



TEMENOS

THE BANKING SOFTWARE COMPANY

Temenos 2020 **Gender Pay Gap Report**





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Temenos is committed to attracting, developing, promoting and retaining a diverse workforce, while creating an inclusive environment in which all employees can contribute their unique knowledge and experience to make a real impact on the world around us.

- Max Chuard - Chief Executive Officer, Temenos



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We have a fantastically diverse and motivated workforce at Temenos. This diversity is fundamental to our ability to do business with banks of all shapes and sizes in the world. We also need to continue to foster an inclusive working environment where everyone feels comfortable to be their whole and authentic selves.

- Monica Rancati - Chief Human Resources Officer, Temenos



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Temenos UK gender gap report for 2020 is 16%. Our gender pay gap results continue to show that we are on the right path from a gap of 17% in 2019. We are glad that 77% of Women employees have received a bonus this year, up from 61% in 2019. We, at Temenos UK, are confident in making further progress towards achieving gender balance across the organization.

- Olivier Pennese – Director Temenos UK Ltd

Diversity, inclusion and equal opportunity at Temenos Worldwide

We take pride in ourselves for continuing to build our diverse workforce at all levels in Temenos from 90 nationalities. We are committed to attracting, developing, promoting and retaining our diverse Temenos community to provide product and service excellence in a global marketplace to a diverse client community, while creating an inclusive work environment in which all employees can contribute their unique knowledge and experience to make a real impact on the world around us. Diversity and inclusion principles are integrated into our Temenosity culture and business practices: from our hiring processes to the development of our people, as well as to the way we recognize outstanding talents and communicate the importance of diversity and inclusion with our people. Through such diversity, we have a dynamic work environment in which we continue to gather a wealth of knowledge that contributes to our innovation and commercial success.

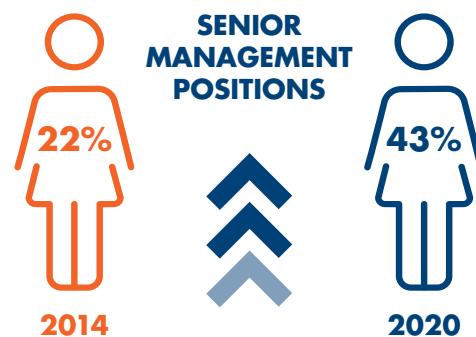
Since the IT industry is still male-dominated in many countries, we are actively seeking to recruit women and support them in their career development, with the aim of achieving a more equal representation of male and female employees in the business. The principles and goals of the Universal Declaration of Human Rights are at the center of our diversity initiatives. According to global studies, in 2016, fewer than 25% of IT jobs in developed countries were held by women. Gender imbalance in IT has been recognized as an issue since at least 2005. Achieving gender equality in the workplace, at all levels, remains a significant challenge for most businesses. We understand that change takes time, particularly for the initiatives that encourage women to choose a career in IT, which will ultimately improve gender diversity.



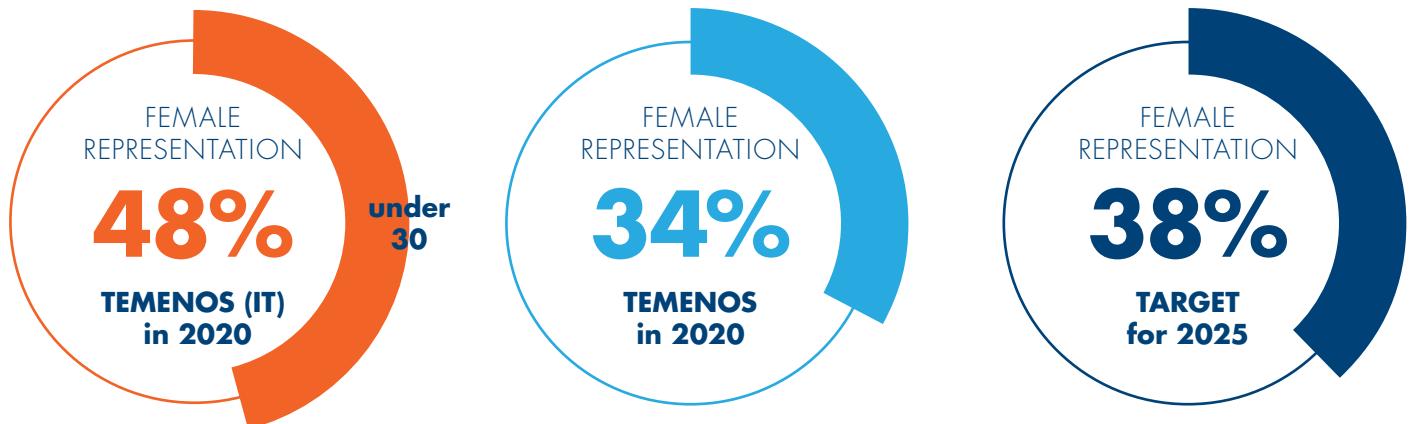


To address this issue, Temenos has a long-term ambition to become the employer of choice for women globally by 2025. We are committed to communicating the importance as well as the benefits of gender diversity, designing targeted interventions and monitoring progress over time. At Temenos, we have focused as early as 2014 on gender diversity in the IT workplace and have invested in an equal opportunity environment for both men and women. Our CEO has the executive oversight for diversity issues throughout the company, signalling the importance of gender diversity and leading by example.

Our interventions focus on five areas: Recruitment, Retention, Pay, Advancement and Representation. For example, we have incorporated gender diversity into our recruitment and advancement practices at all levels and monitoring progress, focusing on two levels within the company: on the new generation recruitment, encouraging young women to choose a career in the IT industry, resulting in growth in female participation from 35% in 2014, to 48% as of 30th September '20) in the under 30 year old age segment of our workforce; and on advancement and representation of women in senior management positions, resulting in growth in female representation of 22% in 2014 to 43% in 2020 in the 1st line female senior managers reporting to the CEO.



At the company level, the female representation in the total Temenos headcount at 30 September 2020 is at 34%, i.e. 4% higher than the average in the IT industry in terms of male to female ratios.



Our global, regional and local HR teams use quarterly analysis to identify and address challenges, reviewing gender balance and discussing key initiatives to increase the proportion of female employees. The CSR and Ethics Committee is updated regularly on progress and approves the direction. In each of our offices, you could meet individuals from different countries, with a mix of backgrounds, united by the desire to achieve greatness. More than ever, we believe that Temenos' strength lies in its global and diverse workforce. Wherever we are, we share a passion for innovation, a common sense of purpose to transform the banking industry and are committed to making Temenos – and the people who connect with Temenos – successful.



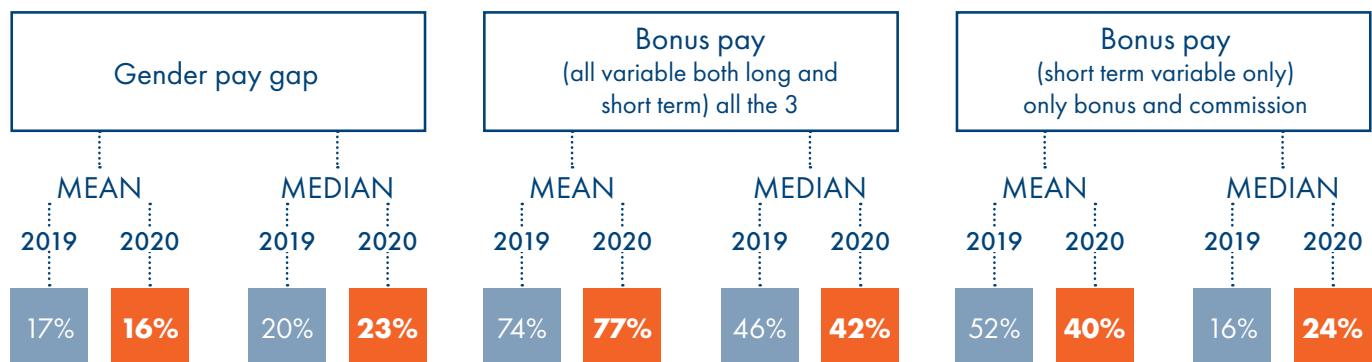
Our culture fosters open-mindedness, innovation, the ability to challenge the status quo and essentially to 'see things differently'. Our relentless passion and drive ensure that we keep striving forward and that we do so responsibly and in consideration of the many and not the few.

Diversity at Temenos UK

In the UK the percentage of women as at 5 April 2020, the date used for the data in this report, slightly decreased from the prior year, there are 76% men versus 24% women employees. In 2019, the percentage of women was 26%.

The low percentage of women compared to men explains our disclosable gap which remains relatively high, at 16% (compared to 17% in 2019). When we compare pay for equal or similar levels, the gap is minimal.

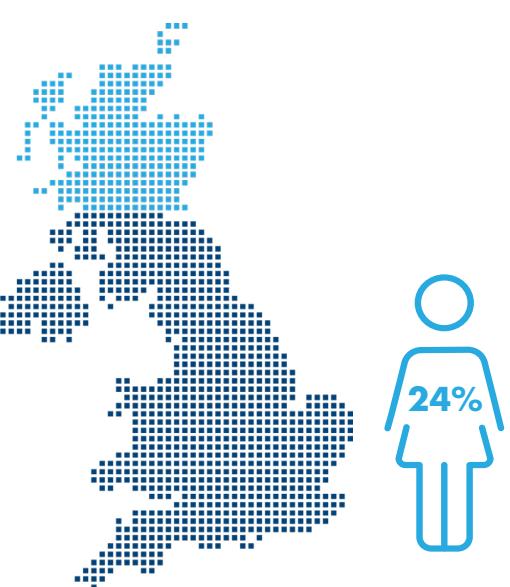
The figure below shows our mean and median hourly gender pay gap as at the snapshot date (ie 5 April 2020) and bonus gap for the 12 months reference period to 5 April 2020. This is calculated as the difference between the salary of men versus women divided by the salary of men. When compared to 2019 data, average gender pay gap has reduced this year.



Gender pay gap in our bonuses has increased this year when compared to last year. This is mainly due to some high long term incentive payments which are dominated by the men in senior positions. When looking at the short-term bonus (annual bonus plan and commission plans) only, we see the gap has reduced compared to last year. (last year was significantly influenced by a commission payment to a high achieving male sales executive.)



The **Temenos bonus plan in 2020 is linked to performance**. Both men and women have an equal opportunity to participate and earn a bonus as illustrated below. **In 2020, the proportion of women receiving a bonus has increased compared to 2019 and the gap has narrowed slightly.**



Understanding the numbers

The figures set out below show the number of males and females in the 4 bands of the population, that is the 25% lowest paid of the population, the 25% next lowly paid, the 25% next highly paid and the 25% highest paid of the population. The percentages reflect the fact that only 24% of employees are women, and as the seniority increases, this percentage reduces.



2020 (2019)

63% (58%)

<25%

76% (79%)

25-50%

81% (79%)

50-75%

83% (82%)

75-100%



2020 (2019)

37% (42%)

24% (21%)

19% (21%)

17% (18%)

Conclusion

We are confident that the Temenos gender pay gap does not stem from paying men and women differently for the same or equivalent work. Rather this gap is the result of the roles in which men and women work within the organisation and the salaries that these roles attract.

Temenos has managed to attract more and more women over the years and we want our company to play an even more active role in helping women enter and remain in the technology field. We continue to strive towards our goal of increasing women in the Temenos workforce worldwide.

Gender diversity

Percentage of women in the Temenos total headcount

22%

TEMENOS
in 2014



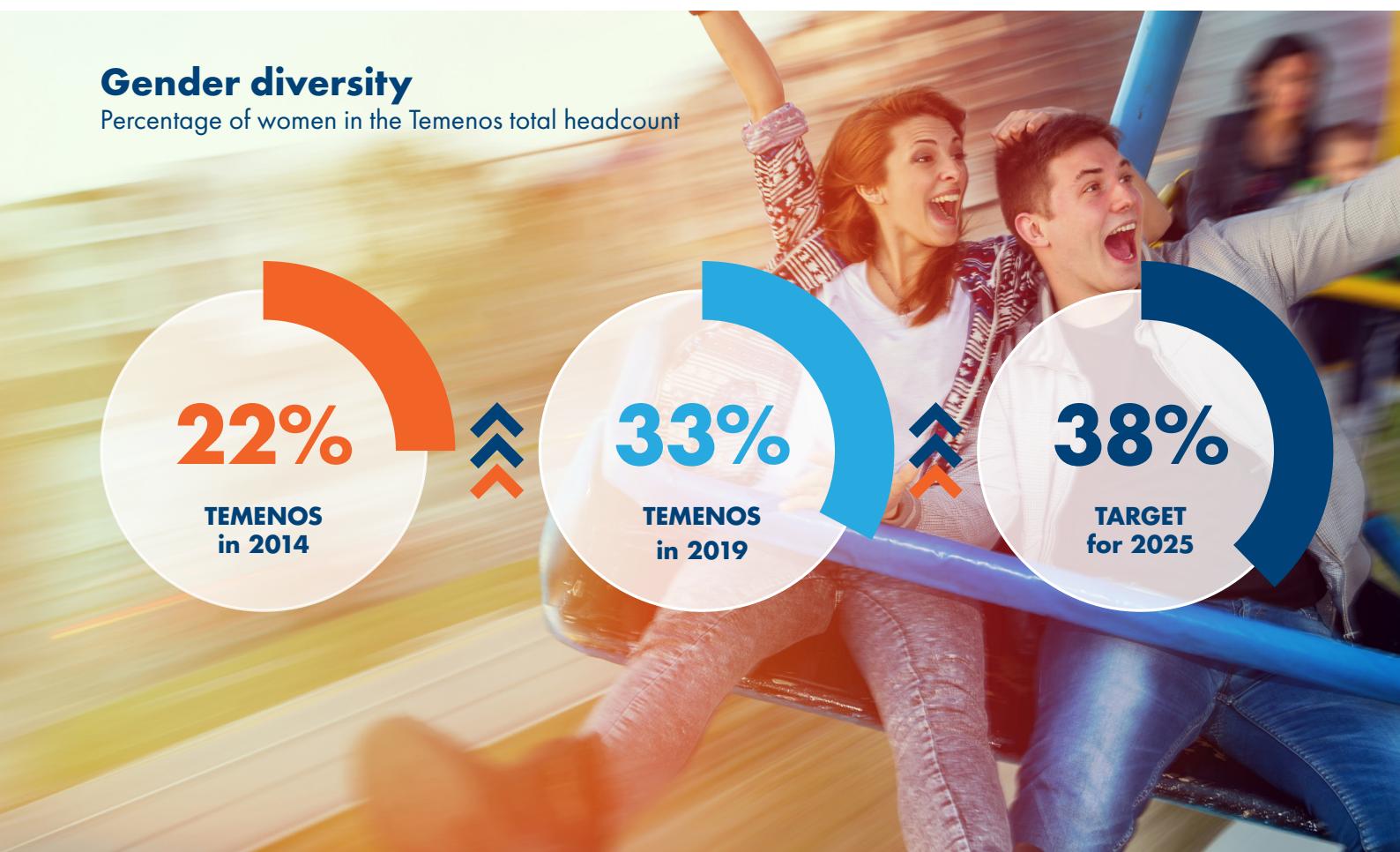
33%

TEMENOS
in 2019



38%

TARGET
for 2025



Declaration

We confirm that our data has been calculated according to the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Olivier Pennese
Temenos UK Director

Helen Cianci
Head of Compensation and Benefits

1st December 2020

temenos.com

About Temenos

Temenos AG (SIX: TEMN) is the world's leader in banking software. Over 3,000 banks across the globe, including 41 of the top 50 banks, rely on Temenos to process both the daily transactions and client interactions of more than 500 million banking customers. Temenos offers cloud-native, cloud-agnostic and AI-driven front office, core banking, payments and fund administration software enabling banks to deliver frictionless, omnichannel customer experiences and gain operational excellence.

Temenos software is proven to enable its top-performing clients to achieve cost-income ratios of 26.8% half the industry average and returns on equity of 29%, three times the industry average. These clients also invest 51% of their IT budget on growth and innovation versus maintenance, which is double the industry average, proving the banks' IT investment is adding tangible value to their business.

For more information, please visit www.temenos.com.

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