

Non-financial group report 2019

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About this report

In accordance with sections 315b and 315c HGB (German Commercial Code) in conjunction with sections 289c to 289e HGB, this non-financial report contains disclosures on environmental, employee and social matters, as well as on respect for human rights, and anti-corruption and bribery.

The report was prepared on the basis of the Global Reporting Initiative standards (GRI SRS, version 2016). The GRI Content Index is available at www.gft.com/sustainability.

The data and information contained in this report relate to the financial year 2019 (1 January to 31 December 2019) and correspond to the scope of consolidation for financial reporting. In some cases, only the five largest national companies by headcount (Brazil, Germany, Italy, Poland and Spain) are considered, which account for approx. 83% of the workforce – a note to this effect is provided in such cases. This report should be read in conjunction with the combined management report and consolidated financial statements 2019. The corresponding documents are available at www.gft.com/financialreports.

A key non-financial performance indicator for the GFT Group is the productive utilisation rate. Detailed information on this figure is published in the combined management report for 2019 in the chapter ‘Employees’.

The website links used in this document contain further information and are not a constituent part of this report. Exceptions are marked as such.

For ease of readability, we refrain from gender-specific multiple mentions. This should not be seen as a judgement; all entries must be considered gender-neutral.

1 The GFT Group

The GFT Group (GFT), with GFT Technologies SE as parent company, is an established technology partner for the financial services industry. We use our strong technological expertise to drive the digital transformation of companies across sectors, with a focus on financial institutions and insurance as well as IT solutions in the field of Industry 4.0. The company's range of services comprises consulting and implementation for sector-specific core applications, application management and solutions based on exponential technologies, such as artificial intelligence, cloud, blockchain, DevOps and data analytics. Founded in 1987, the Group operates in 15 countries with over 5,000 employees. In the reporting year, GFT acquired AXOOM GmbH (now: GFT Smart Technology Solutions GmbH) in Germany and founded subsidiaries in Hong Kong and Singapore. Detailed information on business activities and the business model can be found in the combined management report 2019 in the chapter 'Basic principles of the GFT Group'.

The added value of the GFT Group is based on the intellectual performance of its employees. Our suppliers mainly consist of highly skilled IT specialists who support our core business as well as services for business operations. For the procurement of IT infrastructure, we have only limited opportunities to review our suppliers or influence their business practices due to the size and purchasing volumes of our company. We take account of environment-related criteria, such as energy efficiency. When selecting services, we can influence environmental/social criteria, as well as factors such as geographical proximity to our facilities.

2 Sustainability in the GFT Group

'Responsibly shaping the digital future' – our sustainability strategy formulated in 2018 is derived from our vision to be the leading specialist for technology and innovation in our selected markets. The GFT Group's understanding of sustainability is anchored in our corporate values, which shape our cooperation with clients, partners and colleagues throughout the company. As a technology service provider, our sustainability efforts focus on the promotion of IT talent and the responsible development and application of technologies. We therefore concentrate on staff-related aspects and social commitment.

At GFT, we are convinced that meaningfulness and the experience of self-efficacy in professional life are central to personal growth and development. This underlines our employer branding strategy 'Ready to grow'. As a responsible employer, GFT is committed to fair, safe and healthy working conditions as well as an attractive working environment with an open and appreciative corporate culture. One focal point of our social commitment is to improve the future prospects of young people by getting them excited about IT at an early age and creating career opportunities for them in the technology sector.

The Administrative Board of GFT Technologies SE and the Managing Directors are responsible for sustainability. The Group-wide Global Risk Committee (GRC) is also responsible for the risk management of non-financial risks. Structured responsibilities apply throughout the organisation – assisted by a global CSR team.

In the reporting year, GFT signed the United Nations Global Compact, the world's largest voluntary initiative for responsible corporate governance. As a technology company, we are thus underlining our commitment to shaping the digital transformation in a responsible and forward-looking manner and thus making an active contribution towards a strong and caring society. By joining the initiative, we have taken an important step on

the way to becoming a sustainable company and at the same time have set a clear signal – both internally and externally.

Identifying the main non-financial aspects and risks

The basis is our materiality analysis conducted in 2017, which we review annually and constantly enhance. The GFT Group and parts of the supply chain are assessed. We consider sustainability aspects to be material if they have a direct or indirect impact on the Group's annual result, reputation and resources. We also consider the direct and indirect effects of our business activities on all selected sustainability aspects.

Matters acc. to 289c HGB	GFT sustainability aspect	GRI Standard (GRI SRS, 2016)	UN Global Compact principles
Environmental matters	Energy consumption	302	7, 8, 9
Employee matters	Working conditions	403, 405	3, 4, 5, 6
	Remuneration	102-36	
	Participation	102-41, 102-43	3
	Training and education	404	
	Non-discrimination	406	6
Social matters	Social commitment (digital education, technological responsibility, charitable projects)	No equivalent	1, 6, 9
Respect for human rights	Checking compliance	412	1, 2
	Employee data privacy	No equivalent	
Anti-corruption and bribery matters	Combating corruption	205	10
	Fair competition	206	

Within the framework of our Group-wide risk management system, a risk assessment was conducted for all significant sustainability aspects with regard to their probability of occurrence and the extent of any negative impact. No reportable risks from sustainability aspects were identified in connection with our business activities or our business relationships. Detailed information on the GFT Group's risk management system is published in the risk report of the combined management report 2019.

3 Employees

As a result of digitisation, technological progress is currently developing at an exponential rate – and yet we humans are still the drivers of digital innovation. Only human creativity is capable of linking new technologies and business ideas.

For the GFT Group, the performance, skills and motivation of our employees are therefore key factors, as our employees have a decisive influence on the quality of our services, on client satisfaction and thus on the economic success of our company. HR strategy is geared towards attracting talented people from around the world to GFT, retaining them within the company and continuously enhancing their skills. Our employer branding slogan 'Ready to grow' stands both for GFT's growth path and for our commitment to the personal and professional development of our employees.

In 2019, the GFT Group's global team comprised over 5,000 employees with 63 different nationalities, working in 15 countries on 4 continents. Around a quarter of our employees are women (2019: 26%, 2018: 26%, 2017: 26%). The average age is 37 years (women: 37 | men: 36).

In order to ensure that GFT also continues to develop as an employer, we attach great importance to our **open dialogue** with employees. In the past, a key HR management tool for us was a biennial Group-wide employee survey. The evaluation of the last survey in 2017 demonstrated that the GFT Group has now reached a size and, consequently, a level of diversity which means that such Group-wide surveys no longer make sense and are also too cumbersome. In 2019, the survey was suspended and a new format developed: in order to respond faster and more effectively to the needs of our various employee groups, nationwide surveys are to be carried out annually in future. The methodology will be retained, as will the identification of the central aspects of working at GFT for staff, as well as their satisfaction in terms of working conditions, development opportunities, working climate and leadership. This allows us to take account of regional peculiarities while maintaining the comparability of the topic groups. In addition to the employee survey, various other internal feedback channels are available to staff (a detailed overview can be found in the [non-financial report 2017](#)).

In the reporting year, HR focused on the induction phase for new employees. Experience gained at the Group's various national companies was incorporated into a standardised onboarding process for new employees. In addition, so-called exit discussions were introduced throughout the Group. The aim here is to gain a better understanding of the reasons why employees decide to leave GFT and what can or even must be changed internally. Moreover, we also monitor external evaluations on employer portals.

In terms of performance assessment, we are also following the new path we embarked on in 2018: the performance management model is an employee-oriented approach which will gradually replace annual review meetings with superiors. The aim is to encourage our employees to develop their own personal and professional goals themselves in a continuous dialogue (Individual Development Plan) and to reflect on their own performance and development in discussions with their colleagues (Multi-Source Group).

Within the framework of our non-financial reporting, we consider the areas of 'Activities and projects', 'Working environment' and 'Remuneration' with regard to employee matters.

Activities and projects

Digitalisation has always been GFT's core business. As a technology partner, we accompany clients throughout the digital transformation process with innovative IT solutions along their entire value chain. We believe that **innovation and digital transformation** are closely entwined – like the strands of a helix. Innovation causes disruption and change, for example through the use of new technologies. Digital transformation means continuously improving what already exists, such as the modernisation of platforms or

the modularisation of data architectures. The interaction of these two strands gives birth to future-oriented solutions. A decisive success factor for real-world and pioneering results is cooperation – whether internally across teams and countries or externally with our clients, partners and global tech communities. Our annual report 2019 highlights some outstanding examples of co-innovation from the past year.

This environment offers our employees the opportunity to detect technology trends as they emerge, in order to explore their potential and subsequently translate them into marketable IT solutions. To ensure our employees are always up-to-speed with the latest technologies, design principles and methods, GFT actively promotes **continuous training**. The personal and professional development of staff is accompanied by experienced mentors. We also integrate new employees right from the start with a combination of mentoring provided by long-serving colleagues and training on the job.

Our Group-wide **career model** defines job families on the basis of similar activity profiles: IT professions, Consulting, Corporate Services. Experience levels clearly indicate the respective qualifications and skills required: 'Skilled' comprises graduates, young professionals and trained specialists. 'Senior' pools together highly skilled and experienced specialists. 'Leaders' are executives. We regard specialist and management careers as equal development paths.

Work force by job family

	2019	2018	2017
% of work force			
IT Professions	83	83	82
Consulting	7	7	8
Corporate Services	10	10	10

Work force by experience level

	2019	2018	2017
% of work force			
Skilled	56	56	59
<i>thereof women</i>	29	30	29
Senior	36	36	34
<i>thereof women</i>	23	23	24
Leader	8	8	7
<i>thereof women</i>	15	16	13

Women in the GFT Group by job family

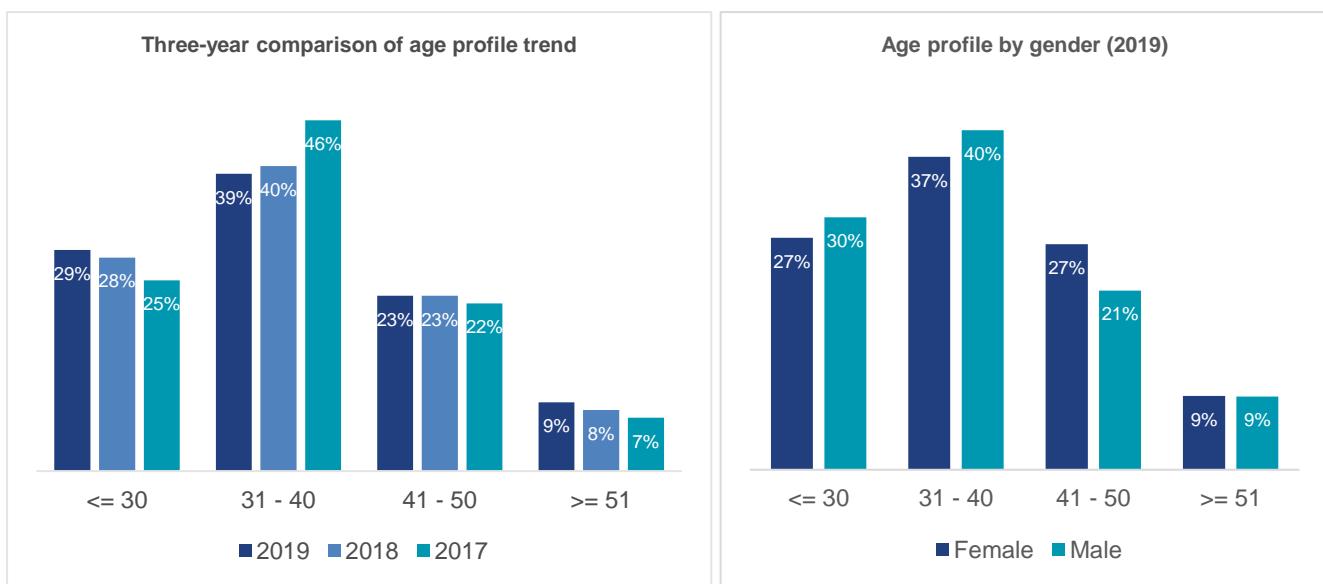
Proportion of total work force in %	2019	2018	2017	Composition of female work force in %	2019	2018	2017
IT Professions	20	21	20	IT Professions	64	65	63
Consulting	33	32	32	Consulting	9	8	9
Corporate Services	72	71	72	Corporate Services	27	27	28

Working environment

By offering flexible employment models and the freedom to decide on working hours and locations, we aim to ensure that our employees can **reconcile their professional and private lives**. This also includes individual career planning that takes account of the employee's current life situation. It is vital for us that neither women nor men are in any way disadvantaged if they make use of such offers as part-time work or working from home. In 2019, the proportion of staff working part-time was 7% (2018: 7 % | 2017: 6 %; data basis: 5 largest national companies).

As an integral part of our corporate culture, **diversity is a decisive key to our success**. The basis is mutual trust and respect – as reflected in our corporate values (the '5 Cs' described in detail in our [non-financial report 2017](#)). In accordance with our Code of Conduct, we do not tolerate any form of discrimination, bullying or harassment. In order to ensure this, we raise awareness among our managers for issues such as cross-cultural skills – for example, our internal management programme includes a module on cross-cultural issues. Any employees with grievances can also report them to our internal complaints offices.

With an average age of 37 years, the GFT Group has a young work force. However, this age profile varies in the individual countries: whereas younger employees and career starters dominate at our development centres, there is a relatively balanced age profile at our consulting locations.



Remuneration

Remuneration comprises basic salary as well as location-specific employer benefits. The remuneration amount depends on the particular activities, function and responsibility of the employee. In 2019, personnel expenses of the GFT Group amounted to € 297.33 million (2018: €268.18 million).

4 Environment

There is only a low risk of negative ecological impacts from our business model, services and business relationships. In our CSR strategy, we stated our commitment to integrating environmental responsibility into our business activities. The basis is provided by our Group-wide environmental guideline. It supplements the existing internal guidelines (e.g. on procurement and business trips) with environmental aspects and makes compliance with defined environmental criteria mandatory. In the case of procurement, for example, the price, quality and environmental characteristics of procured goods and services are given equal consideration.

Our main focus is on energy consumption, more sustainable procurement and the active involvement of employees in the implementation of our environmental guideline and operational environmental protection. No specific savings targets have been defined so far. In the reporting period, our welcome package for new employees was redesigned for all Group companies: the number of articles was reduced in favour of high-quality, durable items (e.g. SIGG bottle, ballpoint pen with replaceable refill). The advertising material manufacturer has an environmental management system certified according to ISO 14001 and, as a member of amfori BSCI (Business Social Compliance Initiative), ensures compliance with social and environmental standards. In order to raise awareness among employees for operational environmental protection, tips on 'Conscious acting in the workplace: reduce - reuse – reflect' are provided for staff in all offices. In several countries, campaigns on waste avoidance and recycling were carried out, accompanied by the distribution of drinking bottles or snack bags.

5 Social commitment

We support activities in the fields of technology development and education. Our memberships in various industry associations enable us to participate in the public debate on digitalisation.

Technological development and responsibility

We are committed to the responsible and ethical development and application of technology aimed at promoting a sustainable, people-centred society. We believe that the ultimate responsibility for decisions must lie with humans. Automated analytical and decision-making processes must be transparent and explainable. We therefore regard technological impact assessment as our corporate responsibility.

Our internal guideline on 'Algorithmic Transparency and Accountability' introduced in 2018 was followed by the first 'Privacy Engineer Training' sessions held in several countries in the past year. These provide GFT software developers with training on data protection aspects when using future technologies. Introductory courses on machine learning which we conducted for the employees of our clients also included modules on the topic of 'AI and ethics'. GFT data scientists in Valencia, Spain, also discussed this topic with a broader developer community under the title 'Who guards the guardians? Ethics in the time of AI'. The explainability of AI, ethics in the field of data science and the question of whether emotionally intelligent machines should be a cause for concern were the topics of public meetings organised by GFT staff in London. In cooperation with the Italian Association of Data Protection Officers (ASSO DPO), GFT held a workshop on AI in Milan as support for the EU's General Data Protection Regulation (GDPR).

Education

We actively promote IT talent at various levels. With our university partnerships, coding workshops, hackathons and initiatives for girls and young women, we want to get young people interested in IT at an early stage. In order to improve the future prospects of young people, we help pave their way into the technology sector: in 2019, GFT's global team included 103 interns, apprentices, trainees and students (2018: 80, 2017: 65) – corresponding to 2% of our total work force (2018: 1%). In addition, we support tech communities with varying target groups. Examples include:

- GFT Brazil supports experienced IT specialists in the acquisition of new technologies to help them re-enter the job market with its 'RESTART.ME' initiative.
- GFT Mexico supports the DevDay4Women initiative, a specialist conference that aims to facilitate experience sharing among women in IT.
- With its 'Academy', GFT Italy is targeting newcomers to the sector with non-ICT university degrees. In addition to basic programming skills and data management, the main focus is on practical project experience. Since the programme was launched in 2017, around 20% of participants in each course have been taken on as employees.

Memberships

- The Chairman of the Administrative Board, Ulrich Dietz, is Vice President of [Bitkom](#) (the Digital Association of Germany). He is a member in the Board of trustees of [The Foundation for Family Businesses](#).
- CEO Marika Lulay is engaged in an honorary capacity in the [Hochschulrat of Hochschule Darmstadt](#) (University Council of Darmstadt University of Applied Sciences).
- CFO Dr Jochen Ruetz is a member of the [Ludwig Erhard Foundation](#), which is committed to the further development and strengthening of the social market economy through educational work, scientific publications and the promotion of public debate on the regulatory environment.
- Administrative Board member Maria Dietz is a member of the [Hauptverwaltung der Deutschen Bundesbank in Baden-Württemberg](#) (regional office of the German central bank in the state of Baden-Württemberg). She is a member of the jury for the nationwide business game competition [Jugend gründet](#) and is a member of the University Council of [Hochschule für Technik Stuttgart](#).

Companies of the GFT Group in various countries are members of local business and industry associations. An overview can be found on our website at www.gft.com/sustainability > social commitment.

6 Respect for human rights

As stated in the GFT [Code of Ethics & Code of Conduct](#), we are committed to upholding, supporting and respecting the internationally proclaimed human rights. In addition to the 'Universal Declaration of Human Rights', we adhere to the human rights aspects of the 'OECD Guidelines for Multinational Enterprises', the 'United Nations Guiding Principles on Business and Human Rights' and the '10 Principles of the Global Compact'.

Employees in the IT industry are usually highly skilled – this requires an academic degree and/or many years of professional experience and means that employees are largely independent in their choice of employer. The GFT Group has not been made aware of any human rights violations in connection with the services it provides. In the reporting period, a standard Code of Conduct for Suppliers was integrated into the terms and conditions of all national companies belonging to the GFT Group ([Terms and conditions of the GFT Group](#)). Suppliers and service providers must meet the following obligations:

- Respect international human rights
- Forbid child labour
- Care for the health and safety of their employees
- Comply with legal obligations regarding the minimum wage
- Adhere to all legal regulations.

In the case of violations, we are entitled to terminate the business relationship immediately. We do not yet conduct supplier audits.

7 Anti-corruption and bribery

We believe that integrity is a key prerequisite for long-term success. The ethical standards and rules of behaviour valid throughout the GFT Group are laid down in our 'Code of Ethics & Code of Conduct'. With regard to bribery and corruption, we pursue a zero tolerance approach as set out in our 'Anti-Bribery & Corruption Policy'. Both documents are available to all employees via the Intranet, translated into 7 languages, and are published in [German](#) and [English](#) on our website. We also expect our suppliers to comply with these guidelines. The Compliance Office appointed by the Administrative Board is responsible for the Group-wide implementation of the Compliance Management System. It reports directly to the Chief Financial Officer.

In addition to regular monitoring of existing business relationships, new business partners are also reviewed on a risk basis. In certain risky areas, such as invitations to business partners, prior approval must be obtained from the Compliance Office under specified conditions to prevent corruption and bribery. All relevant employees are trained by the Compliance Office. In addition, a compulsory e-learning course has been introduced for all staff. Employees are encouraged to report violations of laws and Group policies. Various communication channels are available for this purpose (in writing, by e-mail, by phone, online). If misconduct is suspected, the Compliance Office provides clarification.