.
- Lastly, in 2016, the project for the evaluation of Axway wages compared with those of the market was completed. This major initiative made it possible to resolve some of the wage disparities noted with the ecosystem in which Axway is evolving.
- The Group's compensation policy is founded on the following objectives:
  - respect for the principle of fairness;
  - maintaining a sound incentive through a compensation policy aligned with performance goals consistent with the Company's major challenges; and
  - remaining competitive so as to attract and retain the most qualified candidates.

In 2016, as every year, Axway implemented salary increases on an individual basis.

Moreover, Axway complies with legal and contractual obligations with respect to compensation in all of its subsidiaries.

## Occupational-insurance and retirement schemes and other benefits

In accordance with each country's laws and customs, Axway takes part in retirement and pre-retirement schemes, as well as occupational-insurance schemes covering its employees for various additional contingencies.

## Axway University

### The development of skills and contribution of new digital tools

Axway invested significant efforts in skill development in 2016. Since the deployment of our LMS (Learning Management system) in August 2015 we have continuously increased our production of **e-learning** modules. In 2016, there were 4,786 training activities in e-learning. Thus, Axway employees "the Axwegians" can access the training content at all times and at their own pace. Axway University can reach more and more employees working remotely or at customer-sites. Beyond the individual use of e-learning tools, we attach great importance to interactions between colleagues and experts through live webinars completing the e-learning and in-person offers.

These **webinars** are also provided in a format recorded on request for people who have not been able to participate from the internal Jive social network, which is accessible from any computer or mobile.

The **internal social network Jive** also allows us to support the most enthusiastic of our participants in facilitating community use in order to put into practice what they have learned at the very heart of their activity.

In 2016, we also launched **Digital shelves**, a digital book distribution program for people who want to broaden their knowledge.

We have thus modernized Axway University, born in 2014 out of the desire to support the development of the Company and deploy its common culture by sharing methodologies and consistent training programs. In 2016, by continuing with our much broader approach of classical training in the training room,

e-learning, webinars, community facilitation, sharing of best practices, bibliography, we wanted to open up, for each and everyone, new training opportunities that are better suited to the needs of individuals according to their availability.

The two best examples of this global approach were carried out on the two courses "Trusted Advisor" and "Wellbeing @ Work". For these two courses, we have deployed several trainings in training rooms, interactive webinars, posted their recordings on the social network Jive, and finally provided additional content in these communities over a period of time; while proposing works *via* "Digital shelves" for further reflection.

This new approach has proven its effectiveness because this year, with:

- 1,286 Axwegians trained in 2016;
- *i.e.* 23,714 hours of training in 2016 versus 15,231 hours in 2015;
- 7,367 training activities in 2016 versus 4,302 in 2015.

## Relations with employees

The quality of the employer-employee relationship within Axway is the fruit of ongoing dialogue between the management, employees and their representatives.

The employees are represented by employee representative bodies in France and in Germany. In France, the employees are represented by 26 staff representatives while in Germany there are 11.

### Professional relations at Axway Software SA

At Axway Software SA, employer-employee dialogue hinges on a Plant Committee, a Health, Safety and Working Conditions Committee, three Personnel Representative bodies and three Trade Union Representatives.

### Labor relations at Axway GMBH

At Axway Gmbh employer-employee dialogue takes place through four Plant Committees and a Central Works Council.

## Summary of collective agreements

Within Axway, 70 agreements were in force at 31 December 2016. In 2016, four agreements were signed in France and seven were signed in Germany.

### The collective agreements signed at Axway Software SA in 2016 are the following:

- February 2016: Amendment to the professional expenses agreement
- March 2016: Amendment to the paid leave agreement
- June 2016: Amendment deviating from the profit-sharing agreement
- June 2016: Amendment to the agreement on the recognition of the career path of staff representatives in career and professional development.

### The collective agreements signed at Axway GmbH in 2016 are the following:

4 agreements signed with the Works Council in Germany

- Bonus scheme 2016
- Sales commission scheme 2016
- "Incent" system 2016
- Annual Performance Appraisal 2016

Moreover, talks concerning the French government's "generation contract" employment scheme have resulted in the drafting of an action plan whose first measures were set up at the beginning of 2014 and continued in 2015.

## Work organization

### Organization of working time

In each of its subsidiaries, Axway complies with its legal and contractual obligations concerning working time. The working time depends on local requirements and activities.

4% of Axway Group employees work part-time.

#### Organization of working time at Axway Software SA

Axway Software SA implements the French National Collective Agreement for technical design and engineering offices, engineering consultants and consulting firms.

#### Hours worked by part-time employees

At Axway Software SA, employees from all staff categories have chosen to work part-time. Out of a total of 30 part-time employees, the largest number work 4/5 time, mainly within the framework of parental leave.

## Absenteeism

At Axway, the global absenteeism rate was 5.20% in 2016, of which 2.96% was due to illness<sup>(1)</sup>.

### Absenteeism at Axway

Reasons for absenteeism	% of absenteeism
Illness	2.96%
Occupational/commuting accident – occupational illness	0.09%
Maternity – adoption	1.85%
Family events	0.25%
<b>Total</b>	<b>5.20%</b>

(1) The absenteeism rate includes absenteeism due to illness, occupational/commuting accidents, occupational illness, maternity/adoption, and family events as detailed in the table below. This indicator has only been set up for Axway Software SA.

## Health and safety

For several years now, Axway has implemented a well established health and safety policy. It sets out the Company's commitment to develop innovative products of the highest quality, while acting in an ethical way and guaranteeing the health and safety of its employees.

Axway is committed to providing its employees with a safe and healthy workplace. Health and safety are primordial concerns.

### Health and safety conditions at Axway Software SA

In 2016, the CHSCT held four Ordinary Meetings and three Extraordinary Meetings.

During this time, there was only one occupational accident without lost time in 2015.

### Measures taken to improve safety

Preserving the health and safety of employees is a fundamental goal and an integral part of the Human Resources and social policy.

The health and safety procedure is part of an overall procedure conducted in close collaboration with the occupational health doctors, site managers and CHSCT.

### Summary of collective agreements concerning health

No agreement has been signed in this regard.

### Occupational health doctors

In Germany, like in France, an occupational health doctor performs employee check-ups on a regular basis.

Awareness-raising actions were conducted at French sites concerning on-screen work. In addition, Axway Software called in an ergonomist to carry out work on workstation positions.

Programs are being conducted in collaboration with Irish and US governments to promote car pooling and cycling.

## Evaluation of psychosocial risks

A steering committee composed of members from Human Resources and representatives from CHSCT was assembled in 2015 to evaluate the psychosocial risks within Axway France. The work resulting from this collaboration made it possible to deploy a questionnaire in January 2016 to employees, aimed at evaluating their work conditions. This survey represents a first step in the eventual identification of psychosocial risk factors, in a perspective of improving the quality of life in the workplace. Details of the analysis and communication of the results were provided in point 2.1.

## Equal treatment

Axway observes the principles of non-discriminatory recruitment and gender equality. The proportion of female engineers recruited is higher than the percentage of women graduating

from engineering schools. With regard to gender equality, Axway applies a policy of fairness in relation to pay, promotion and access to training.

Axway's assessment system enables the Group to get to know its staff members and regularly monitor their development. This system is mainly based on annual appraisals, assessment cycles and annual reviews. The system also includes a Core Competency Reference Guide, which can be used by employees to improve their understanding of the requirements of the Group's businesses and career development opportunities. For local managers, this Guide supports professional development in line with both employees' wishes and the Group's priorities.

The assessment system operates under the responsibility of over 450 local managers and 100% of employees who are present must have an annual appraisal.

### Commitments in favor of gender equality at Axway Software SA

On 13 December 2012, a collective agreement in favor of gender equality was signed, with the following objectives:

- ensure that the percentage of men and women having undergone training at least once during the year continues to reflect the percentage of men and women within the Company's staff;
- prepare for return to work after a maternity leave, adoption, or a parental educational leave, or any other continuous absence of more than six months;
- narrow the gaps, through the use of the Syntec classification, between the average basic wage of men and women to plus or minus 5% over a three-year period;
- guarantee as many promotions for women as for men.

A Company-wide agreement introduced in 2007 stipulates the conditions for the entry into application of the individual wage increase guarantee for employees on maternity or adoption leave as required by the Law of 23 March 2006 on equal pay for women and men.

### Initiatives in favor of the employment and integration of disabled workers

A collective agreement was signed on 26 June 2013 to promote the hiring and continued employment of disabled persons. It includes a certain number of objectives over the agreement's three-year term:

- appointment of spokesperson for disabled employees within the CHSCT;
- launch of an awareness-raising, communication and manager-training campaign;
- hiring of three disabled workers;
- continued employment of disabled persons;
- outsourcing work to the protected sector.

### Initiatives in favor of seniors

At the start of the year, Axway Software introduced measures relating to the action plan for the generation contract.

These measures aim, in particular, to encourage the employment of both the young and seniors, to help them to settle into the Company and to develop their employability throughout their career at Axway.

## Promoting and abiding by the stipulations of the International Labor Organization's fundamental principles

In addition to the issues concerning collective bargaining rights and abolishing employment discrimination described in Section 10.1.2.3 ("Relations with Employees") and Section 10.1.2.6 ("Equal treatment"), Axway promotes the abolition of forced labor and child labor. Axway has chosen to set the mandatory minimum age for all its employees at 18, an age which is above the minimum age required by the International Labor Organization's fundamental principles.

In addition, the Group operates in countries that have ratified the international conventions of the International Labor Organization. It is therefore bound to comply with the laws and regulations in force as well as the international conventions ratified by the signatory countries, in which it operates. Moreover, the Group's operations are not risky. As a result, the risk of violating international standards is very low.

However, the Group wishes to highlight the importance of these commitments in its daily operations. This is why the Group is currently working on extending the scope of the Code of Business Conduct. This Code, which is currently applicable

only to its external partners, such as customers, suppliers, subcontractors, would also apply to employees of the Group.

Finally, in any case, all Axway entities are required to check the age of their new employees at the time of hiring.

## Methodology note

Scope of consolidation for employee data, health and safety data, indicators, and reporting method and systems.

## Employee information

### Scope of consolidation

The headcounts shown in the "Staff" and "Breakdown of workforce by geographical area" tables correspond to the total number of employees at 31 December 2016.

### Indicators

The indicators chosen are those used for personnel management and the Group's employee-related issues. They reflect the results of the Human Resources policy.

### Data

For the scope defined, the data stems from country-specific reporting and the reporting produced by the divisions concerned, i.e. Recruitment and Training.

A continuous improvement process has been set up for those systems.

### Health and safety information

#### Scope of consolidation

The safety indicators concern all Axway sites.

### Indicators

The indicators chosen are those used for the management of Axway sites. They reflect the results of Axway's policy regarding the environment, health and safety.

### Data

This year's health and safety information was collected by the site managers for Axway Software SA.

A continuous improvement process has been set up for those systems.

## 2 Environmental responsibility

For several years, Axway has been committed to an environmental policy favoring eco-responsible practices within the Company, developing initiatives and leading actions to support this approach.

Since software publishing is not an industrial activity it does not directly release waste into the air, water or soil and therefore does not really present any direct risks to the environment. Nevertheless, Axway is committed to preserving the environment. Due to their presence in different regions of the world, with teams distributed in several different countries, Axway uses audio/video means to reduce travel.

The need to control our environmental impact has therefore become a key factor in our management and production methods, and is covered by a continuous improvement program involving the relevant functional divisions and staff.

### General environmental policy

**Company measures to take account of environmental issues and, where applicable, carry out environmental evaluations or certification procedures**

#### Management of business premises

Axway leases its premises at all of its sites and takes measures relating to the operation of the buildings, the equipment and maintenance:

- installing modern environmentally-friendly heating and air-conditioning systems when existing systems require replacement;

- using automatic timers to switch off lights, reducing heating, ventilation and air conditioning outside of working hours;
- installing water fountains directly connected to the drinking water distribution network to reduce plastic bottle use;
- promotion by site managers of respect for the environment and best practices on a daily basis;
- using low-energy (LED) light bulbs;
- use of non-toxic and non-hazardous products by the cleaning services;
- reducing energy consumption by using energy-saving laptops and shutting down computers during prolonged absences;
- reducing carbon emissions by encouraging use of the least polluting means of transport;
- carrying out preventive maintenance of facilities to save energy;
- furnishing premises with ergonomic workstations enhancing the quality of working conditions for its staff;
- using whiteboards instead of flip charts;
- availability of sorting or recycling bins.

#### New premises: Paris-La Défense

In November 2016, Axway brought together all of its Parisian teams in a new building (Tour W in La Défense).

Thanks to the environmental policy implemented by the landlord since 2010 as part of its renovation, the tower is HQE certified (high environmental quality):

- energy audit followed by a plan to reduce consumption;
- remote metering system to monitor, analyze and more accurately control the energy performance.

The building is equipped with energy saving systems:

- Electricity: LED light bulbs or T5 fluorescent tubes with low consumption, whose intensity can be adjusted automatically or manually. Presence detector to activate/deactivate the lighting;
- Water: infra-red taps to optimize consumption;
- Air conditioning/heating: radiant ceiling with the option for individual control.

The figures obtained for the year ended 31 December 2016 are quite limited since they only cover two months. The Company will perform a detailed audit of these data for the year ended 31 December 2017.

## Employee training and awareness-raising regarding environmental protection

Axway encourages its employees to play a key role in the eco-responsibility process in order to make them aware of the environmental challenges it faces. Axway encourages employee initiatives in the area of environmental protection and promotes the avoidance of excess consumption of non-renewable energy resources in our working methods. With regard to purchases of consumables, office equipment and IT hardware, Axway has a proactive policy of working with suppliers who offer eco-responsible products.

## Resources dedicated to the prevention of environmental risks and pollution

Axway has locations both in France and abroad. Axway's clients are located throughout France and abroad. All of this results in frequent business travel, which has an impact on the environment in terms of pollution and consumption of energy resources.

Axway Software therefore strongly encourages the use of videoconferencing equipment, with which most sites are equipped, as a means of limiting travel. All new workstations are equipped with cameras and software to enable videoconferences.

## Energy audit

Pursuant to the requirement for large companies, as expressed in the DDA DUE law, Axway Software commissioned an energy audit of its French sites in November 2015. However, due to the change in the Parisian site, no such action was taken in 2016 neither by the lessee nor by the landlord. This audit would not really have been useful since it would not have included the Parisian site.

## Pollution and waste management

### Measures to eliminate, recycle and prevent waste

Axway's activity generates waste with a high recycling potential. It mainly includes paper and cardboard as well as computer consumables. For this reason we have chosen a supplier who ensures collection for recycling of cardboard, paper, plastic, cans and printer cartridges. The supplier does both regular and exceptional collections. At the time of the Paris move, it collected 1,600 kg of paper and cardboard.

In 2016, Axway pursued its initiative for the virtualization of its IT infrastructures, optimizing the average use of physical resources. Indeed, the pooling of material resources reduces the energy cost. The advantages of virtualization are numerous. Among other things, it makes possible the following:

- a drastic reduction of energy consumption;
- significant space gains in IT centers;
- a longer life cycle for the use of equipment resources, thereby reducing waste.

In 2016, Axway continued to streamline its network of photocopiers and printers, favoring shared and multifunctional equipment (printers, copiers, scanners). They are configured by default to double-sided printing.

### Waste management

Concerning waste electrical and electronic equipment (WEEE), Axway is pursuing its global policy of waste recycling, particularly through the use of competent service providers.

In 2016, more than 800 kg of waste electrical and electronic equipment was recycled. In addition, Axway donates outdated equipment to its employees. As with the previous year, in Romania, 70 computers were donated to schools, primary schools and humanitarian associations.

### Water consumption and supply in keeping with local constraints

Since software publishing does not involve the consumption of water beyond normal use within buildings, Axway has not implemented any monitoring of consumption.

Nevertheless, being aware that water is one of the main resources to be preserved, Axway strives to reduce the amount of water used, especially by its employees. It raises its employees' awareness on the preservation of this resource and its proper use.

### Consumption of raw materials and measures taken to make their use more efficient

The implementation of electronic document management tools allows Axway to pursue its switch to paperless documents. Moreover, Axway regularly encourages its employees to print less by means of an automatic message included in the e-mail signature. The introduction of specific measures to switch to paperless documents and raise employees awareness has a number of positive impacts on the environment since it reduces paper consumption and the consumption of energy linked to printing. The switch to electronic documents also reduces the physical transport of documents and finally, the amount of waste to be treated.

The switch to paperless documents within the Group concerns: the activity reports produced monthly by each employee, the management of leave and absence, IT requests linked to the management of the installed base, the work documents required for in-house and external meetings, which are systematically sent by e-mail, with the instruction to only print what is absolutely necessary.

### Energy consumption and measures taken to improve energy efficiency and the use of renewable energy sources

In its aim to improve energy efficiency, Axway has chosen DELL computer equipment that meets the EnergyStar® and EPEAT® specifications and more generally all suppliers that meet the Green IT specifications.

In 2016, as part of the move to Tour W, Axway created a computer room in the basement level. In this context, an initiative was created to reduce the number of rooms and streamline equipment as a means to reduce global consumption. This project will be launched in 2017.

## Climate change

### Discharges of greenhouse gases

Axway has been trying to make its teams aware of this subject for several years. This has resulted in measures such as:

- generalization of the use of the conferencing tool (Webex and Skype) to limit travel;
- modifications to the Car Policy imposing a maximum CO<sub>2</sub> emission of 130 g, applied since the start of 2016.

## 3 Corporate social responsibility

Concerning the Company's local, economic and social impact, Axway has a duty to act in a responsible way and wishes to contribute to useful projects, for instance by supporting NGOs. Axway wishes to develop balanced long-term relationships with its subcontractors and suppliers, with due regard for social and environmental concerns. Moreover, Axway supports the fight against corruption and is committed to applying the laws in force. To this end, we introduced an **Anti-Bribery Act** in the UK which is binding for all our employees who work with customers in the UK.

### Local, economic and social impact of the Company's activities

Axway promotes local employment, thus fostering regional development while remaining attentive to local populations.

### Concerning regional employment and development

In France, Axway Software has sites in La Défense, Annecy and Lyon.

### Concerning local and neighboring populations

Overall, Axway's sites and subsidiaries establish good relations with their neighboring ecosystems and strive to create exemplary working conditions for their employees. Axway has, in this context, decided to highlight its core business, which is based on the digital economy, with respect to its shareholders and investors to reduce paper consumption and documents exchanged, by favoring electronic communications.

## Relations with people and organizations interested in the Company's business, such as social integration associations, educational institutions, environmental protection organizations, consumer organizations and neighboring populations

### Dialogue with these people and organizations

Axway has always developed close partnerships with universities and engineering schools.

Axway enables students to discover the Company during their studies by offering internships every year.

### Solidarity

Improvement of the quality of life in the ecosystems in which the employees live remains a major commitment for the Axway teams. A number of initiatives are being implemented in this regard, in three main areas:

- **Environment.** Axway is involved in initiatives supporting preservation of the environment and environmental education. In Romania, employees participate in the national program "Let's do it Romania" the aim of which is to clean up the parks and green spaces;

- **Health.** In many countries, Axway employees donate blood. In addition, in France, 27 employees formed a team to take part in "La Parisienne", a race which supports the fight against Breast Cancer. Bike parking facilities have been installed in Dublin, Bucharest and Berlin as part of the "Cycling to work" initiative which enables employees to travel by bike. Several Axway sites also participate in initiatives encouraging the use of two wheels;
- **Community.** For most countries where its offices are located, Axway contributes its support to populations in need. The employees of Phoenix and Puteaux contribute their aid to young graduates, in the preparation of resumes and preparing for job interviews. In Romania, numerous charitable sales are held each year, and the funds gathered are paid to an orphanage.

### Partnerships and corporate patronage

Local actions and initiatives previously undertaken continued in 2016:

- partnership with ADIE (non-profit association) in which Axway supplies software. This association helps people outside the labor market (without access to a traditional banking system) to set up businesses, and thus create their own jobs, via the use of microcredit;
- donations to Pasarea NursingHome and Aura Ion association Orphanages (Romania), which help and support children and the elderly;
- donation of computer equipment to Unicef via the Redeem. partenariat recycling company.

## Responsibility towards the market

### Actions involving customers: EcoVadis



In 2016, Axway renewed its eco-responsible commitment by participating in and subscribing to the EcoVadis label. The objective of this label is to assess the situation of companies asking for this label in relation to the various measures put into place by such companies, in order to anticipate and to respond to various problems raised in matters of corporate social responsibility.

EcoVadis manages the leading collaborative platform offering assessments of the sustainable-development performance of suppliers for worldwide supply chains. EcoVadis has become the partner of choice for the purchasing departments in a number of multinationals based in Europe, Asia and the United States.

Bringing employees, process, and platform together, EcoVadis has put into place a broad-spectrum CSR assessment methodology covering 150 purchasing categories, 110 countries and 21 CSR indicators. Over 20 businesses turn to EcoVadis in order to reduce risk, steer innovation, and promote transparency and trust between commercial partners.

This renewal at the end of 2016 complements the Silver label already obtained in the previous year.

### Membership of the United Nations Global Compact



The Axway Group deemed it necessary to sign up to the United Nations Global Compact in November 2016. The Group considers this first step as a necessary prerequisite to progressing with its eco-responsible approach. The Group is conscious of future challenges in terms of the environment. In any case, the Group's policy is to improve gradually in this area.

### Integration of social and environmental criteria in the Company's purchasing policy

As part of its responsible purchasing policy, Axway requires the following certifications from its suppliers:

- illegal working;
- child labor;
- disabled workers.

Further, in 2016, Axway pursued its participatory approach to the social and economic economy, by contracting the adapted company the "protected Isope workshop" for the purchase of office furniture.

### Fair trade practices

#### Actions undertaken to prevent corruption

Axway supports the fight against corruption, abides by the United Nations Convention of 31 October 2003 against corruption, and is committed to applying the laws in force, including anti-corruption laws.

The Group has introduced an ethics charter.

#### Measures taken in favor of consumer health and safety

Compared with heavy industry, Axway's software development and integration activities have a very limited impact on consumer health and safety. Our clients are enterprises which use our software within the scope of their activities.

#### Methodology note

Information provided about Axway Software SA concerns France.

The indicators used are those of the French Grenelle II Act. The principle of consistency of accounting methods from one year to the next is respected.

The data was collected from the departments concerned.

## Eco-responsible actions with respect to the shareholders

### Individual shareholders: 1 e-mail = 1 tree program



In 2016, Axway pursued its switch to paperless documents, "1 e-mail = 1 tree" among its individual shareholders in order to limit paper printing in communications and in particular as part of the preparations for the 2016 General Meeting. Thus, 11,293 (491 members of the program x 23 Notice of Meeting pages) paper sheets have been deleted and replaced by e-mail formats.

At the end of 2016, 40% of Axway shareholders had agreed to receive documents by e-mail. At the same time, Axway continued its participation in the Alto Huayabamba reforestation program in Peru, a PurProjet organization. Those shareholders who had agreed to provide their personal e-mail address received a certificate for the plantation of a tree in the Amazon in exchange for their consent to digitized exchanges.

This is a small "sprout" which will gradually replace the considerable volume of documents exchanged. By involving the shareholders upstream, the Company also hopes to increase their awareness of the environmental difficulties encountered by the Group, both in its commercial operations as well as in the framework of its resource management on a daily basis. By putting this process into place, the Company is able to reduce paper consumption, the transport necessary for sending by mail, and consequently, its CO<sub>2</sub> impact, and more globally, its annual environmental impact.

## Internet voting for shareholders: the Vote Access website

In 2016, the Axway Group also provided individual shareholders with access to online voting. This tool enables them to vote for resolutions at the General Meeting and to consult all the regulatory documents made available in digital version. This new procedure has thus limited the exchange of paper mails between the Company and its shareholders under the postal voting system.

## Investors and analysts – website and mobile application

Relations with investors are based upon individual meetings, forums, road shows and conferences. They account for 108 meetings in 2016 for Axway. Each of the contacts was asked to download Axway's PDF presentation from the Investors website or the Axway IR mobile application. This saving of paper and document transportation was well received by investors and financial investors.

### Responsible investment

In 2016, Axway participated in the GAIA appraisal campaign to promote responsible investment. The rating achieved increased from 61 in 2015 to 75 in 2016.

## Adherence to the Middlednext Code of Governance

The Company decided to adhere to the Middlednext Corporate Governance Code, since this is the most appropriate in terms of its size and challenges.

# Certification of disclosure and opinion on the truthfulness of the employee, societal, and environmental information

To the Shareholders,

Further to the request made to us by the Axway Software company and in our capacity as a third-party independent body whose accreditation has been accepted by COFRAC under No. 3-1081 (scope available at [www.cofrac.fr](http://www.cofrac.fr)), we present to you our report on the consolidated employee, environmental and societal information presented in the annual report for the year ended 31 December 2016, in accordance with the provisions of Article L. 225-102-1 of the French Commercial Code.

## Management's responsibility

The Board of Directors is responsible for producing an annual report including the consolidated employee, environmental and societal information required under Article R. 225-105-1 of the French Commercial Code (hereinafter the "Information"), drawn up in accordance with the benchmarks used (the "Reference Guide") by the Company, and available upon demand at the registered office of the Axway Software company.

## Independence and quality control

Our independence is defined by regulatory texts, the Code of Ethics of the profession, as well as by the provisions set out in Article L. 822-11 of the French Commercial Code. Moreover, we have set up a quality assurance system which includes documented policies and procedures aimed at ensuring compliance with the rules of ethics, work standards, and applicable legislation and regulations.

## Responsibility of the third-party independent body

Our role, based on the work we carry out, is to:

- certify that the required Information is present in the annual report or, if not, certify that any omission has been explained in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code and Order No. 2012-557 of 24 April 2012 (Certification of disclosure);
- express a moderate assurance conclusion on whether the Information is presented, in all material respects, fairly, in accordance with the reference guide used (Moderate assurance report).

## Certification of disclosure

We have carried out the work pursuant to the professional standards applicable in France:

- we have compared the Information presented in the annual report with the list provided in Article R. 225-105-1 of the French Commercial Code;
- we have verified that the Information covers the scope of consolidation, i.e. the Company, its subsidiaries within the meaning of Article L. 233-1, and the companies it controls within the meaning of Article L. 233-3 of the French Commercial Code;
- in the event of the omission of any consolidated information, we have verified that explanations had been given in accordance with Order No. 2012-557 of 24 April 2012.

On the basis of this work, we certify the inclusion in the annual report of the required information.

## Reasoned opinion on the truthfulness of the CSR information

### Nature and scope of the audit

We performed our assignment in accordance with ISAE 3000 (International Standard on Assurance Engagements) and professional standards applicable in France. We have performed those procedures which we considered necessary in order to obtain a moderate assurance that information does not contain any material misstatements that could call into question their truthfulness in all material respects, in accordance with the reference guide. A higher level of assurance would have required more extensive verification work.

Our assignment was carried out between 19 February 2017 and 10 April 2017 for a duration of five man-days. We conducted four interviews with senior management within the Group.

We performed the following tasks:

- we assessed the appropriate nature of the Reference Guide with regard to its relevance, comprehensiveness, neutrality, understandable and reliable character, while taking into account, where applicable, the best practice of the sector;
- we verified the establishment within the Group of a process for collection, compilation, processing and control aimed at the comprehensiveness and coherence of the CSR Information. We reviewed internal control and risk management procedures pertaining to the preparation of the Information. We conducted interviews with the persons responsible for corporate and environmental reporting;
- we identified the consolidated information to be tested and determined the nature and extent of the tests, taking into consideration their importance with regard to the corporate and environmental consequences linked to the Group's operations and characteristics, as well as its societal commitments.
- For the consolidated quantitative information that we deemed the most important:
  - at the level of the Axway Software parent company and controlled companies, we put into place analytical procedures and verified, on the basis of sampling, the calculations, as well as the consolidation of this data;
  - at the level of the sites or subsidiaries that we selected <sup>(1)</sup> based on their contribution to the consolidated indicators and a risk analysis, we:
    - conducted interviews to verify the correct application of procedures and to identify possible omissions,
    - performed detailed testing on the basis of a sample, consisting of verifying the calculations made and reconciling the data with the supporting documents.

The sample thus selected represents on average more than 80% of contributions to the corporate data,

- for the consolidated qualitative information that we deemed the most important, we conducted interviews and reviewed the related documentary sources to corroborate this information and assess the true and fair nature thereof.
- for the other published consolidated information, we assessed its true and fair nature and consistency according to our knowledge of the company and, where necessary, through interviews or by consulting documentary sources.
- lastly, we assessed the relevance of the explanations pertaining, where applicable, to the total or partial absence of certain information.

## Comment

The environmental section mainly consists of qualitative information.

## Conclusion

On the basis of our work, we have not found any significant anomalies of such type as to call into question the fact that the information is being presented, in all of its meaningful aspects, in a truthful manner, pursuant to the reference guide.

Lyon, on 21 April 2017

**FINEXFI**

Isabelle Lhoste

Associate

(1) Companies selected for the tests: Axway SAS France, Axway Inc.