

# Non-financial group report 2017

7

## Contents

<b>1 Sustainability in the GFT Group</b>	<b>3</b>
<b>2 Employees</b>	<b>6</b>
<b>3 Environment</b>	<b>13</b>
<b>4 Social commitment</b>	<b>14</b>
<b>5 Respect for human rights</b>	<b>16</b>
<b>6 Compliance</b>	<b>17</b>
<b>7 Independent Auditor's Report</b>	<b>19</b>

## About this report

In accordance with the German CSR Directive Implementation Act (CSR-Richtlinie-Umsetzungsgesetz – CSR-RUG), the following non-financial report pursuant to sections 315b and 315c of the German Commercial Code (HGB) in conjunction with sections 289c to 289e HGB, 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 German Sustainability Code (Deutsche Nachhaltigkeitskodex – DNK).

The data and information contained in this report relate to the financial year 2017 (1 January to 31 December 2017). The report should be read in conjunction with the combined management report and consolidated financial statements 2017. The corresponding documents are available on the corporate website [www.gft.com/financialreports](http://www.gft.com/financialreports).

A key non-financial performance indicator for the GFT Group is the productive utilisation rate. Detailed information on this performance indicator is published in the above mentioned combined management report for 2017 in the chapter 'Employees'.

General information on the GFT Group's sustainability efforts are provided online at [www.gft.com/sustainability](http://www.gft.com/sustainability).

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

# 1 Sustainability in the GFT Group

**We regard sustainability as the responsibility to our business and social environment. Our objective is to achieve long-term profitable growth as a technology partner for our clients, while upholding our commitment to sustainability. We want to shape the digital transformation in a responsible and proactive manner.**

There is a growing demand from society for companies to focus not only on their business success, but also on social and ecological developments. This is evidenced by the advent of increased regulation on corporate responsibility. Our shareholders, employees, clients and the public demand transparent information on the social and environmental impact of our business activities. We maintain a constant and open dialogue with these stakeholders.

## The GFT Group

The parent company of the GFT Group, GFT Technologies SE, is a listed European public limited company (Societas Europea – SE) with a single-tier management and control structure. In 2015, the former German public limited company (Aktiengesellschaft – AG) changed its legal form to that of a European public limited company (SE) in order to underline its international alignment. The company currently employs around 5,000 people in 11 countries. In accordance with its internal management and reporting structures, the business activities of the GFT Group are divided into two segments:

The *Americas & UK* segment comprises companies in the following countries:

- Brazil
- Costa Rica
- UK
- Canada
- Mexico
- USA

The *Continental Europe* segment comprises companies in the countries:

- Germany
- Italy
- Poland
- Switzerland
- Spain

As of 31 December 2017, GFT Technologies SE had 22 subsidiaries in Europe and the Americas. A full list is provided in the notes to the consolidated financial statements (printed in the Annual Report 2017), which is available online at [www.gft.com/financialreports](http://www.gft.com/financialreports). Detailed information on the business model is included in the combined management report for 2017 in the chapter 'Business model'.

## Company history

The company was founded in St. Georgen, in the Black Forest, Germany, in 1987. Part of the company's corporate services and a data centre are still located there. During the course of its 30-year history, the GFT Group has transformed itself from a producer of software to an international technology consultant for the financial services industry.

The shareholder structure of the family business GFT Technologies SE has remained stable since its IPO in 1999. The largest shareholders have always been Ulrich Dietz, with around 26%, and Maria Dietz, with just under 10%, of share capital. Prior to the IPO, Ulrich Dietz and Maria Dietz held the overwhelming majority of shares in the company.

Guided by a strong vision, Ulrich Dietz expanded the IT company and remained its CEO until 2017. Since this time, he has been guiding the GFT Group as Chairman of the Administrative Board. He was succeeded as CEO by Marika Lulay, who had previously headed the GFT Group's operations for 15 years as COO. Maria Dietz held various management positions within the GFT Group from 1990 to 2015. In June 2015, she was elected to the company's Administrative Board.

## Adding value

Based on our in-depth industry knowledge, we advise leading global financial institutions and develop bespoke and forward-looking IT solutions – from banking apps and trading systems, to the implementation and maintenance of platforms, and the modernisation of core banking systems. Our global innovation team also develops new business model concepts for all sectors that focus on emerging technologies, such as blockchain, cloud engineering, artificial intelligence, and data analytics. The use of information technologies, in particular software, offers huge potential for cost-containment measures, such as virtualisation and new functions for banking applications.

With the aid of its Global Delivery Model, which combines client proximity and quality with attractive cost benefits (onshore/nearshore model), the GFT Group can reliably supply its range of solutions to the core markets of Europe and the Americas. The company's consultants and sales staff are in direct contact with clients (onshore) to provide advice on the development of strategies and to coordinate their projects. Cost-effective development services for clients in Europe are provided by the company's own development centres in Spain and Poland, while highly skilled development teams in Brazil and Costa Rica (nearshore) work on client projects in the USA.

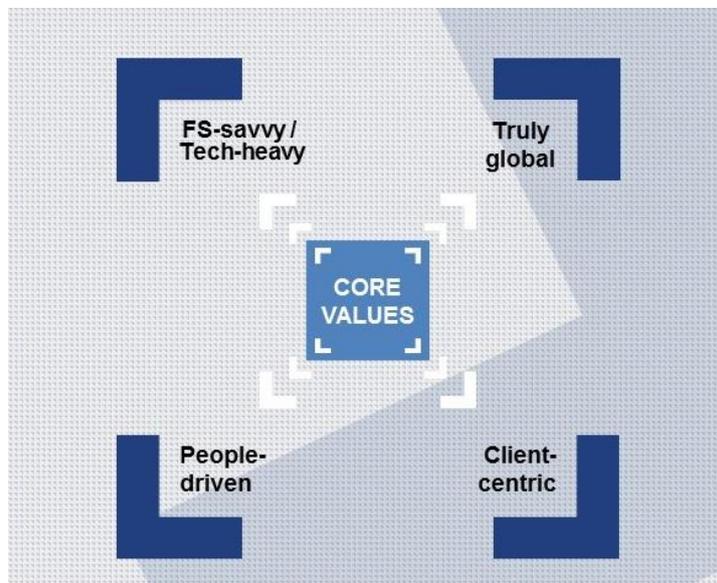
Our added value is based on the intellectual performance of our employees. Unlike the production of goods, for example, the development of our intangible assets is a process dominated by human interaction from start to finish. Mutual trust is therefore a central element. A significant proportion of our expertise is person-related and cannot be simply or flexibly transferred.

## Integrated sustainability approach

Sustainability is anchored in our vision, in our mission, and especially in our values, and is lived in a variety of ways in our daily business. As an IT service provider, GFT 'produces' intangible assets: IT services. In this knowledge-based production process, the most important resources are our employees, our intellectual capital, and the trust placed in us by our clients and shareholders. We maintain a continuous and open dialogue with these key stakeholders. Our activities take account of their views and experiences. Our vision, mission and values are a clear commitment to our stakeholders.

## Vision and mission

Our vision is to be the leading technology partner for the financial services industry. Shaping the future of digital business models is both our commitment and our mission. The four cornerstones of our mission describe what we stand for and how we act:



The GFT mission

**FS-savvy/Tech-heavy:** The combination of many years of expertise in the financial services industry and the right technologies creates first-class solutions that help our customers improve processes, reduce costs and tap new business fields.

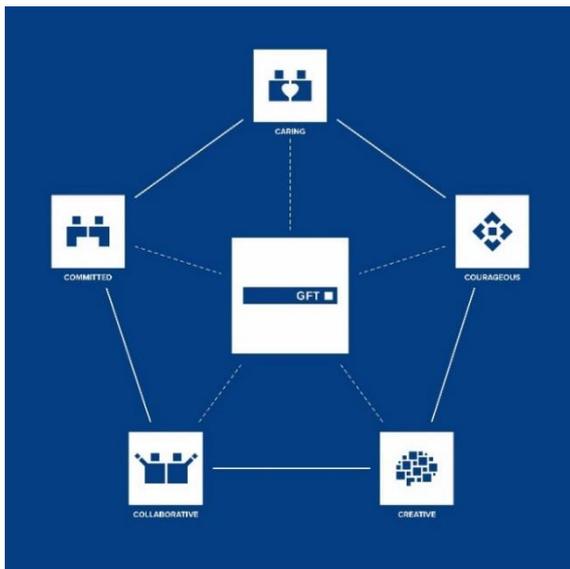
**Truly global:** We are not in every country – and we do not need to be, because the GFT Team is successfully networked across national and departmental boundaries. We pool our skills for every client contact and project.

**People-driven:** People are the real drivers of digital innovation. It is their creativity which enables us to combine new technologies and new business ideas. This is why the GFT Group acts from within and is driven by the ideas and experience of our experts.

**Client-centric:** Our organisational structure and processes are strictly aligned with the needs of our clients. With our international development centres, we can provide cost-effective yet highly skilled services combined with individual consulting expertise at the client's facility.

## Values

Our corporate values are the basis for all dealings with clients and business partners, as well as for our daily interactions with each other.



The five GFT corporate values

**Caring:** We care about people, cultures and opinions, and show everyone equal respect.

**Committed:** We are committed to our company and our clients.

**Courageous:** We have the courage to challenge and break new ground.

**Collaborative:** We collaborate and succeed as one team.

**Creative:** We turn ideas into creative solutions and strive for quality in everything we do.

## Identifying the main non-financial aspects and risks

In the reporting period, a materiality analysis was carried out to identify the non-financial risks of relevance to the GFT Group. To this end, we first assessed the sector-specific opportunities and risks from the financial services sector and IT market, and conducted a benchmark analysis of the competitive environment. Moreover, we identified our most important stakeholders and their key issues and expectations. We also considered our added value with regard to sustainability aspects and discussed the findings with the various departments in internal workshops.

## 2 Employees

**Fair, safe and healthy working conditions are very important to us. With regard to career development and contract terms, we offer intelligent solutions on an individual basis that are tailored to the employee's current life situation. Internationality and cultural diversity are part of our corporate culture and a decisive key to success – based on mutual trust and respect for each other.**

The GFT Group pursues a uniform human resources (HR) strategy. It is based on our corporate values and contributes to our mission. The Human Resources (HR) division is responsible for developing and implementing our concepts. In addition to a globally aligned HR organisation headed by a Global Head of HR, there are the locally operating HR departments. Under the direction of the Global Head of HR, local HR managers constantly enhance their HR strategy, define standards for HR activities and propose group-wide measures. The local HR managers are responsible for the implementation process. The Managing Directors of GFT Technologies SE regularly review the status of implementation.

The ultimate goal of HR management is that the GFT Group is perceived by its current and potential future employees as their employer of choice. We undertake all efforts to find the right employees, to retain them

over the long term, and to offer them tailored development opportunities. In order to achieve this goal, we offer interesting as well as challenging activities and projects, an appealing work environment and an attractive remuneration package:

- Designing and implementing digitalisation projects in the finance industry is part of our core business. Within this environment, our employees have the opportunity to develop innovative IT solutions for a variety of clients in different countries using the latest technologies.
- Attractive working conditions include, for example, flexible working models which give our employees – depending on their respective tasks – a great deal of flexibility with regard to working hours and locations in order to ensure the best-possible work-life balance. Our corporate values are the basis for everything we do – from dealing with clients and partners, to the way we treat each other. We provide staff with a modern infrastructure and the corresponding communication technologies.
- We are committed to offering standard market remuneration and attractive employer benefits in all countries.

GFT employs a mixture of short-, medium- and long-term measures for the recruitment, retention and ongoing training of staff. Specific career development measures include our career model, training courses, mentoring and leadership programmes. The employer branding campaign *Ready to Grow* launched in 2017 focuses in particular on talent management, the promotion of international careers and the introduction of a standard performance management model.

## Employee survey as a management tool

A key HR management tool is our group-wide employee survey conducted every two years. The survey is anonymised and participation is voluntary. It is used to review the effectiveness and sustainability of our HR measures. The survey results are systematically analysed both for the Group as a whole and for each country. It serves as a basis for the further development of HR strategy by global HR management. In the reporting period, the response rate was 65% (+5% compared to 2015). This high level illustrates that employees are keen to actively participate in the company's affairs and that the results represent the majority of staff.

Satisfaction is determined with regard to working conditions, development opportunities, the work environment and leadership. These factors are pooled in the so-called Employee Value Proposition, which comprises the employer's offerings and measures as well as what is expected from employees and applicants. The satisfaction results provide information about how our employees perceive employer quality. In addition, the survey reveals which aspects of working for the GFT Group are most important to employees.

Staff regarded the following as the greatest strengths:

- Collaborative and effective teamwork
- Fairness and respect
- The tools provided for the job

The following factors are particularly important for our employees:

- Interesting and challenging work
- Training
- Career development
- Work-life balance

Employees still see room for improvement with regard to 'interesting and challenging work', 'training' and 'career development'.

## Feedback as a development opportunity

In addition to the employee survey, every person employed has the opportunity to submit suggestions, concerns and questions via other channels:

- Direct contact with the CEO via the 'CEO Line' e-mail address or a comment in the CEO's blog 'Connecting the dots', which can also be posted anonymously.
- The international editorial team of the digital employee magazine 'Newstime' publishes articles and interviews from the various national companies and reports on group-wide initiatives; all employees can 'like' articles and comment on them, as well as submitting their own articles.
- A pilot social intranet project named 'GFT Contigo' (loosely translated: 'GFT and you') was launched in Spain in 2017.
- In our annual Values Awards, our employees in each country decide which colleagues or teams most clearly represent our shared corporate values – whether by working on a particularly challenging project or via their daily actions; the jury is all employees: they can submit proposals and vote on them.
- In 2017, quarterly Management Update Calls were also set up for middle management during which the CEO and CFO jointly inform staff about strategic corporate development and answer questions.
- There are also numerous employee events at our locations: Town Hall Meetings, for example, give staff the opportunity to exchange views with top management. The regularly held Office Day is an event format aimed at networking staff from operating departments (such as Sales, Consulting and Development), most of whom work at customer facilities: presentations on current projects, technical workshops and information about internal developments at GFT facilitate a lively exchange of news and views between staff.
- During regular appraisal meetings, employees and HR supervisors or mentors review the achievement of personal and professional goals and define new targets.
- A further important source of feedback comes from the employee representatives: due to its legal form, GFT Technologies SE has installed an SE Works Council. The employee representatives of the GFT Group comprise both trade union representatives and company representative bodies. Worker co-determination is conducted in line with the respective national regulations.

## Interesting activities and projects

### Innovation

Digitalisation has always been a central component of our business model. As a technology partner for the financial services industry, we accompany clients throughout the digital transformation process by developing tailored IT solutions along their entire value chain.

At our [Digital Innovation Labs](#), GFT experts co-create prototypes and pilot applications for digital business models together with clients, other companies or research institutes. GFT continued to drive the expansion of its global lab network in the reporting period: with the aid of virtual technologies, applications can be experienced at a growing number of GFT locations.

A further component of our innovation approach is cooperation with innovative start-ups from the finance and insurance sectors – so-called FinTechs (from: Finance Technology) and InsurTechs (from: Insurance Technology).

More details on our innovation approach can be found at [gft.com > GFT Technologies SE > Discovery > Innovation](#)

### Awards

One of our key objectives is to provide clients with outstanding solutions that give them a competitive advantage. An important indicator of success in these endeavours are awards, certifications and top places in industry rankings. In 2017, these included:

■ **IDC Real Results FinTech Award for the implementation of an application for a major Brazilian bank offering 100% digital onboarding and account management**

The award recognises IT companies which have made a measurable and forward-looking change for a client in the financial services industry.

More about the digitisation project in our [GFT Blog](#).

The project was also honoured with the [IBM Excellence Award](#).

■ **Cooperation with Deutsche Bank recognised as ‘Best FinTech Partnership’**

The implementation of the banking platform dbPalace was honoured at the Financial Innovation Awards in London. The awards are among the most important in the financial services industry and have been presented by the London Institute of Banking & Finance and the UK Banking Association for the past 20 years.

Further details in our [GFT Blog](#).

■ **Only German company to be listed in the global IDC ranking of the top 100 technology consultants for the financial market**

The most comprehensive ranking for the financial services industry is based on the previous year's revenue in the field of Financial Services. In 2017, GFT was ranked 41st.

Further information on the IDC FinTech Ranking can be found at [www.idc.com/financial](#).

### Continuous training and individual career planning

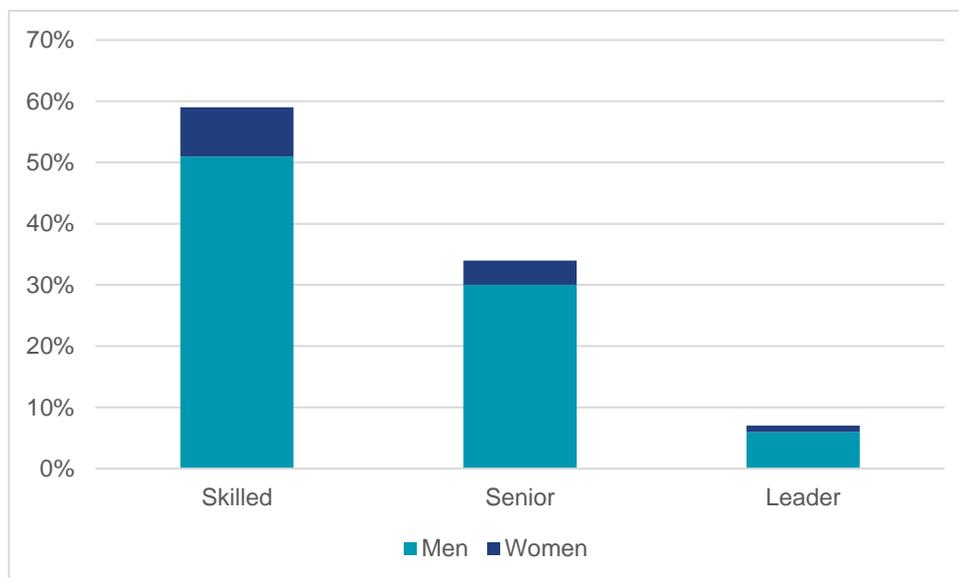
Making sure that technology trends are detected, tested and translated into marketable IT solutions at an early stage requires a high level of investment in the continuous training of our employees. Our wide range

of training opportunities ensures that staff are always up-to-speed with the latest technologies, design principles and methods.

On the basis of individual career planning, we promote the professional and personal development of our employees – for example via in-house training (e.g. for software development, IT architecture, consulting, sales and project management), language courses, seminars for soft skills and part-time external courses. The personal and professional career development of staff is accompanied by experienced mentors. Employees are prepared for the next step in their careers with targeted leadership training, such as the GFT Accelerated Leadership Programme or Cross Cultural Management Training.

### Fair and transparent working conditions

The majority of our employees (82%) have IT-related professions, such as development, project management or process consulting, 8% are client consultants and 10% work in corporate services. Our group-wide career model ensures transparency: similar job profiles are grouped together in job families – for example, consulting or sales – and levels of experience define the required qualifications and skills.



Breakdown of career levels for GFT work force

Highly skilled senior specialists in the field of banking and IT account for around a third of our work force (34%, of which 24% women and 76% men). The complexity of our international IT projects requires them to work largely autonomously and to make decisions quickly and transparently themselves within their (project) teams. Our career model emphasises the fact that we regard professional and management careers as equally valuable development paths.

Of the skilled workers (59% of our work force, of which 29% women and 71% men), around 30% are graduates and career starters. Our junior employees are actively involved in projects right from the start and quickly take on independent work areas.

The GFT Group has always been characterised by its flat hierarchies and correspondingly lean management team, combining leadership responsibility for both staff and function. We have a broad understanding of leadership: managers are people in leadership roles and employees with highly skilled jobs. 7% of GFT's employees are leaders (of which 13% women and 87% men).

## Appealing working environment

### Work-life balance

Instead of individual support programmes, we focus on providing good conditions for our staff. In addition to individual career development, we aim to create working conditions that enable our employees to achieve the best-possible work-life balance. These include:

- Flexible working hours and customisable part-time work options, for example during or after parental leave, as well as active support in planning longer work breaks (sabbaticals).
- Trust-based working hours at all levels; under certain circumstances, legal regulations may require documentation of working hours; the recording of working hours on projects may also be necessary for project and cost tracking.
- Modern equipment and collaboration tools provide the infrastructure for staff to work remotely or from home.

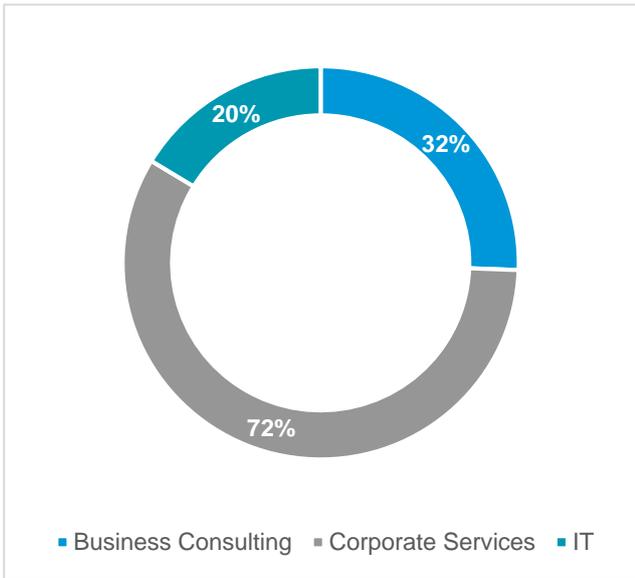
It is crucial that employees – women and men alike – do not have to fear any interruption to their careers if they choose to take advantage of such offers as part-time work or working from home. We do not therefore differentiate between full-time and part-time work when calculating years of experience, for example, so that staff have no disadvantages from reducing their working hours. In the reporting period, the ratio of staff throughout the GFT Group working part-time was 6% (of which 75% were women and 25% men). This means that 9% of female employees and 2% of male employees work part-time. The part-time work ratio for managers is 2% (of which 57% were women and 43% men), meaning that 9% of female managers and 1% of male managers work part-time.

### Success factor diversity

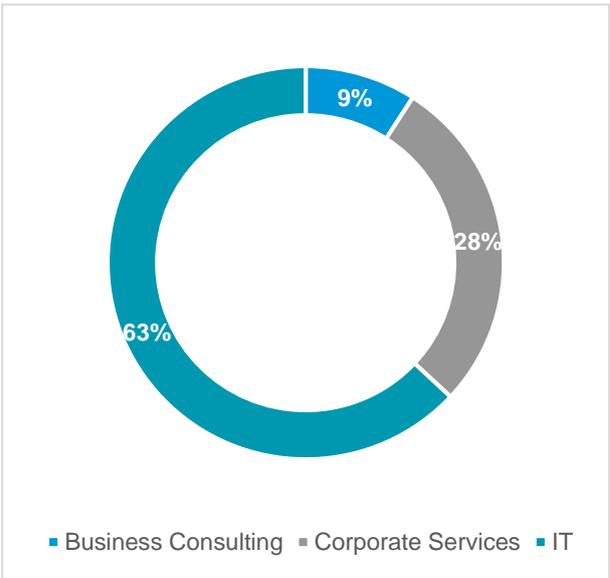
Diversity is an integral part of our corporate culture. We speak many languages at GFT – and not just the programming languages Java, .Net or C#, but also the 30-plus languages of our employees with 66 different nationalities.

Due to GFT's strong growth over the past 4 years, we have become more international. The prospect of an international career is particularly attractive for young professionals. We therefore offer our sandwich course students from the Baden-Wuerttemberg Cooperative State University (DHBW), for example, the opportunity to spend time abroad at a GFT location. This is generally in Barcelona, GFT's largest development centre, or at our London office. In addition, we have noticed increasing demand from our staff to transfer to a different location abroad. Seamless international collaboration is fundamental for us. In the reporting period, we therefore set up a project to help employees relocate within the Group.

Women account for approximately one quarter of our work force on average (26%) – a figure which is particularly high for the IT industry. Women typically dominate in administrative units – as is the case for the GFT Group: almost 72% of all employees in areas such as Marketing, Communications, HR, Legal Affairs and Purchasing are female. Women account for just under one third of all business consulting staff (32%), and around 20% of staff in IT professions. Based on the total number of female employees, 63% of women work in IT professions, 28% are employed in corporate services and 9% in business consulting.



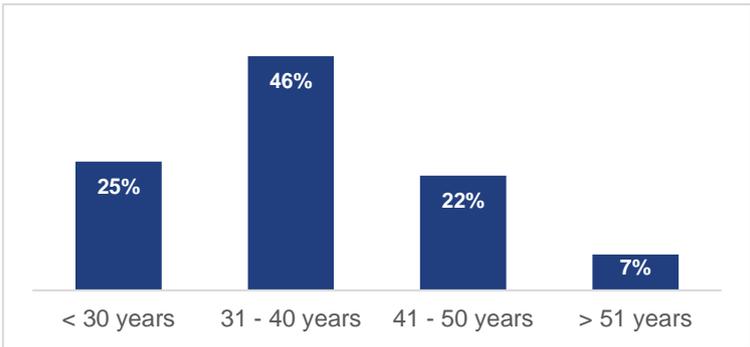
Proportion of women by job family  
(100% = total work force)



Breakdown of job families among the female work force  
(100% = total work force)

Since 2012, we have been investigating the effectiveness of our measures to promote career opportunities for women. In the Women’s Career Index (FKI) ranking developed by the German Federal Ministry for Family Affairs, we have been among Germany’s top ten ‘women-friendly’ companies every year. The proportion of women in management positions is 13%.

With an average age of 36 years (women: 37, men: 36), the GFT Group has a young work force. The distribution of age groups is typical for the IT industry. 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.



Age profile of the GFT Group

To ensure that everyone experiences internationality and cultural diversity as an enrichment for GFT, we need a common basis for understanding: courtesy and treating each other with respect, regardless of origin, gender, age, religion or hierarchy, are essential. And this is expressed by our corporate values. In order to avoid discrimination of all kinds, we raise awareness among our managers first of all by providing training on cross-cultural skills and labour law. In addition, employees affected by discrimination can turn to independent

bodies. At GFT in Germany, we have set up contact points for complaints within the HR division in line with the legal provisions. Moreover, an Anti-bullying and Conflict Officer has been appointed at our locations in Bonn and Eschborn as part of the company agreement 'Against bullying at work'.

## Attractive remuneration package

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 addition to qualifications and experience, we reward staff above all for their personal performance.

In the financial year 2017, personnel expenses of the GFT Group amounted to €271.80 million.

More detailed information on employer benefits (for Germany as an example) can be found in the [Career section of the GFT website](#).

Further relevant non-financial disclosures on key personnel figures are provided in the 'Employees' section of the combined management report, printed in our Annual Report 2017 ([www.gft.com/financialreports](http://www.gft.com/financialreports))

## 3 Environment

**For us, environmental protection means using our resources in a responsible and economical manner while at the same time ensuring optimal working conditions with top-quality technical equipment for our employees. We reduce business trips to a necessary level in order to minimise their impact on the environment.**

The environmental impact of our business activities – developing IT solutions for the financial services industry – is comparatively low. Our focus is therefore on resource consumption and travel management. The active participation of our employees is a key factor. We therefore raise their awareness of the company's responsibility for environmental protection.

### Resource management

The basis for ecologically and economically sound resource management is the interplay between Facility Management, Purchasing and Internal IT. In the case of procurement, we not only consider price and quality, but also environmental aspects – especially the energy efficiency of new hardware (PCs and monitors) and IT infrastructure. Outdated devices which are no longer energy-efficient are replaced by resource-saving equipment.

We operate two data centres for our internal IT applications. There are no production facilities, nor does our business model include the use of raw materials. Goods are only purchased to the extent necessary for the provision of services and business operations. Apart from our Corporate Center in Stuttgart, we work exclusively in rented office buildings or at the premises of our clients. Consequently, we can only influence energy consumption to a certain extent. When renting new office space, we pay attention to energy efficiency. Power consumption at our sites is regularly checked and – where necessary – improved (e.g. defective bulbs are replaced by LEDs, motion detectors are used and time switches for lighting are installed). We conduct regular energy audits at our locations in Germany.

Whenever possible, we choose local suppliers in order to avoid unnecessary transportation or travel for the procurement of goods and commissioning of services.

## Travel management

One of the GFT Group's main principles is to reduce travel to a minimum and, as far as possible, to use the meeting rooms equipped with video conferencing equipment at all locations. Moreover, all employees have access to further communication technologies to enable cross-facility collaboration.

# 4 Social commitment

**The GFT Group is an international technology company. We are involved in activities in the field of education and technology development and support social projects. The companies of the GFT Group are also members of various industry associations.**

We operate as an internationally networked group and yet are also deeply rooted at our various locations. As an employer and investor, we are committed to strengthening the future viability of our company locations by a variety of means. As far as possible, we use local suppliers.

## Education

At a local level, we strive to get young people interested in IT at an early age, highlight ways they can enter the technology industry, and help them explore their prospects for the future.

In the past year, GFT's global team included 65 interns, trainees and students – corresponding to 1 percent of our total work force. In Germany, we host 5 students of the Baden-Wuerttemberg Cooperative State University (DHBW). This partnership has been running for several years now. We attach great importance to providing training in the areas we require – all DHBW students have so far been taken on after graduation.

At our GFT development centre in Poland, staff have been running coding workshops for young people for some years now. We also offer events for the children of our employees in Brazil and Costa Rica. We have special offerings for girls and young women: in 2017, for example, we held our first [Girls' Day](#) – a nationwide career information day for young women in Germany; in Poland, we helped the female programmer network [girls.js](#) hold Javascript workshops. In Spain, we were involved in workshops held at schools for the

international youth foundation [Junior Achievement](#). The organisation is committed to improving the career opportunities of young people by promoting digital and entrepreneurial skills.

We also help young talents develop their entrepreneurial skills: the innovation network CODE\_n initiated by the GFT Group offers company founders and start-ups support in the form of advice and coaching, as well as affordable office space in Stuttgart. CEO Marika Lulay is a member of the jury for the [Wissenschaftspreis der Hochschule Darmstadt](#), an award presented to professors of the University of Applied Sciences Darmstadt for outstanding academic work. Administrative Board member Maria Dietz is a member of the jury for the nationwide business plan and online business game competition [Jugend gründet](#) ('Youth founders').

## Technology development

In our 'Technology & Innovation' department, we transform research and development projects into new technologies and business models for the financial services industry. At our Digital Innovation Labs, GFT experts work together with clients, other companies or research institutes to develop prototypes and pilot applications for digital business models.

During the Open Day of our Spanish Digital Innovation Lab, visitors are given a sneak preview of tomorrow's banks and can try out innovative payment solutions not yet available on the market. We also cooperate with innovative start-ups in the field of finance and insurance technology (FinTechs and InsurTechs).

Since 2015, we have been conducting an annual survey among international experts on trend topics of digitisation in the financial services industry. The findings of our latest survey are published on our corporate website: [Digital Banking Expert Survey](#).

## Social projects

The GFT Group makes a contribution to society by supporting social and charitable events. In Mexico, for example, employees helped organise food and clothing donations for victims of the devastating earthquake in September 2017. Employees in Costa Rica and Poland donated blood. Since 2001, our Polish employees have been participating in the nationwide charity campaign 'Szlachetna Paczka' ('Noble Box') in the run-up to Christmas to support families in need.

## Memberships/associations

We attach great importance to our memberships in industry-specific associations and organisations. They enable us to engage in discussions about current issues of relevance to GFT, such as the use of cloud technologies for the financial services sector.

## Germany

- Ulrich Dietz, Chairman of the Administrative Board, is Vice President of the Digital Association of Germany ([Bitkom](#)), which represents more than 2,500 companies of the digital economy.
- Ulrich Dietz is also a Board of Trustees member of the German Foundation for Family Businesses [Stiftung Familienunternehmen](#).
- Maria Dietz, Member of the Administrative Board, is a member of the German Finance Ministry's Fintech Council [FinTechRat](#).

## International

- The managing director of GFT Brazil is the Chairman of the Audit Committee of Associação Brasileira das Empresas de Tecnologia da Informação e Comunicação ([Brasscom](#)); the association represents Brazil's leading companies in the field of ICT services and infrastructure as well as research institutes and universities.
- In Italy, GFT is a member of [Assolombarda](#), the largest entrepreneurial association in Lombardy (metropolitan region of Milan).
- In Poland, we are an active member of the Association of Business Service Leaders in Poland ([ABSL](#)), the leading association for the service sector in Poland.
- In Spain, we are members of various local business and industry associations.

## Social/sponsoring

- In Germany, we are a partner of the [Global Female Leaders Summit](#), an economic forum for female executives that meets annually in Berlin.
- In Brazil, the GFT Group has been active in a corporate citizen initiative, [Programa Empresa Cidadã](#), since 2011. Companies involved in the initiative grant extended parental leave to staff and receive tax breaks in return; we support the Serviço Social da Indústria ([SESI](#)), a private business initiative to improve the quality of life for employees – focusing on aspects such as educational opportunities and the promotion of socially responsible management.

# 5 Respect for human rights

**We are committed to respecting the international human rights enshrined in the Universal Declaration of Human Rights. For us, being a responsible employer means protecting employee rights throughout the Group. We also expect our business partners to be committed to respecting both these rights.**

The GFT Group has facilities in Europe and the Americas. All countries in which we operate recognise both the Universal Declaration of Human Rights and the labour and social standards of the International Labour Organisation as described in the 'Declaration on Fundamental Principles and Rights at Work'.

## Employees

The Human Resources department is responsible for anchoring employee rights within the GFT Group.

All managers and employees are regularly informed about the applicable regulations. Managers in particular receive training on the protection of employee rights.

In the digital era, employee data privacy is subject to the conflicting demands of employee freedom of information rights, the company's security interests, and the digital control of operational processes. By ensuring high data privacy standards, beyond the statutory requirements, we respect the right to privacy of our employees. For example, there are strict requirements for security-relevant monitoring measures, which are regulated in the 'Data Privacy Guideline on the Handling of Employee Data'. This forms part of our overarching Group Data Privacy Guideline, which is based on European standards and complies with the EU's General Data Protection Regulation, which comes into force in 2018.

## Suppliers

We expect our suppliers to comply with international human rights and employee rights.

Our Group Purchasing department takes these factors into account during the selection of suppliers and the procurement process.

For example, the Code of Conduct for Suppliers included in our purchasing conditions in Germany stipulates that suppliers and service providers must meet the following obligations in particular:

- 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 other legal regulations

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

## 6 Compliance

**Legally compliant and ethically correct procedures in our daily business are crucial for us. A Compliance Management System has therefore been introduced across the Group.**

The most important legal regulations and defined ethical standards for the GFT Group are summarised in guidelines. These form the basis for the GFT Group's compliance culture. In order to ensure that the corresponding conduct is observed and regarded as a matter of course in everyday business, the appropriate measures have been introduced (Compliance Management System) based on the GFT Group's risk situation. The Compliance Office is responsible for the group-wide implementation of the Compliance

Management System, which includes the following levels of action: prevention, detection, reaction and improvement.

The Compliance Office advises, offers guidance and conducts training. It also provides specific training material, manuals and checklists.

The GFT Group continuously analyses the business structure, group size, areas of activity, regional orientation and many other aspects. Based on this analysis, we assess the potential compliance-related operational, legal and financial risks as well as reputational risks. If necessary, we initiate the appropriate adjustments to the Compliance Management System.

Employees are encouraged to report incidents or suspected misconduct. Various communication channels are available for this purpose. If there is any suspicion of misconduct, the Compliance Office leads the investigation efforts.

Moreover, all new business partners and suppliers are subjected to a compliance-related due diligence process.

The Compliance Management System also serves to prevent corruption and bribery in order to facilitate fair competition.

## **7 Limited Assurance Report of the Independent Auditor regarding the separate non-financial corporate report<sup>1</sup>**

To the Administrative Board of GFT Technologies SE, Stuttgart

We have performed an independent limited assurance engagement on the separate non-financial corporate report as well as the by reference qualified part of the combined management report “business model” and “employees” (further „report”), of GFT Technologies SE, Stuttgart, (further “GFT” or “company”) according to §§ 315b, 315c in conjunction with §§ 289c to 289e HGB for the period from January 1 to December 31, 2017.

### **Management’s Responsibility**

The legal representatives of GFT are responsible for the preparation of the report in accordance with §§ 315b, 315c in conjunction with §§ 289c to 289e HGB.

This responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the report and the use of assumptions and estimates for individual disclosures which are reasonable under the given circumstances.

Furthermore, the responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the report in a way that is free of – intended or unintended – material misstatements.

### **Independence and Quality Assurance on the Part of the Auditing Firm**

We are independent from the company in accordance with the requirements of independence and quality assurance set out in legal provisions and professional pronouncements and have fulfilled our additional professional obligations in accordance with these requirements.

Our audit firm applies the legal provisions and professional pronouncements for quality assurance, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and

---

<sup>1</sup> Our engagement applied to the German version of the separate non-financial corporate report. This text is a translation of the Independent Assurance Report issued in German, whereas the German text is authoritative.

the quality assurance standard of the German Institute of Public Auditors (Institut der Wirtschaftsprüfer, IDW) regarding quality assurance requirements in audit practice (IDW QS 1).

## Practitioner's Responsibility

Our responsibility is to express a conclusion based on our work performed of the report within a limited assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" published by IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance whether any matters have come to our attention that cause us to believe that the report, has not been prepared, in all material respects in accordance with §§ 315b and 315c in conjunction with §§ 289c to 289e HGB. We do not, however, issue a separate conclusion for each disclosure. In a limited assurance engagement the evidence gathering procedures are more limited than in a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. The choice of audit procedures is subject to the auditor's own judgement.

Within the scope of our engagement, we performed amongst others the following procedures:

- Inquiries of personnel at corporate level who are responsible for the materiality analysis to get an understanding of the process for identifying material topics and respective report boundaries for GFT
- A risk analysis, including a media research, to identify relevant information on GFT's sustainability performance in the reporting period
- Evaluation of the design and implementation of the systems and processes for the collection, processing and control of disclosure on environmental, employee and social matters, respect for human rights as well as combatting corruption and bribery matters, including the consolidation of quantitative data
- Inquiries of personnel who are responsible for determining disclosures on concepts, due diligence processes, results and risks, the conduction of internal controls and consolidation of the disclosures
- Evaluation of selected internal and external documents
- Analytical evaluation of data and trends of quantitative disclosures which are reported by all sites on corporate level
- Assessment of the overall presentation of the disclosures

## Conclusion

Based on the procedures performed and the evidence received to obtain assurance, nothing has come to our attention that causes us to believe that the report of GFT for the period from January 1 to December 31, 2017 is not prepared, in all material respects, in accordance with §§ 315b and 315c in conjunction with 289c to 289e HGB.

## Restriction of Use / Clause on General Engagement Terms

This report is issued for purposes of the Administrative Board of GFT Technologies SE, Stuttgart, only. We assume no responsibility with regard to any third parties.

Our assignment for the Administrative Board of GFT Technologies SE, Stuttgart, and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017

([https://www.kpmg.de/bescheinigungen/lib/aab\\_english.pdf](https://www.kpmg.de/bescheinigungen/lib/aab_english.pdf)). By reading and using the information contained in this report, each recipient confirms notice of provisions of the General Engagement Terms (including the limitation of our liability for negligence to EUR 4 million as stipulated in No. 9) and accepts the validity of the General Engagement Terms with respect to us.

München, April 11, 2018  
KPMG AG

Wirtschaftsprüfungsgesellschaft

Laue Wirtschaftsprüfer            ppa. Auer  
[German Public Auditor]