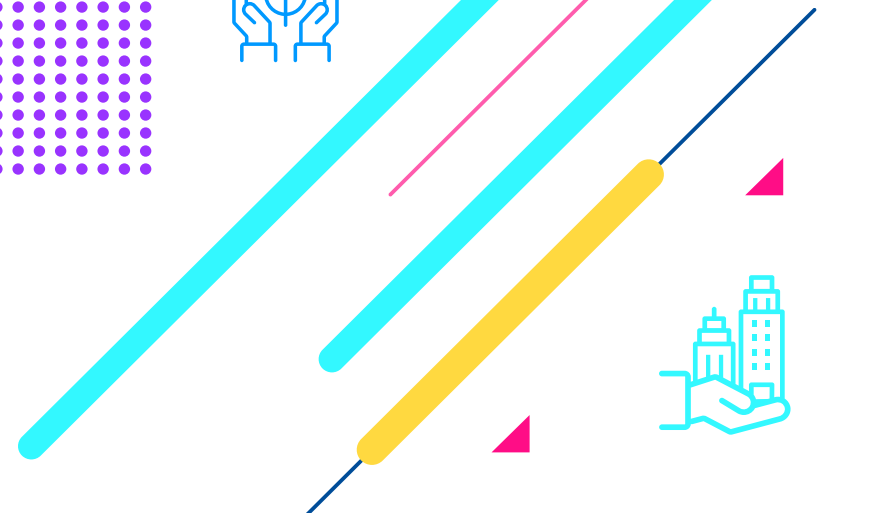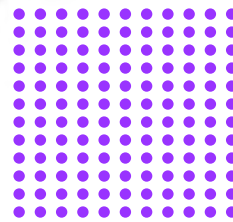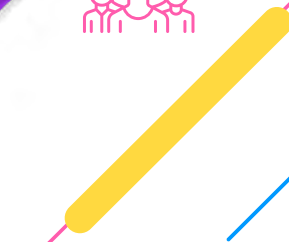# 2018 Sustainability Report Softtek
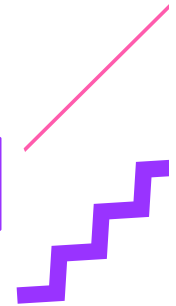
Softtek®

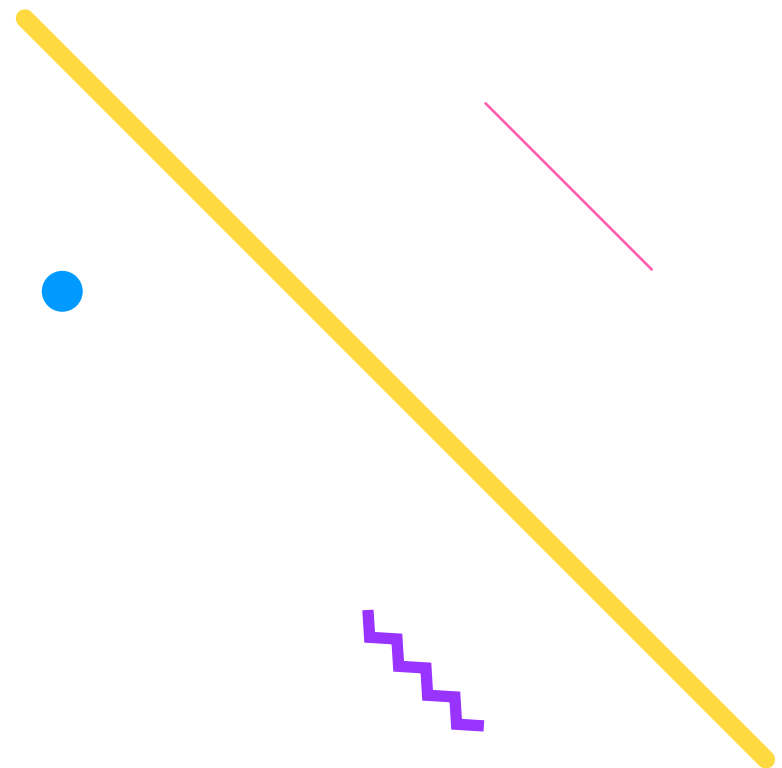# We are proud of everything that happened in 2018.

Our sustainability vision was reflected in excellent business results and a high impact on our community. We reaffirmed our commitment to the **United Nations Global Compact and its 2030 Sustainable Development Agenda.** Our thanks to all of our "Softtekians" --you make this all possible.

Contents

About Softtek

Chapter 1:

General Contents

Softtek in numbers

We focus on the human element, with a unique culture that promotes agility, cooperation, entrepreneurship and trust.

SOFTTEK

PROSPERITY

Founded in **1982**

36 years of experience

Present in over **20 countries** with more than 30 offices worldwide

Softtek serves **Global 2000** companies

12 Global Delivery Centers

Headquarters: **Monterrey, México**

400 customers worldwide

17 years of history with our 10 top customers

GRI 102-8, 102-7

PEOPLE

92% of our revenues come from trepeat customers

+12,000 associates

+270,097 hours of training for tassociates

Development of **FRIDA y DIEGO** through Softtek Open Lab

+500 Quality of Life events
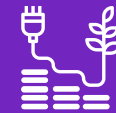
Reduced electricity consumption by **8.81%**

Softtekian Empowerment Skills (SES) program to develop **8** leadership skills

Donated and recycled **1500+** pieces of computer equipment

PLANET

We are a global company, the largest IT services company in the world out of Latin America.
Softtek *helps* **Global 2000** *companies evolve fluidly and steadily based on the vision, construction and operation of digital capacities.*

GRI 102-1, 102-2

Awards and Recognitions

As a sign of our deep commitment to generating value through technology, and as a testament to our people-centered culture, in 2018 we earned a series of recognitions and distinctions which position us as leaders in the information technology industry and one of the best places to work.

⭐ Partner of the Year from Microsoft in Argentina, citing our excellence in innovation and deployment of solutions for customers based on MS technology

⭐ Major Contender and Star Performer in Enterprise QA PEAK Matrix Assessment from Everest Group

⭐ Blanca Treviño, Chairman of the Board and CEO, named Executive of the Year 2018 by the Mexican Employers' Confederation (COPARMEX)

⭐ Advanced Consulting Partner status, from Amazon Web Services (AWS) Partner Network (APN)

⭐ Positioned in the Super Companies for Women Ranking 2018 by Expansión magazine

⭐ Next-Gen Application Development & Maintenance (ADM) Services Agile Development from ISG

⭐ Positioned in the Inclusive Business Ranking 2018 by Expansión magazine

⭐ Named certified supplier for Real Time Energy Management Program (RTEM) by the New York State Energy Research and Development Authority (NYSERDA)

⭐ Now Tech: Service Providers for Next-Generation SAP Products from Forrester Research

⭐ Positioned in the Super Companies "Where Everyone Wants to Work"

⭐ Among the 10 companies with the most satisfied employees in the Love Mondays ranking in Mexico and Argentina

Conversation with our CEO

Blanca Treviño Chairman of the Board and CEO, Softtek

Our Chairman and CEO, Blanca Treviño, gives us an overview of Softtek's achievements and challenges in 2018. She also shares her vision about what makes Softtek different, and the strategies used to transform IT services.

How would you rate Softtek's performance in 2018? I'd say it was extraordinary. We often refer only to financial performance--which was clearly good--but we also have to see this in the context of the situations we faced. I think not just for Softtek, but for a lot of companies in Mexico and elsewhere in the world, it was a year of daunting challenges and one that demanded something that for us is a constant: being alert, reinventing ourselves, evolving and changing.

One of the biggest challenges we face is uncertainty. **There were a number of changes in many of the markets in which we operated in 2018, and Softtek proved one of the traits we've always been known for: the ability to adapt to our environment and re-align ourselves**. Last year we launched an initiative in this direction, one we had been working on for several years, and we're confident it will enable us to face the challenges of coming years and continue with this extraordinary performance. Even so, we know there's still a lot to be improved.

What makes Softtek different from other companies? Softtek is distinguished by its culture. Culture in the broadest sense of the word, including our principles as an inclusive, open company, and the series of values that support them. But beyond that we are, first, **a company absolutely committed to the goals we set. We call this self-determination, which is a very important component of our culture.** We are firmly committed to the goals and promises we make to our customers, our people, the environment and our shareholders.

"We are distinguished by our culture, and as part of that I would stress values like agility, flexibility, self-determination, and the need to transcend, which give us the adrenaline we need to pursue our goals".
- Blanca Treviño

Second, we strive to define very ambitious goals. Together with the first point, this marks the path we need to follow to achieve our targets for stakeholders. We also have an enduring capacity to reinvent ourselves and adapt to circumstances in order to meet these commitments. In 2018 we were recognized as one of the best places to work in a variety of areas. This is proof that Softtek continues to value the human element of the company.

What's the secret to giving our Softtekians a sense of importance? We've earned a lot of recognitions, both in this sphere and in numerous other facets of the industry. We are blazing trails and leaving a footprint in all that we do for our team - inclusion, gender and career development opportunities are just a few of countless ways our personnel are supported and given a sense of importance.

This is what I want to stress first. **At Softtek, talent is a principle we hold in high regards. We are a service company, and we depend on the talent of our people to fulfill our mission.** We need our Softtekians to have the same passion to transcend, the same commitment to deliver and the flexibility to adapt.

I believe that the company, economy or country that can attract the best talent will be the most successful. This represents a challenge, because if we all understand that what makes the difference in success is talent, then we must consider what strategies we want to use to attract and retain the best talent. Recognitions and awards tell the market that our strategy is successful, but we don't stop there.

We challenge our people to envision how they can grow with Softtek and how they can pursue, create and fulfill their

dreams here. We regularly ask ourselves what can offer to make our team members feel like this is where they belong. It's not easy, but it's part of Softtek's DNA; it's something natural. **Since the company's birth, talent has been at the heart of everything we do.** It's our big differentiator and central focus as our diverse team and company continue to evolve and grow their competencies.

Why does Softtek continue investing in community-oriented projects like Codellege and Pro Bono as part of its corporate stewardship? We've always been a company with a deep commitment to the community. Setting Softtek apart, however, is that much of our community involvement comes from our associates themselves. It is the associates whose proposals spawned the impactful programs we have today, and we are compelled to give them credit. **They showed us that our people increasingly want to be a part of this difference and touch the lives of communities and individuals.**

That's why we strive to give them what they need to achieve this. Since Softtek and its associates cherish giving back to the community, we can be more mindful of the needs and opportunities that exist and how we can align them with the strengths of the company to better serve others.

Codellege is an amazing program, and a great example of how Softtek does this. We seek out youth with limited access to the tremendous opportunities that exist in digital transformation and information technologies. By incorporating them into a project like this, we give them a chance to be a part of this industry's working environment.

A lot of the training provided in Codellege is given by Softtekians, which becomes a virtuous cycle: the young

people who are given these opportunities are the same ones who turn around and extend their help to even more people. The Pro Bono program is also comparable in this sense. We use our strengths as a company to create a platform for learning about needs, capacities and opportunities.

Seeing how many people want to participate in this platform has been highly gratifying. In community-oriented projects, companies can obviously donate money, but what is really needed - and what's most valuable- is a comprehensive kind of help.

What surprises does Softtek have in store for 2019? A Softtek that is continually reinventing itself. You never know what to expect from Softtek, but you can be sure that there is commitment to agility, flexibility, transcendence and passion; these values will always be with us.

How do you capitalize on all these elements to respond to a certain environment? Some of the strategies behind our initiatives will become more visible in 2019. We are an industry-focused company, giving value through technology suited to the needs of the customer's own industry.

Thus, we're counting on having young people who are prepared to focus on a specific business area. **We're evolving as a company truly focused on digital transformation in various environments, with an increasingly global and inclusive outlook.** Growth will always be the target, because it's the best way to open up opportunities. That is why we have a very active Softtek, as we've always been, but with continuous and increasing focus on the strategies and initiatives that foster growth.

Perspectives on Sustainability

**In the words of CFO Heriberto Murillo**

When we talk about sustainability at Softtek, we're not just referring to the recurrence and permanence of our business and its market performance; we're also talking about the set of actions we need to design and apply to mitigate risk and avoid volatility.

"Achieving sustainability means continuing
to run a successful business".
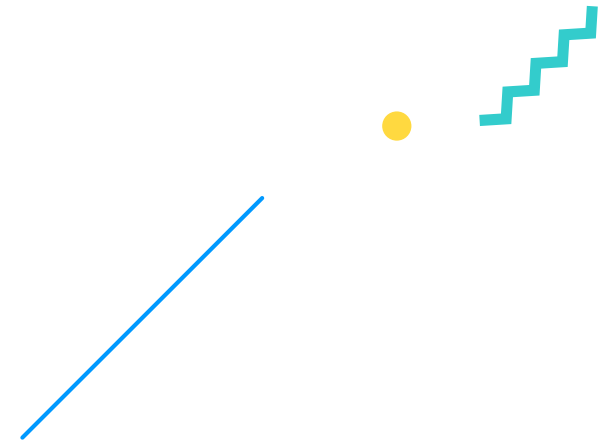**- Heriberto Murillo**
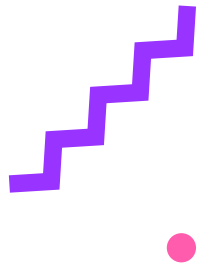
These actions are included in our strategic plan, and they encompass talent development for our human capital and investment in the advancement of solutions that meet our customers' needs and support our competitiveness, all of which helps us achieve our goals and benefit our shareholders, customers and people.

It is a fundamental premise for Softtek that our plans be challenging but doable. The annual strategic planning process clearly establishes what we will need to meet our proposed objectives. This process helps us acquire human and economic resources as well as the physical and technological infrastructure needed to seize the expected opportunities from customers' demands in different markets.

The results of our strategic planning determine what direction our actions will take. As a global company, Softtek faces challenges and finds opportunities in many countries and markets where it is present. We encounter difficulties as well as attractive prospects for growth in markets with considerable political and economic volatility; information technology is one way to stay competitive amid the problems of inflation and rising competition. At the same time, we are steadily improving our positioning in markets that are more technologically mature, because the demand for our services and our innovative offerings are also highly attractive.

In 2018, we focused our plans to improve our position in the United States and Spain, where Softtek currently has the most opportunities for growth in volume. These markets require increasingly innovative solutions that in turn demand rapid adoption of new technologies. This situation has allowed us to evolve continuously and naturally.

Last year, we also formed a joint venture in Spain under which we will continue to develop and expand our digital capacities and solutions. We expect that in 2019, Spain will become our second top market in terms of volume. Meanwhile, in Latin America, we have successfully faced various challenges and seized new opportunities.

We have tremendous growth prospects in the Brazilian and Mexican markets, and we expect our operations in Colombia to continue developing sustainably while our operations in Argentina grow in real terms despite considerable economic volatility. Our successful performance has been driven by our ability to develop increasingly innovative and competitive solutions and delivery models. In 2019, we will work on the verticalization of our commercial activity and specializing operations, which will sharpen our focus on the industries we serve.

This should naturally open the opportunity to develop industry-specific knowledge that will make us more efficient in addressing and creating solutions for our customers, which in turn would mean a higher volume of business. Fulfilling this strategic plan will support the sustainability of our business, bringing better opportunities to our associates and benefiting our shareholders.

We are Softtek

We focus on the human element, with a unique culture that promotes agility, cooperation, entrepreneurship and trust.

We know we need to stay at the forefront of this competitive industry through in-depth knowledge of every business we serve. That's why we focus on creating solutions based on business results and bringing added value to the industries where we work, as doing so fosters long-term relations that contribute to our profitability. We serve various industries.
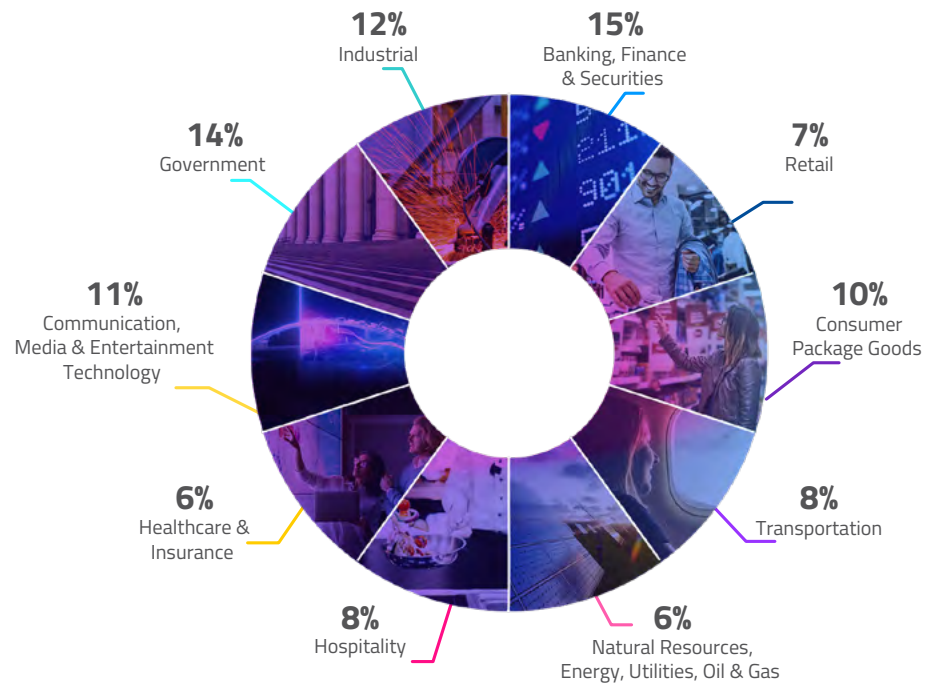
12% Industrial

15% Banking, Finance & Securities

14% Government

7% Retail

11% Communication, Media & Entertainment Technology

10% Consumer Package Goods

6% Healthcare & Insurance

8% Transportation

8% Hospitality

6% Natural Resources, Energy, Utilities, Oil & Gas

We are a global company, the largest IT services company in the world out of Latin America. Softtek helps Global 2000 companies evolve fluidly and steadily based on the vision, construction and operation of digital capacities.

GRI 201: 103-1, 103-3
GRI 102-1, 102-2, 102-6

Services

Outsourcing

- IT Operations
- Application Management Service (AMS)
- Application modernization
- Software development
- DevOps
- ERP Management
- Information management
- IT infrastructure management
- Application Security Services
- Application Testing and Quality

Digital

- Agile Development
- BYOD
- Cloud
- DevOps
- Embedded Systems
- The Internet of Things
- Cloud Security
- Software Development
- User Experience

SAP

- Business Objects
- SAP Fiori
- Implementation
- SAP Solutions
- SAP Application Management Services (AMS)
- SAP Mobile Solutions
- SAP SuccessFactors

Technologies

- Amazon
- HP Software
- Microsoft
- NICE-Actimize
- Qlik View
- RSA Archer
- Splunk

Cloud-Based Industry Solutions

- Automotive
- Metal

Practices

- AMS- *Application Maintenance and Support*
- BPO- *Business Process Outsourcing*
- ADP- *Application Development*
- ITIS- IT *Infrastructure Support*
- SEC- *Security*
- ERP-*Enterprise Resource Planning*
- IM- *Information Management*
- QAV- *Quality Assurance & Validation*

Solutions

- Agile development
- Preventing financial crime
- Government, risk and compliance
- IT Integration: mergers and acquisitions
- Acquisition services
- Management services for SAP applications

Business Operations

- Governance, risk and compliance
- Procurement services

Global Service Technology Partnerships

- HP
- Microsoft
- ServiceNow
- SAP

Global presence

We offer solutions from 30 offices in North, Central and South America, Europe and Asia. We have 21 Global Delivery Centers in Mexico, China, Brazil, Argentina, Spain and India.

North and Central America

≈ 8,236

Europe

≈ 334

South America

≈ 1,842

Asia

≈ 666

● **GDC. Global Delivery Centers**

● **Main operations and sales offices**

■ **NearShore coverage**

GDC: Delivery center with processes, methodologies, expertise, security and quality structure to deliver the same service throughout the world.
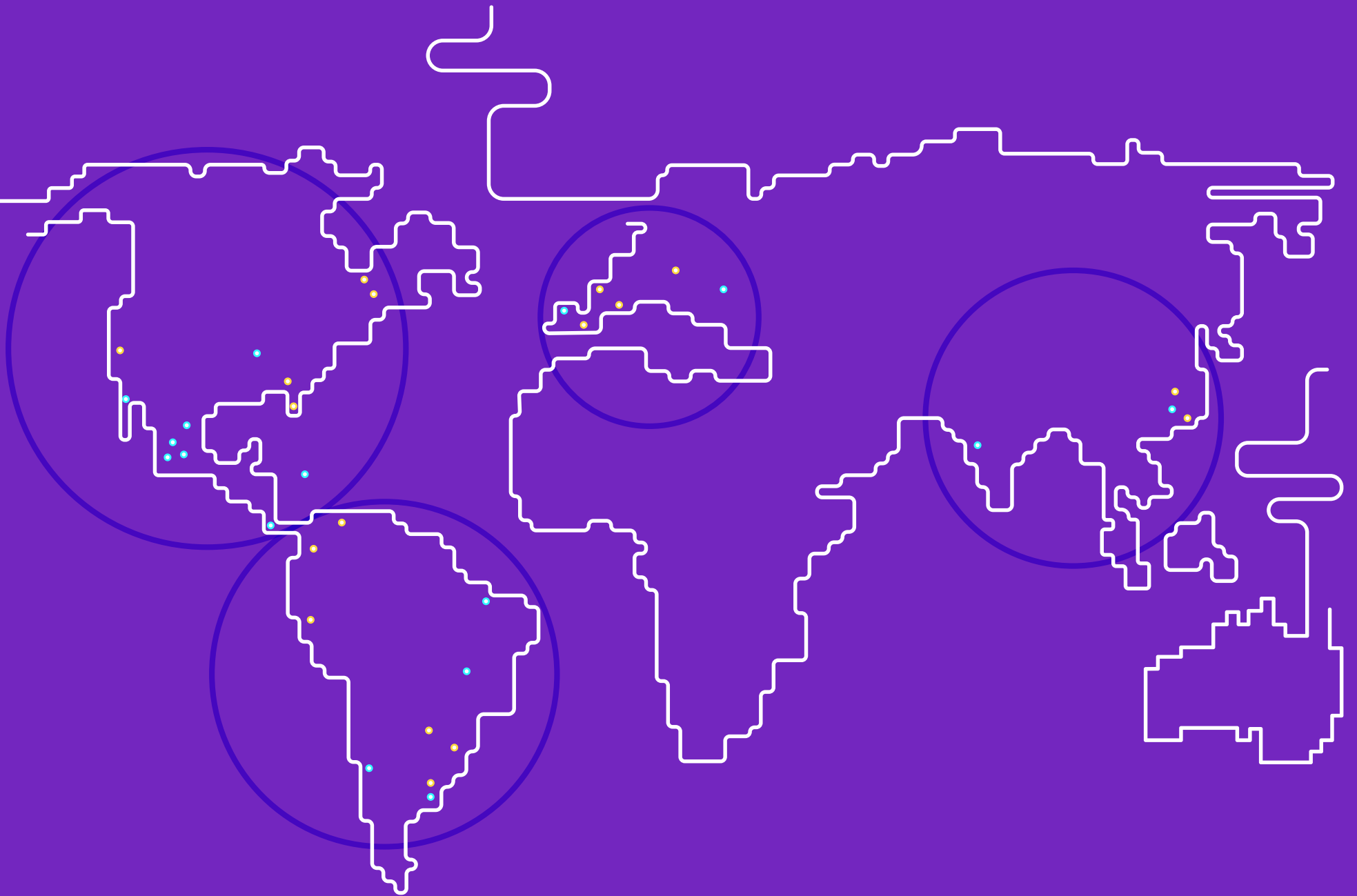
Culture

From our beginnings, we have worked to create an outstanding identity with a people-centered culture, characterized by values and actions, to generate a positive impact on associates, customers, communities and the planet.

Cultural Plataform

Purpose
Create value through technology for our clients, our people and our shareholders.

Beliefs
- Given the right environment, talented and self-determined people can create amazing things.

- Collaboration is the only way we can fulfill our purpose.

- By being agile and mastering technology, we stay one step ahead.

- We build trust by relentlessly doing as we say.

Essence
A hard-to-explain passion for reaching new frontiers, to aim higher, to leaving a mark; to transcend.

GRI 102-16
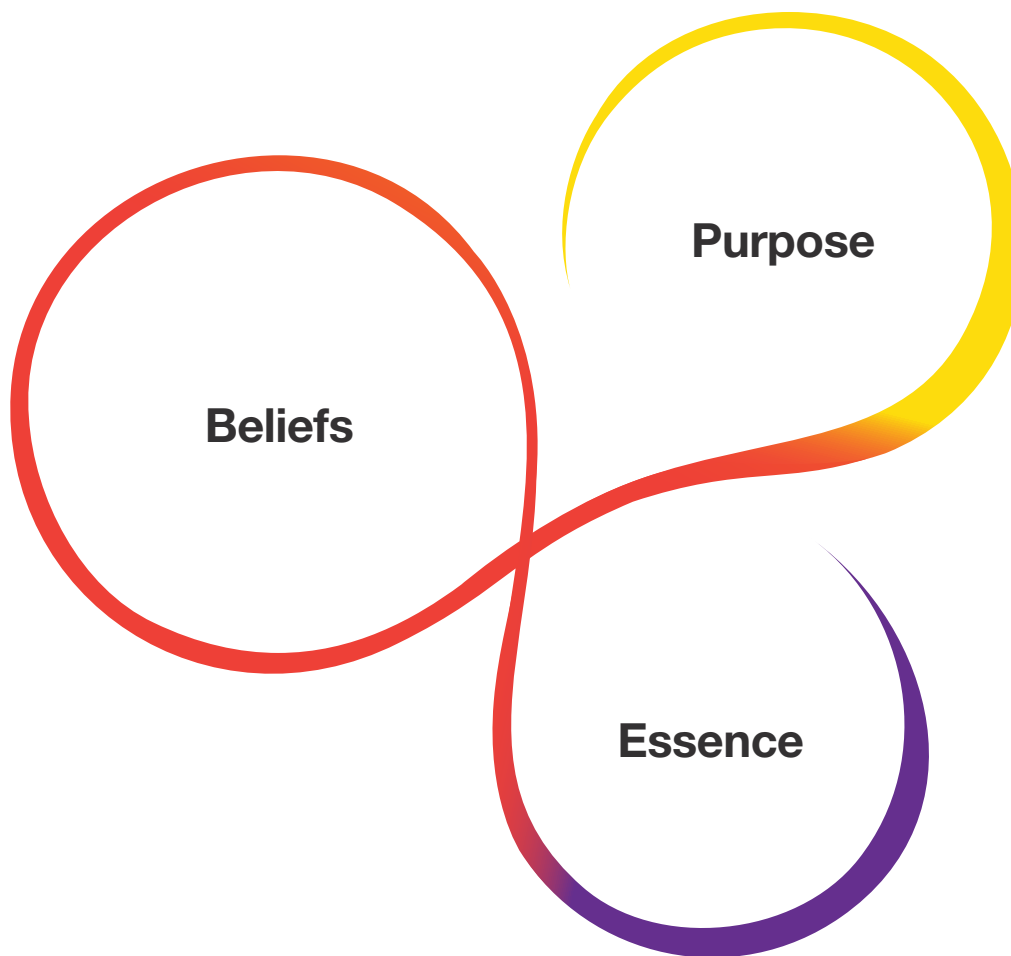
Strategy

Value Generation Model

We seek to create value for our associates, customers and the communities where we operate. To do this, we created a six-part model to ensure successful, long-term, high-impact relations and projects.

Right-Culture
We believe in creating a valuable environment with focus on results and efficiency, as well as a culture that rewards action-oriented behavior.

Right-Governance
Good governance requires us to identify key performance indicators for each business by designing what are called Design for Six Sigma (DFSS) principles, an effective strategy for change management and a series of processes that make performance more predictable according to Six Sigma, CMMI or ITIL guidelines. We automate processes and metrics through digital control panels that offer key data for measuring business performance and continuous improvement.

Right-Size
We need to have the right number of people with the right mix of skills. First, we identify the customer's business goals, and then we put together a team with the right size and skillset--regardless of whether this requires reassignment or relocation.

Right-Place
We believe talent should be in the place that yields the most effective results, according to factors like regulation, geopolitics and risk mitigation, rather than solely executing decisions based on cost. Our onsite, onshore, nearshore and offshore capacities enable us to offer the best options regarding assignment.
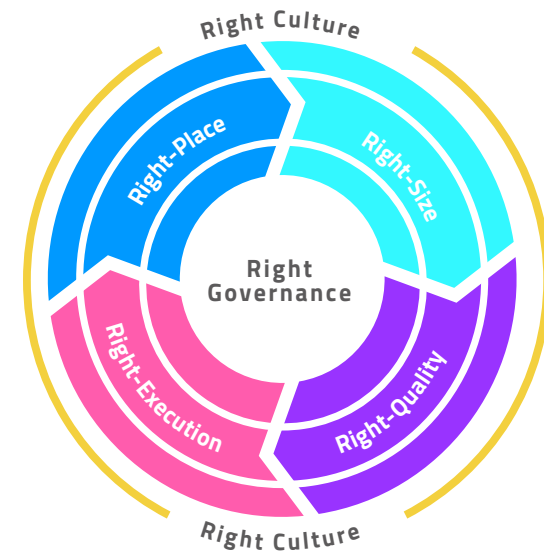
Right-Execution
Our focus optimizes results and guarantees operating stability for the entire duration of the contract, according to the specific needs of the customer and the project. Execution is governed by specific metrics and optimized tools.

Right-Quality
We believe that quality must be assessed in relation to business performance. Our quality assurance metrics guarantee monitoring by level of service, lean Six Sigma processes and consistency with the end results.

Right Culture · Right-Place · Right-Size · Right Governance · Right-Execution · Right-Quality · Right Culture
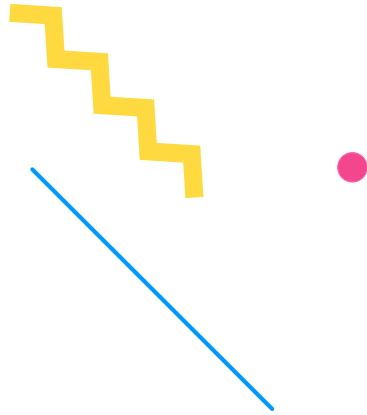
Sustainability strategy

We believe sustainability is the driver of business success, and a positive force for bringing about change. To maximize the value we create through technology, we have developed a sustainability strategy geared toward having a positive impact on people, prosperity and the planet.

People

We create an inclusive environment that will enable a diverse group of people to grow and achieve a balance between their personal and professional lives.

Prosperity

We strive to contribute to social and economic well-being.

Planet

We think technology is the path to an environmentally sustainable future.

Sustainable business evolution

By aligning our sustainability strategy with our organizational vision, we foster an evolution that not only bolsters our value proposition, but also builds a sustainable business.

2014
Automation, not a new line of business, but one that we exponentialize everywhere

2015
- The only company in the world to earn a perfect rating in the TMMi evaluation
- Digital Governance of complex processes

2016
Innovation management in CBF monitored services and development of Value Flows

2017
Opening of a research center in Barcelona for Smart Energy Management Solutions

2018
- Open Labs, taking advantage of our Innovation, Excellence and Specialization Centers
- Launch of the FRIDA automation platform and DIEGO digital accelerator portfolio

Economic performance

Corporate strategic agendas continue to include the use of digital technologies as enablers of operating competitiveness and value models for customers. 2018 was a highly active year for the information technology industry and for Softtek. During the year we kept our focus on continuing to improve service levels and value propositions.

This involved responding more nimbly to market demands by evolving our service portfolio, with emphasis on incorporating our artificial intelligence platforms, Frida and Diego, along with automation and the Internet of Things. In 2019, we will continue to improve our positioning with customers based on these strategies.

Softtek is a limited-liability company legally incorporated under the laws of the United Mexican States (Mexico), with subsidiaries and operations throughout the world. The company, by decision of its shareholders, remains privately-held, adopting optimal business practices and evolving internal controls and financial reports, as well as safeguarding information security, to best operate under the requirements of applicable laws on corporate governance in every country where the company conducts business.

Economic Outlook

Global GDP growth in 2018 was 3.7%, according to the International Monetary Fund. The year started off strongly in economic terms, but gradually slowed as months passed due to tensions over international trade resulting from an increase in tariffs between China and the United States, the introduction of new fuel emission standards in Germany, a drop in domestic demand and lower financial market confidence in Italy, an economic contraction in Turkey, and pressures on emerging financial markets from the rising cost of debt. At the end of the year, industrial production outside of the United States slowed, primarily in consumer goods. Meanwhile, technology exports increased due to the launch of new products and technologies.

As for inflation, price pressures were softened by the drop-in oil prices, offset in part by the impact of currency depreciation on domestic prices. The economic growth forecast for 2019 shows GDP rising by more than 3.5%. It should be a year in which countries' joint efforts to effectively resolve trade issues will be a key topic on the agenda.

Economies may increase their growth potential by promoting tax and financial incentives. According to Kristalina Georgieva, CEO of World Bank, to maintain the impetus of growth, "countries need to invest in people, promote growth and build resilient societies."

Economies, both emerging and developed, must restore the macroeconomic environment and promote productivity if they are to continue growing. In terms of productivity, the Information Technology industry uses automation and artificial intelligence to promote solutions that encourage the sustainable growth of companies and the creation of quality jobs.

""...countries need to invest in people, promote growth and build resilient societies".
- Kristalina Georgieva
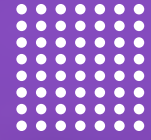
We are Softtek

Chapter 2:

Social Standards

Customer commitment

Softtek has five elements by which we meet our promise of offering customers unique, high-quality service:

Certifications

- **ISO/IEC 27001:2003**
  Information Security Management Systems

- **M100 Certification**
  México 100% Legal (original software, respect for the law)

- **ISO/IEC 20000-1: 2011**
  IT Service Quality

- **ISO 9001:2015**
  Quality Management Systems

TALENT AND SKILLS

BUSINESS TRANSFORMATION

AUTOMATION

GLOBAL DELIVERY MODEL

OPERATIONAL CORE

IT TRANSFORMATION

DIGITAL PRODUCT DEVELOPMENT

ANALYTICS

CULTURAL PLATFORM
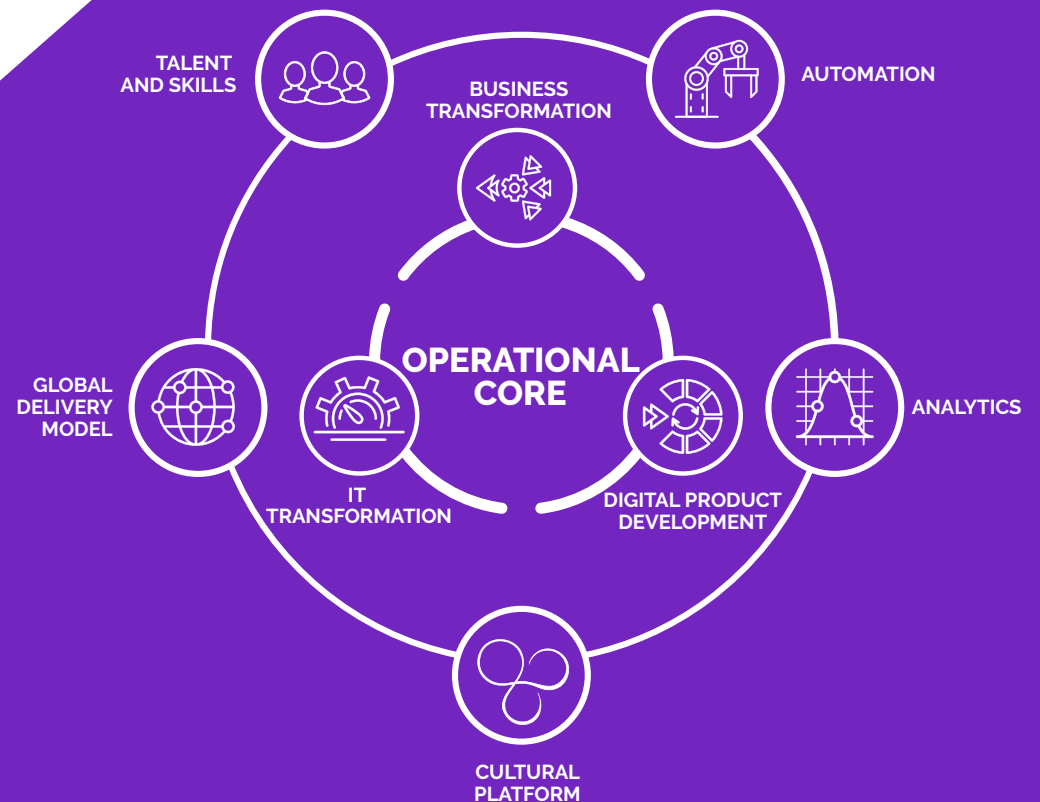
Innovation to improve products and services

We work hard every day to stay at the forefront of technology, which is possible thanks to the cooperation and efforts of various Softtek business areas. To do so, we have built internal innovation teams that are continuously researching sources including but not limited to **Gartner, Forbes, and World Economic Forum.**

We have an additional differentiator in our innovation process thanks to alliances with technology firms like **Microsoft, ServiceNow, Salesforce, HP and Redhat** to name a few. We work together on concept testing for new products or services and applications in real projects.

The Innovation areas focus completely on goals that help to expedite and streamline the way things are done, thus creating more sustainable projects.

FRIDA y DIEGO

Named after the world-famous Mexican artists Frida Kahlo and Diego Rivera, these two platforms provide a framework for our customers to access the knowledge we have accumulated over the past 36 years.

> We at Softtek are interested in the continuous transformation of the digital platforms we offer our customers, so through the **Softtek Open Lab** initiative, in 2018 we launched what we call the Framework for Intelligent Digital Automation (**FRIDA**) and Digital Enablers for Growth (**DIEGO**).

F R I D A
FRAMEWORK FOR INTELLIGENT DIGITAL AUTOMATION

D I E G O
DIGITAL ENABLERS FOR GROWTH

FRIDA (*Framework for Intelligent Digital Automation*)

Is a platform for cognitive automation and computation, developed based on Softtek's propriety Robotic Process Automation (RPA) engine. The platform enables our customers to automate and orchestrate processes.

DIEGO (*Digital Enablers for Growth*)
Is a digital facilitator for developing organizations, which brings together a collection of platforms and solutions that accelerate implementation times. Our customers have access to tested, ready-to-use technological tools, with a plug-and-play format, that can be personalized in varying degrees depending on the specifications of each project.

DIEGO encompasses a range of solutions that are constantly growing and evolving. Today, it offers products that work under the Intelligence of Things (IoT) ecosystem, applications that connect Business-to-Consumer (B2C) systems, tools for smart cities, news virtualization applications, augmented reality solutions based on gamification formats, customer experience products and many other developments.

Service conditions and commitment

In every service contract we sign, we establish terms and conditions that specify our compliance with the standards agreed upon in the statement of work, so that we abide strictly by the laws of the region and regulations that apply to the information technology industry. The contract also stipulates what happens in the event of any breach of contract or failure to perform.

Our company and customers are not permitted to use each other's intellectual property without written consent; the same applies to advertising. Some of the most important clauses in our Master Service Agreements (MSA) and Statement of Work (SOW) are:

MSA

Master Service Agreement

MSA

- Acceptance of the work product
- Data protection
- Intellectual property of the work product
- Representations and warranties
- Indemnification
- Use of name and advertising

SOW

Statement of Work

SOW

- Performance period
- Tasks/services to be provided
- Project delivery
- Required skills and qualifications of personnel
- Staffing and cost of solution
- Rates and charges

Satisfaction

Our customers are what drive us, and our goal is to provide them with much more than a solution; we offer a valuable, high-quality experience from pre-sale to project closure. Our operating team is in constant communication with customers in order to maintain close, long-term relations, and to identify and understand their needs and address them proactively.

A few years ago, a specialized area called Customer Centricity was created using Application Maintenance and Support (AMS). The purpose of this area is to align personal values and efforts with those of the organization through a process of integration, so that the focus on customer care and service is carried out naturally and consistently. With the support of the Talent Development area, it holds training, workshops and special work sessions on customer service.

We also conduct satisfaction surveys to detect and improve our areas of opportunity. With this we make sure to promptly identify any situation that requires attention and action. This year, facing the challenges of a highly competitive market, we decided to improve our customer tracking process through a pilot program applied strategically in the United States market. This personalized program helped increase response levels by up to 40% in the first year.

We ensure the success of our satisfaction process through three audits: the CMMi Maturity Level 5 and ISO/IEC 20000-1: 2011.

Market	Contacts	Responses	C-SAT*
Brazil	128	69	3.8
Mexico	520	277	4
United States	1,026	534	3.9
Spanish South America	66	28	4.29
	1,740	**908**	**4**

*C-SAT refers to the average rating obtained from the satisfaction process

GRI 417, 419: 103-1, 103-2, 103-3
GRI 417-1

2018 Results

- 1 star — 2%
- 2 star — 5%
- 3 star — 10%
- 4 star — 52%
- 5 star — 31%
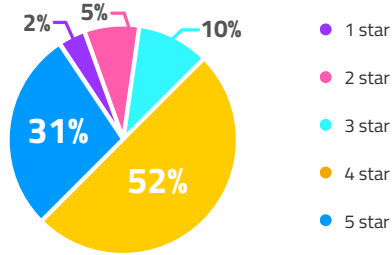
We help our customers evolve through technologies that transform businesses. Some of our success stories are:

- **Improved customer experience for a global restaurant chain.**
  More than 1,000 restaurants in 21 cities offer their customers a consistent digital experience while generating digital marketing capacities for franchise and customer metrics for the company.

- **Transformed technological management for a fast-growing restaurant group.**
  In just eight months, we simplified technology portfolio management for a chain of 23,000 restaurants and integrated a new chain acquired recently by the same customer.

- **Created digital service products for the financial industry.**
  We created a microservice platform for a global bank in order to quickly build digital channels to deliver multi-channel services.

- **Managed technology for a leading airline.**
  We managed the technology behind 4,000 flights a week while reducing costs by 40%.

- **Improved tax collection efficiency through Big Data and Analytics.**
  Through cross-referencing digital invoices, we helped significantly increase tax revenues while increasing the number of taxpayers who received refunds through a tax return with one click.

SUCCESS STORIES
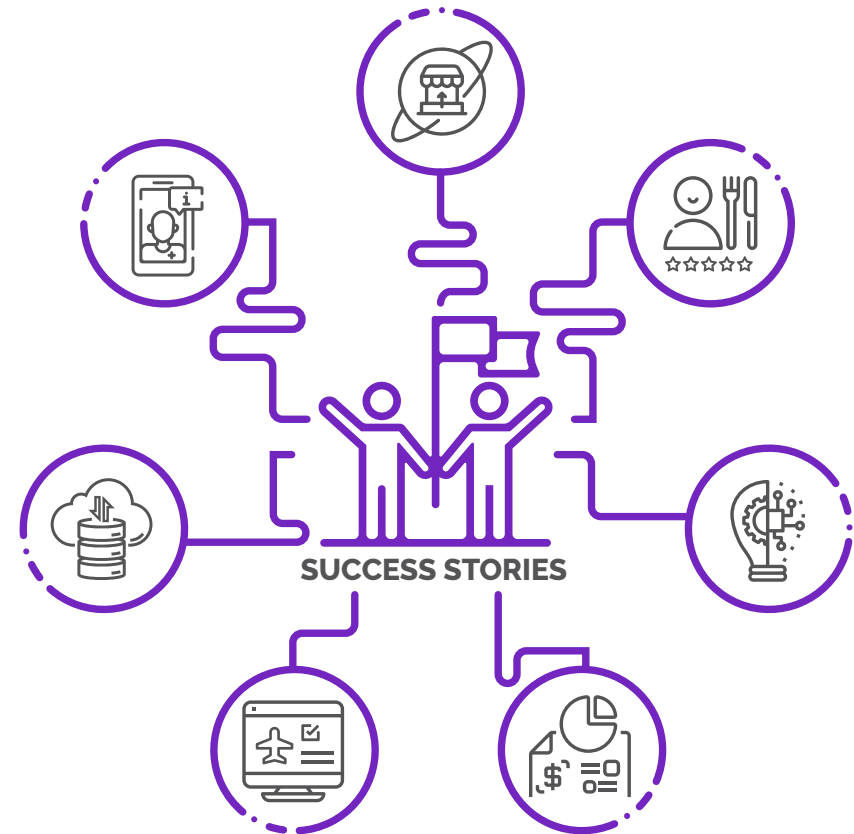
- **Improved operating efficiency of nationwide health services.**
  We optimized and digitalized services for providing medical assistance to 70 million people in 250,000 hospitals and clinics.

- **Game-changing transformation for specialty retailers from reactive to proactive.**
  Process optimization, service continuity and digital transformation, accompanied by cost savings.

Privacy and cybersecurity

We developed a program to train Softtek leaders in information security issues so that they could in turn motivate their teams to commit to practices that reduce the risk of security incidents.

At the same time, the Information Security office continues to work on reducing latency in the Service Level Agreement and accelerating responses to customer requests sent to our internal security mailbox.

For all our Softtekians to learn about and share our commitment to security, we hold an annual training session in each of our global operations. This year we challenged our people to increase attendance at Security Awareness sessions, achieving a 10.80% improvement through innovating the educational offering process to make learning relevant to the diversity of people and cultures that make up Softtek.

ISO/IEC 27001:2013 and ISO 27002:2005

We are creators, editors and custodians of our customers' information. We are committed to monitoring and administering this information. For this reason, our policies, procedures and certifications are aligned and created specially to protect and safeguard our customers' data. A clear example of this commitment is our Information Security Policy, which is consistent with ISO standard 27002:2005 and serves as a guide for best practices on information security controls. We also have an internal audit program through which possible risks are promptly reported.

We also have ISO/IEC 27001:2013 certification, which is the international standard for Information Security. This is a highly important standard in our industry, because it helps us to prepare for any kind of cybersecurity risk that may arise.

This policy is updated once a year and incorporates various aspects:

- Information security policy
- Information security organization
- Asset management
- Human resource safety
- Physical and environmental safety
- Administration of networks, communication and operations
- Access control
- Incident management
- Application maintenance and development
- Business continuity plans
- Compliance
- Sanctions

M100 Certification

In 2016 we obtained M100 certification (Mexico 100% Legal) from Microsoft, which promotes the use of original software and distinguishes companies for being law-abiding and honest.

M100 distinguishes us by our enhanced security and reduced vulnerability to cyber-attack. It also endorses the quality standards we apply at Softtek.
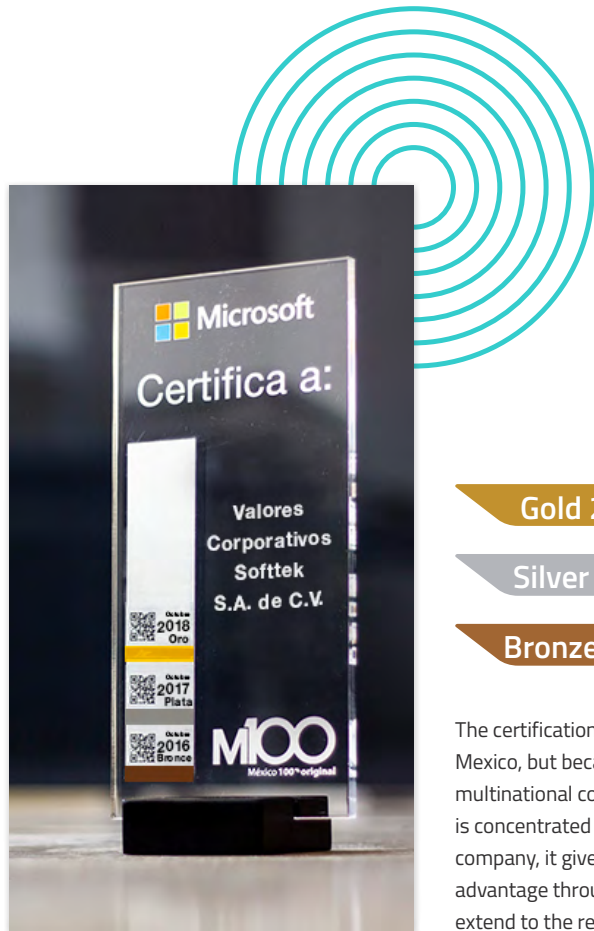
Gold 2018

Silver 2017

Bronze 2016

The certification applies only to Mexico, but because we are a Mexican multinational company and licensing is concentrated within the parent company, it gives us a competitive advantage through the benefits that extend to the rest of our affiliates.

We are the only company in Mexico that has M100 certification for all our subsidiaries. This distinction gives Softtek an image of trustworthiness with our stakeholders, improves employee productivity and bolsters information security, making us a global benchmark in systems development.

That's why we intend to maintain this certification for years to come. One of the biggest challenges in obtaining this certification was the geographic dispersion of our offices and the complexity of our projects, because we had to coordinate all our global teams for the audit that was carried out in Mexico.

IISO/IEC 20000-1: 2011: IT Service Quality

Our processes play a highly important role in meeting our goals and require constant supervision by specialized professional auditors to keep them up to date and functioning correctly. For the past five years, we have had ISO/IEC 20000-1:2011 standard certification, attesting to the effective implementation of reliable services to all our stakeholders.

This standard focuses on the customer and is accompanied by other quality and security certifications by the International Organization for Standardization that we have earned (ISO 9001:2015 and ISO/IEC 27001:2013, respectively).

To ensure compliance, we have a management system that is verified constantly through internal audits and ensures we provide a satisfactory, complete service. It also enables us to monitor customers' needs through effective, clear communications, and to positively address their needs from planning to execution and delivery of the service.

*We obtained this certification due to the optimum collaboration of the **ITIS, AMS** and **IT** areas, which standardized their day-to-day operations and processes*

softtekian

A talented and
self-determined human being.

Also known as a freaking
awesome people.

Softtekians

From our very beginnings, Softtek has always bet on talent.

We have the best team, diverse in terms of: generation, ethnicity, nationality, disability, social, economic and legal condition, religion, physical appearance, genetic characteristics, migratory situation, pregnancy or gestational condition, language, culture, political affiliation, marital status, family situation or responsibilities, language and any other circumstance.

The term **"Softtekian"** brings us all into sync with the motto *"We are Softtekians; we are freaking awesome."* This mindset has inspired us to differentiate ourselves through our daily actions, attitudes and behavior, which generates a virtuous circle and become an aspiration that makes us grow within and outside of the company.

Traits of a Softtekian:

#BePolite — Make "hi," "please," "thank you" and "bye" part of your daily vocabulary.

#BePassionate — Stay passionate and proud of what you do.

#BeBold — Think outside of the box; challenge limits.

#BeOutstanding — Make a habit of excellence.

#BeExemplary — Be a model for others to follow.

#BeProactive — Anticipate the needs of your customers.

#BeUnforgettable — Leave a mark; transcend.

#BeKind — Be willing to help others.

#BeUpright — Do the right thing, with honesty, integrity and respect

Workforce and benefits

We recognize our associates as the true wealth and strength of this organization. For this reason, we maintain a commitment to providing them an inclusive, high-quality working environment, where we support their continual growth and development and urge them to pursue their professional and personal goals.

24.83%
Women

75.17%
Men

26.14%
TURNOVER

2018 Hires

Associates by region

👩 **Women**   🧍 **Men**

Region	Men	Women
North and Central America	79%	21%
South America	58%	40%
Europe	71%	29%
Asia	72%	28%
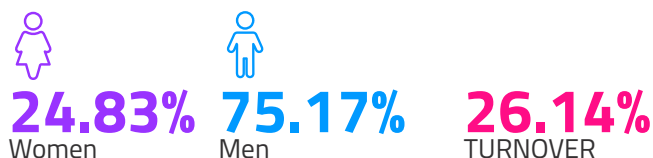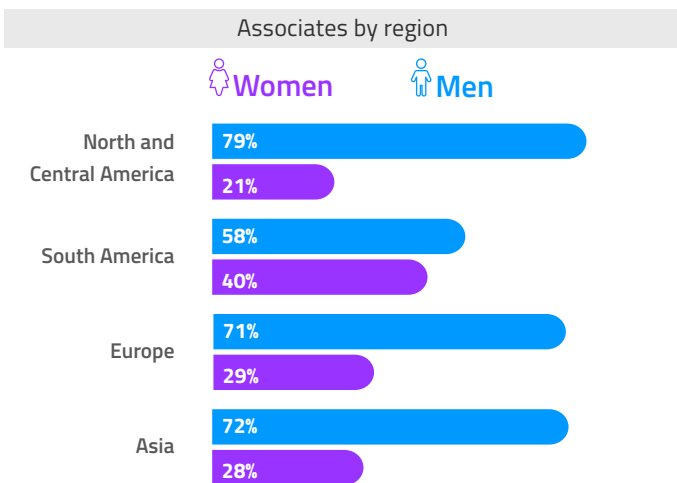
*At **Softtek,** we bet on quality employment; we support people's comprehensive growth in an ethical, healthy environment, with appropriate compensation through which we contribute to the economic development of our communities*

We strive to be more present in the communities where we operate, increase job opportunities in the technology industry and enhance Softtek through our value proposition. We strive to hire the best men and women in the countries where we are present, focusing on giving our associates a chance to grow and aspire to leadership and executive positions.

Our daily commitment is caring for and empowering the best talent, and with this reducing turnover. Our Talent Retention strategy encourages and increases Softtekians' commitment and development, based on four pillars that ensure the holistic growth of each of our associates and improve the quality of their professional and personal lives.

Talent Retention Strategy

WELLBEING
- Comprehensive Quality of Life Program
- Internal medical and nutritional advice
- Members of the Workplace Wellness Council

WORKPLACE
- An appropriate, diverse and inclusive environment
- First-world facilities
- Integration programs
- Programs and spaces for leisure

PROFESSIONAL TDEVELOPMENT
- Technical and functional training and leadership skills
- Opportunities in a dynamic market
- International exposure
- Creation of solutions and experimentation in Innovation and Entrepreneurship labs and workshops (Innoventures)

COMPENSATION
- Competitive benefits packages
- Productivity bonus for intermediate leaders

*In 2018 we introduced the "**100 Days**" program into 87.5% of our offices in Mexico.*

In 2018 we hired a total of 2,785 employees, 24.83% of which were women and 75.17% were men, which enriches the distribution of our work force in terms of gender and equity.

In line with this strategy, we developed a program called "100 Days," through which we increased the level of engagement among newly hired associates. The program aims to create a comprehensive experience that begins on the associate's first day at work and enables the company to keep track of these associates for 100 days. Through various initiatives--like Softtek Mate, Bucket Lists, Coffee Break Sessions and others--we transmit to new Softtekians their roles, purpose, goals and paths to growth. This makes entry into our company more fluid and simple.

In keeping with our commitment to the well-being of all our full-time associates, we provide salaries and benefits that exceed the regulatory minimum. All our salaries are above the minimum wage in each country and are calculated based on the responsibilities of the position, as well as the associate's capacities and experience. The benefits we offer include, as a minimum:

Paid vacation

Parental leave

Retirement savings plan*

Life and/or major medical insurance

Temporary and permanent disability coverage

**In Mexico, Argentina, Chile, Colombia, Spain and India,
we contribute a percentage to the plans, ccording to the laws of each country.*

*We were nominated by **LinkedIn Talent Awards** as one of the three finalists for Best Talent Acquisition Team in the category of +500 employees in Mexico.*

In addition to these benefits, we offer employee loans, retirement savings funds, scholarship assistance, dental insurance and home offices. In some countries we also provide housing services and legal assistance. Some benefits are extended to interns as well, because their development, stability and comfort is very important to us.

We also offer parental leave to all employees, and the amount of time granted depends on the laws of each country. In 2018, 324 associates took parental leave in countries like Canada, Costa Rica, Spain, India and Mexico.

Softtekian Day

Promoting strategies and activities that support the inclusion and development of our Softtekians is one of our fundamental pillars, which is why every year we celebrate Softtekian Day to recognize the efforts, dedication, talent and achievements that make our organization different.

The first Softtekian Day was held in 2016, and because we have always had Softtekians from the moment we were founded, we made this day correspond to the date of our creation. In 2018, the celebration included a remembrance of key moments in the company's history. We honor our history and look forward to our future.

We are faced with many challenges every day; thus, we aim to continue tangibly positioning the components of the Cultural Platform to ensure that our Softtekians remain unique.

*This year more than **10,000 Softtekians** around the world participated*

This in part involves replicating various elements of our working environment in all facilities, offices or regions where Softtekians work, in order to disseminate important components of our culture. We also celebrated, because we were able to communicate in real time with all our offices around the world through a broadcast in which Softtekians from Mexico, Argentina, Brazil, Spain, Colombia, Chile and some cities in the US conversed and spent a few minutes together learning more about each location.

Recognition programs

Recognition programs enable us to celebrate the commitment and behavior of each of our Softtekians.

Voice of Customer (VOC)

We recognize Softtekians who stay ahead of customer needs (both internal and external). This happens when they take a personal interest in the request and provide an exceptional, on-time service.

Voice of Management (VOM)

We recognize when abilities, creativity and innovation are present in every one of our associates' activities; in other words, when excellence becomes a habit.

Collaboration Recognition

We recognize areas where there is good teamwork and each member offers their abilities to achieve common goals that contribute to the company's advancement.

Leave a Mark

Every year we recognize Softtekians who leave a positive mark on the customer or the company in general; when their talent goes above and beyond what is expected of them.

Working environment

It is very important for Softtek to learn about our people's perceptions of their relationship to the organization, the environment they work in and their individual interests. We conduct a workplace environment survey which encompasses more Softtekians each year. We are aiming at an 80% response rate in the next few years.

77%
QUALITY OF LIFE
BALANCE BETWEEN PERSONA AND WORK LIFE, FACILITIES

80%
WORK
EVERYDAY ACTIVITIES

78%
OPPORTUNITIES
CAREER AND DEVELOPMENT

6
DIMENSIONS SHAPE THE **ENGAGEMENT INDEX**

78%
ORGANIZATIONAL PRACTICES
DIVERSITY AND INCLUSION

70%
RECOGNITION AND COMPENSATION
WAGES & BENEFITS

78%
PEOPLE
LEADERSHIP, INTEGRATION & COMMUNICATION AMONG WORKING TEAMS
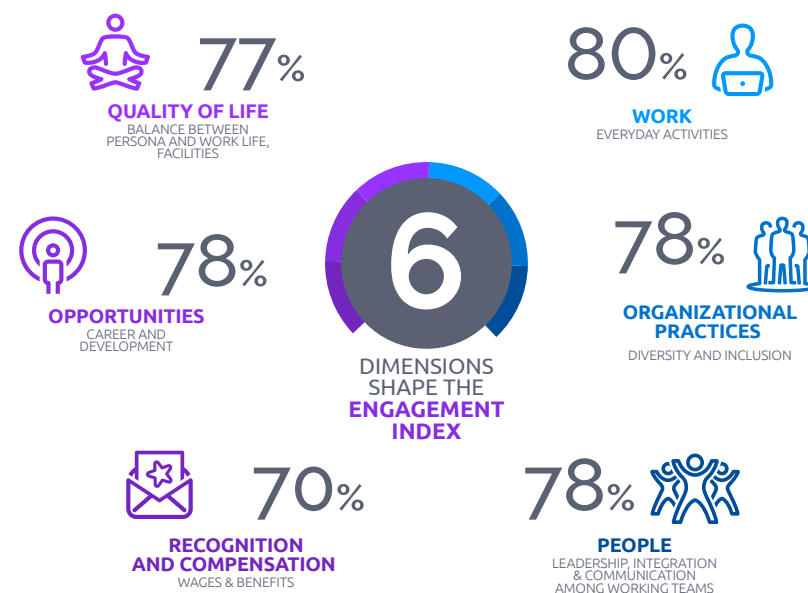
El clima organizacional es uno de los pilares de nuestro crecimiento, algo que trabajamos día a día para continuar eligiendo a Softtek como el mejor lugar para trabajar.

GRI 401: 103-1, 103-2, 103-3

One of the biggest achievements of this survey is that in 2018, it was carried out simultaneously in all the countries where we are present, with results available a week after the survey was taken. This optimized the response time and ensured that concrete actions could be taken even sooner.

We also defined and adapted the questions that were made based on the Utrecht Work Engagement Scale (UWES) questionnaire, which uses indicators that determine levels of vigor, dedication and absorption, in turn resulting in an engagement index for each Softtekian. With this, we defined the six factors that make up our toolkit. The *Engagement index* is managed as follows:

1 DEFINE AND ADAPT

We define and adapt the questions that will be asked using the UWES questionnaire.

2 BEGINS THE PROCESS

People Analytics Team begins the process in August with the Human Capital area to schedule the date and plan for communication.

3 FOLLOWS UP AND DELIVERY OF RESULTS

Human Capital follows up and results are presented to leaders.

4 PUBLICATION OF RESULTS BY MARKET

Process Improvement and Compliance (analysis, division of comments into positive, negative, and neutral) **and results are published by market**

5 SHARES THE RESULTS

People Analytics shares the results with all the areas, which then must be developed into action plans to help improve processes and/or measures.

6 GLOBAL INFOGRAPHIC OF RESULTS

The **Communication area creates a global infographic** and communicates it to the entire organization.

Diversity and inclusión

Softtek is deeply committed to social responsibility, and we have always held inclusion in high regards. In 2018, we continued to formalize our policies and initiatives in this area, maintaining our responsibility of diversifying and including talent without regard to gender, disability, race, religion, sexual orientation or other aspects.

One result of having such diverse associates is an increase in productivity and an improvement to organizational culture, with a stronger sense of belonging to the company, a reduction in turnover and a commitment on the part of our associates to daily improvement.

*At **Softtek** we know that talent is diverse. We respect the identity and living conditions of every person. We promote equal treatment and opportunities*

GRI 405, 406: 103-1, 103-2, 103-3

*We obtained the highest rating in the **HR Equity MX** survey for our outstanding inclusion policies and practices.*

This past year was one of great progress in the area of inclusion because the Executive Committee signed our Diversity Commitment. In line with this promise, we took part in the first pilot program of the Equity MX Mentoring Human Rights Campaign, began courses on inclusive communication, language, and recruitment, and signed the UN Women's Empowerment Principles and the Spanish Diversity Charter.

Similarly, we created a General Policy on Diversity and Inclusion and a public webpage that underscores this commitment. In it, we share relevant content that strengthens our image as a socially responsible company. With these launches, managing diversity and inclusion within Softtek has become simpler, because associates can participate voluntarily in the network. Externally, we have a whistleblower's hotline that can be used to report any non-compliance or violation of the policy.

Professional Development: Training

The development of our Softtekians is crucial to the success of the organization, so in 2018, we renewed the design and content of our e-learning platform, Softtek University, which has been evolving year after year to offer associates an opportunity to take courses, both remotely and when available to do so, while meeting their professional and personal goals. The success of this effort was evident in 2018, when many of our associates took a course in Security Awareness that had previously been offered only in person. Our training processes are evaluated and certified by the Software Engineering Institution and are compliant with CMMI level 3.

Courses are recommended according to the roles and responsibilities of each Softtekian. With this, we facilitate learning on any technological or methodological issue and reinforce existing knowledge.

In 2019, we aim to maximize the possibilities of the new platform and begin creating training with tools and materials accessible to all.

Hours of training
(in person and online)

74,476
Women

195,621
Men
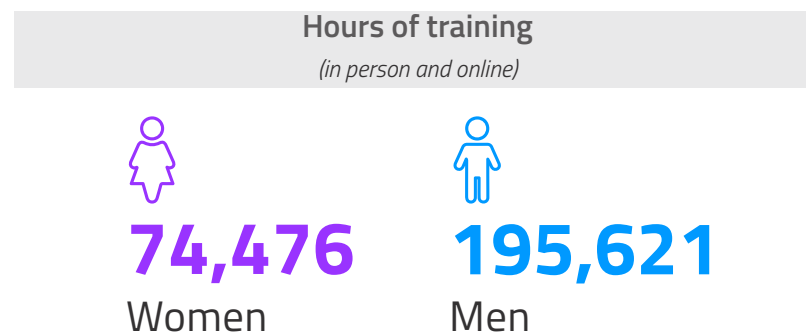
Softtekian Empowerment Skills
Talent Development Strategy

Our Softtekians are one of our prime competitive advantages, so we work hard to maximize their potential and advancement. In 2018, we evolved the PowerSkills training program to the Softtekian Empowerment Skills (SES) program, aimed at helping leaders maximize their strengths and fortify their skills. The model is based on the eight leadership skills that Softtekians must learn and put into practice to increase their productivity, and thus the profitability of the business.

SES
Softtekians
Empowerment Skills

8 leadership skills

- Collaboration
- Planning and organizational capacity
- Problem solving
- Negotiation
- Development of business knowledge
- Customer service focus
- Development of people
- Leadership

#ShareYourKnowledge

This program aims at developing a career plan for our associates in the context of the fourth industrial revolution, serving to build and strengthen skills for every Softtekian. With these courses, they learn to use technologies such as multidirectional learning, resulting in technological and innovative growth within their work areas.

With SYK, we train people in various technologies, including Advanced JavaScript, Angular JS, Advanced Query Tuning in SQL Server, Basic 3D modeling, Linux Basic, AWS Fundamentals, SQL Basic, Agile, Preparation for PMP certification and Version 5.

Softtekians trained	Courses	Hours of training invested
313	20	5,503

#SYK Facilities

- Monterrey
- Aguascalientes
- Guadalajara
- Mexico City
- Ensenada
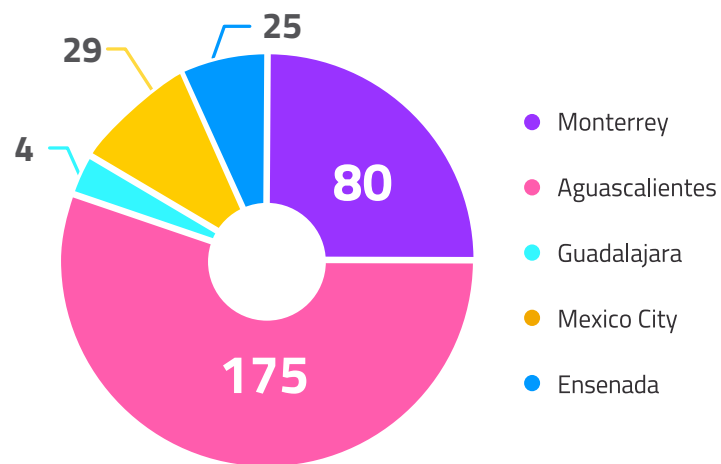
Momentum Program

Every year, our Momentum internship program welcomes hundreds of students and recent graduates to work on real projects and apply their knowledge while learning and developing professional skills. Our new minds specialize in primordial Softtek practices and technologies, in addition to learning software engineering techniques and quality initiatives like Six Sigma.

Momentums on average

204

per month in 2018

Momentums are now a part of Softtek

146

Scope: Mexico.

Academies

We carry out a variety of training and practices with specialists in different areas and technologies, focused on preparing Momentums (interns) and recent graduates to work in the real world.

People participated

173

during 2018

143

People are now Softtekians

11

are still in the Momentum program

Scope: Mexico.

Aportateen 4.0

Our free program, Aportateen 4.0, created by the IT cluster in Monterrey, Mexico, was established to inspire interest in Information Technology and Engineering between the ages of 13 to 17, encouraging them to develop skills and abilities that will help them prosper in the future. This program strives to open up job opportunities and help improve the economic situation in Mexico, supplying the industry with the professionals it needs through workshops on innovation, creativity, algorithmic thought and proprietary technologies (robotics, the Internet of Things, application development, 3D printing and augmented reality).

Beautiful Patterns

In order to contribute to the United Nations Sustainable Development Goals (SDG) in the area of Gender Equity, we need to close the gap and bring women into Science, Technology, Engineering and Mathematics (STEM) from an earlier age, which is why in 2018, Softtek decided to join the "Beautiful Patterns" program.

The program was designed by MIT Professor Abel Sanchez and is aimed at girls between 13 and 17 years old. The same dynamic is being carried out simultaneously in Chihuahua, Puebla, Mexico City, Aguascalientes and Guadalajara, with 33 MIT instructors and more than 400 girls enrolled.

The main purpose is to awaken girls' interest in technology from an early age, through games that make it easier to understand algorithms and programming basics, thus inspiring involvement an industry currently dominated by men.

***Softtek** is the host and sponsor of a group of 24 girls who receive training from three instructors, two of whom are currently students at MIT*

Courses and certifications

Country	Softtekians trained	Online SU / Skillsoft / Global English courses	Hours of online training	Hours of training in the Virtual University	Number of workshops	Hours of workshop training	Total hours of training
Argentina	681	3,960	3,779.75	830	19	97	4,706.75
Brazil	497	3,348	2,723.50	192	44	1,648	4,563.50
Canada	14	97	114.75	40	1	30	184.75
Chile	106	1,074	905.75	168	2	5	1,078.75
China	285	965	903.50	-	-	-	903.50
Colombia	287	2,710	2,335.50	470	5	467	3,272.50
Costa Rica	51	641	582.25	78	-	-	660.25
Spain	336	2,469	2,378.75	260	4	535	3,173.75
India	572	5,731	5,510.50	799	39	4,272	10,581.50
Mexico	9,160	130,863	112,949.75	13,645	709	111,227	237,821.75
Peru	2	6	3.75	-	-	-	3.75
Puerto Rico	9	23	19.50	5	-	-	24.50
United States	318	2,317	2,091.25	350	56	677	3,118.25
Venezuela	2	6	1.50	2	-	-	3.50
TOTAL	**12,320**	**154,210**	**134,300.00**	**16,839**	**879**	**118,958**	**270,097.00**

Breakdown of training hours by type of training

Country	Methodology	SES	Process improvement	Security	Security		Certifications	
Argentina	2,736.54	1,106.24	109.17	746.25	8.55		Database	24
Brazil	1,888.40	368.91	288.66	469.77	1,547.76		Quality	116
Canada	54.37	42.56	-	20.91	66.91		Culture	8
Chile	668.53	241.99	25.56	134.87	7.79		Java	128
China	471.64	19.50	1.95	410.42	-		Management	134
Colombia	1,956.53	755.85	134.68	383.11	42.32		Methodology	664
Costa Rica	423.09	63.40	28.18	89.23	56.35		Microsoft	140
Spain	1,090.83	202.01	269.66	731.04	880.22		Oracle	9
India	3,968.21	1,449.32	614.84	810.25	3,738.88		SAP	75
Mexico	102,566.43	54,379.65	8,296.05	14,611.78	57,967.84		Security	47
Peru	3.00	0.75	-	-	-		Technology	360
Puerto Rico	6.00	3.50	6.00	9.00	-		Testing	179
United States	1,257.06	423.13	118.93	427.87	891.27			
Venezuela	-	1.50	2.00	-	-		**TOTAL**	**1,884**
TOTAL	**117,090.62**	**59,058.31**	**9,895.69**	**18,844.49**	**65,207.89**			

In 2016, we obtained the
Organización Responsablemente Saludable *(RESR®)* distinction,
recognizing us as a company concerned about development, value
creation and continuous improvement in the area of health and wellness
in the workplace. In 2018, we achieved Consolidation Level in this
distinction for our FitMe program of self-care for Softtekians.
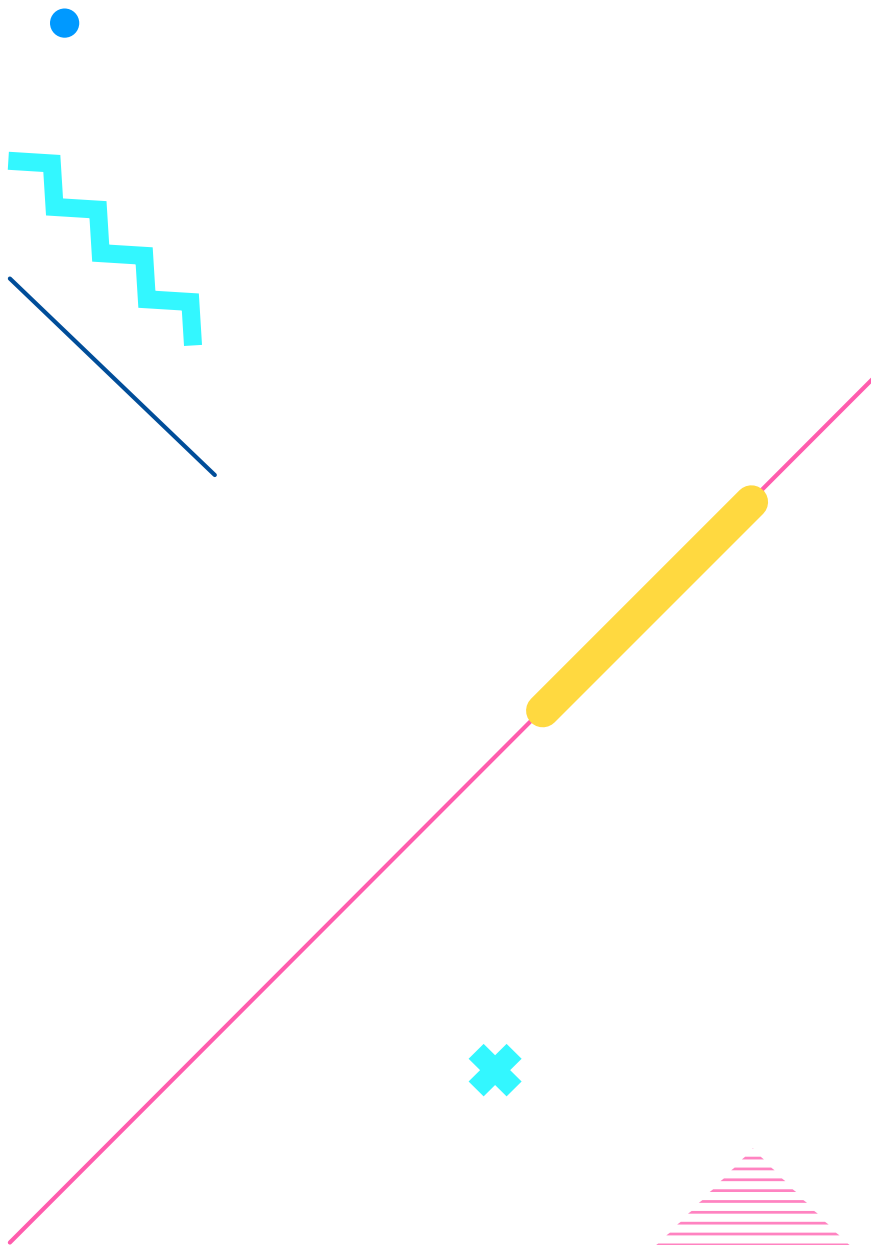
Health and Safety

We comply with all regulations necessary to ensure a safe workplace for our Softtekians. To avoid work-related injuries, we have safety management procedures for keeping our facilities clean and in good condition. With the support of civil defense personnel, we also hold drills and create first-aid, firefighting and search-and-rescue brigades.

CSR Quality of Life Model

We have prepared a Quality of Life Model for our employees because we are convinced that achieving a balance between work and personal life is ideal for human development. The model is intended to help our people achieve their fullest potential.

	Number of events
Integration	289
Health	122
Physical activity and sports	105
Intellectual abilities	81

Dimensions of the Quality of Life Model:

Health_
Actions aimed at promoting a culture of wellness and self-care, like our FitMe program. Among other activities, we provide physical and anthropometric testing, conferences on healthy habits and workshops on balanced diet and meditation. We also identify risk situations and mitigate them through annual health fairs to check the health of our employees and provide prevention discussions. We can then adopt useful programs depending on the needs identified.

Physical activity and sports_
The main goal of these actions and programs is to battle sedentary habits associated with working conditions, as well as encourage physical activity.

Integration_
As part of the work-personal life balance, we carry out activities and programs to bring our employees and their families closer to Softtek, which in turn serves as a tool for building and developing solid, committed work teams.

Intellectual abilities_
Activities aimed at creating opportunities for recreation, which are geared towards a topic of interest that encourages learning and development of new skills or pastimes.

HEALTH — Creation of a culture of prevention and wellness

PHYSICAL ACTIVITY AND SPORTS — Avoiding sedentary habits for Softtekians in the workplace

3E QUALITY OF LIFE MODEL

INTELLECTUAL ABILITIES — Developing intellectual skills through recreation

INTEGRATION — A sense of pride and purpose in the organization through inclusion and family

6,550 Softtekians *(73.66% of the total)*
participated in Quality of Life activities.

*Scope: Mexico

GRI 403: 103-1, 103-2, 103-3
GRI 403-1, 403-2, 403-3, 403-4, 403-5,
403-6, 403-9, 403-10

FitMe

This is a comprehensive health program we offer our employees, based on health advice and diet plans as well as spaces for physical activity and sports. This program was created in order to reduce and prevent any type of illness or disorder stemming from obesity, sedentary lifestyles or poor diet.

The program is backed by a health policy with fully documented components. We create personalized programs for each employee through a digital platform that analyzes anthropomorphic, biochemical and physical indicators for each user in order to create an individual plan for achieving their health targets.

Objectives_

- Promote healthy behavior to reduce health risks
- Provide information and encourage healthy habits that improve employee productivity
- Create a culture of wellness and health based on proper eating, exercise and rest

This year we incorporated 12% of our employees into the platform, 30% of whom participate in the various activities that make up the FitMe program. We are committed to encouraging Softtekians to join these programs, and our goal is to get 15% involved in order to improve physical and mental health

1,976 Softtekians enrolled

Women	Men
40%	60%

Breakdown by location Mexico	
Location	Percentage of Softtekians
Aguascalientes	31%
Mexico City	30%
Guadalajara	12%
Monterrey	20%
Ensenada	7%

Physical activity and sports

We create specialized spaces for physical activity and sports, designed to suit Softtek's characteristics and its associates' preferences. We have dealt with many challenges in creating these activities, like how to best standardize rules for sports competitions. Several activities take place within these spaces, such as:

Active work breaks_
These are brief work breaks during which our associates can activate their minds, improve performance and reduce physical and mental fatigue. Sessions last for no more than 5 minutes and are given twice a week.
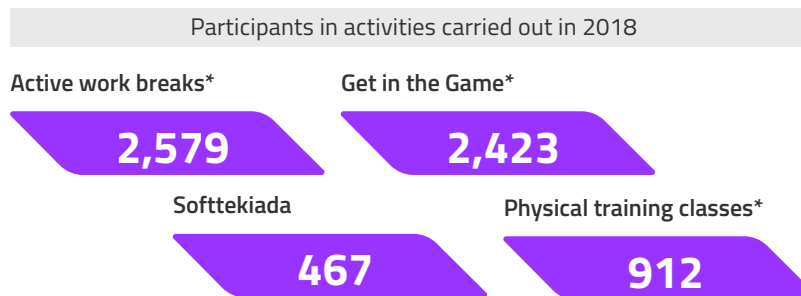
Get in the Game_
Tournaments in various sports to encourage associates to get active. We aim to involve all Softtekians in an environment of health and family togetherness.

Softtekiada_
Our internal Olympic games; the culmination of a series of internal tournaments from the "Get in the Game" initiative. In this sporting event, the most global activity held by the organization, Softtekians from around the world come together to engage in healthy competition. In the 2018 games, more than a thousand participants and guests took part in 8 competitions- -volleyball, softball, soccer, basketball, touch football, pelota tarasca, swimming and chess.

Physical training classes_
We provide classes in yoga, functional training, Pilates, martial arts, dance, and other physical activities.

Participants in activities carried out in 2018

Active work breaks*

2,579

Get in the Game*

2,423

Softtekiada

467

Physical training classes*

912

Scope: Mexico

Inspired by the great achievements of this past year, we plan to achieve the same degree of success in 2019, making the adjustments necessary to improve this program year after year.

Community

Fundación Solidaria

Mission
Contribute to sustainable development in the communities where we operate.

Vision
Contribute to social well-being and optimal balance between people and the planet.

Our goal is to positively impact communities in all regions where we are present. To do this, we carry out activities that improve quality of life and opportunities. In 2018, we worked on a steady stream of community engagement activities in the areas of education, health, togetherness and solidarity, environment, clothing, housing and food.

Program	Beneficiaries	Volunteers	Hours
Education	644	370	1,763
Health	538	278	354
Clothing, housing, food	1,608	355	887
Nature	950	153	410
Togetherness and solidarity	5,065	1,368	3,460

Volunteers	Hours	Beneficiarie
≈ 2,524	≈ 6,874	≈ 8,805

Our corporate volunteering strategy helps us to manage specific actions and activities that help build sustainable communities and bring innovative technologies to community projects. This strategy is our first line of action, and we extend it throughout the organization in order to evolve our entire work team in social activities.

In 2016, we began operating under the 10 Principles of the UN Global Compact. We also complied with the guidelines of ISO 26000 and have a Corporate Social Responsibility Policy. All of this means we abide by the highest global standards in directing our actions toward a common global good.

*We invested more than **USD $35,000** in 12 committees around the world who engaged in corporate volunteer activities.*

Codellege

This is an educational program focused on bringing technologically talented youth into the workforce, particularly those who have had limited access to education and job opportunities because of external situations.

For five months, young people receive training in web programming and human development so they can get a job and improve their lives. This year we succeeded in having 50% of the program's graduates obtain jobs in fields including but not limited to information technology, consumer, government, electronics and logistics. This resulted in an average increase of 47% in their household income. To measure our impact, we apply feedback surveys for the program.

Total number of graduates		Program Content	
		Training topic	Average hours of training
Women 35%		Coding	280
		English	132
Men 65%		Human development	28

*In **2019** we aim to increase the job success rate to **70%** of our graduates*

Pro Bono Projects

We want to make technology accessible to all, which is why we support nonprofit organizations in automating their internal procedures to increase and improve their impact on the communities where we operate. We have given ourselves the task of creating solutions for our beneficiaries that make their institutional processes more efficient and allow them to focus more on helping communities.

We evaluate our results through the Corporate Social Responsibility area, which supports project execution from start to finish through a formal Softtek implementation methodology. This covers all phases, from first contact with the institution to confirmation of their needs, implementation of the solution and closure of the pro bono project.

Our impact during the year is estimated through a satisfaction survey and through the signing of a letter of acceptance of our services at the close of the project.

2018 Initiatives:
- Delivery of the Villas Asistenciales project (institutional process).
- Delivery of the Renace Project (project management - Renace System).
- Delivery of the Fundemex-Cooperativa El Grullo Project (restructuring the database and installing the new version of *Enterprise Resource Planning* –ERP–).

Average team hours assigned:

50,301

equivalent to 5,188 hours a year

Average volunteer hours:

1,280

equivalent to 640 hours a year

Value chain

Supplier development

We are a service company, so we do not acquire large volumes of product, but we do try to focus our procurement on local suppliers in order to stimulate economic development and generate growth opportunities in the areas where we operate.

Percentage of purchases locally sourced

Europe and Asia	11%
Mexico	93%
Spanish South America	3%
United States	51%
Brazil	62%

Supplier evaluation

In our organization, we encourage best practices and continuous improvement for each of our suppliers. We want to work with companies that share our belief in the importance of good corporate citizenship, so we can positively influence their performance, promoting respect for the environment and motivating social commitment. With this, we ensure that we have suppliers who are committed to our values.

Since 2014, we have been working on a computer equipment upgrade strategy. To reduce environmental impacts and mitigate risk, the equipment we currently use, along with our services, are compliant with US regulation 850/2004, which restricts the use of toxic PCB and PCT chemicals. In 2018, the Administration and Finance, Process Improvement and Corporate CSR Governance areas worked together to evaluate current procedures

and propose improvements in supplier evaluation, involving metrics on issues like ethics, workplace conditions, human capital, environment and social responsibility within the company. We have a program of **internal and external audits for evaluating and mitigating risks** so we can be sure that our suppliers are governed by the same policies on environmental care and parameters of Social Responsibility by which Softtek is governed.

We intend to begin evaluating our suppliers for social issues in order to gain an overview of what they do in this sphere and what contribution they make to the world around them. This would allow us to develop strategic partnerships that magnify the positive impact on the communities with which our suppliers work.

In 2019, our goal is to update, modify and apply a policy for suppliers, in addition to improving evaluation metrics. Responsible for reviewing and updating these procedures will be the Corporate Social Responsibility and Governance area, which will work alongside Finance and Procurement. Another goal is to have evaluations of strategic suppliers, meaning an examination of various indicators for our 10 top suppliers worldwide, which we will then extend to every country where we operate.

*We have a total of **7,220** computers compliant with these standards, **91%** of our total equipment.*

*Scope: Mexico

Supplier Code of Ethics

For Softtek, it is highly important that our suppliers understand and respect the Code of Ethics, as it is part of the set of rules we live by, both in our own operations and in the purchase of our products and services. We also require that the transportation and use of products and services in our operations comply with applicable social and environmental laws and abide by certain ethical standards.

*For more information, visit:
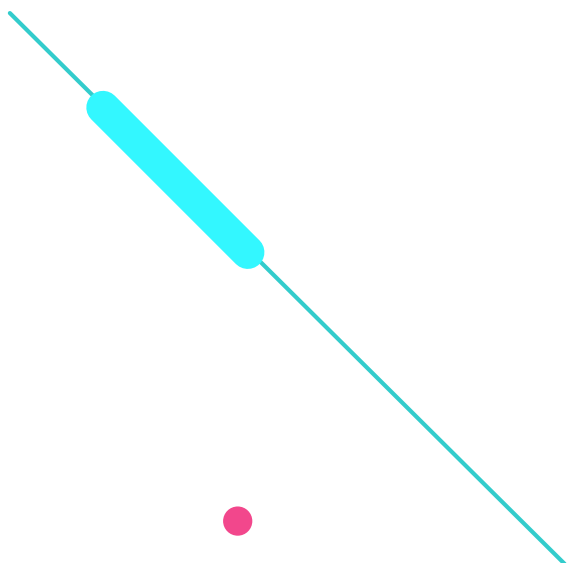***https://www.softtek.com/code-of-ethics***

Green Softtek

Chapter 3:

Environmental Standards

Our Aguascalientes and Monterrey office buildings obtained Platinum and Gold **Leadership in Energy and Environmental Design (LEED)** *certification, respectively.*

Environmental standards

Softtek is committed to environmental protection, which is why we create and promote innovative technological solutions and programs that meet environmental requirements wherever they are developed.

Our environmental policy underscores our responsibility toward the environment and stewardship of natural resources. Its purpose is to encourage a culture among our associates that brings about a new awareness and a change in responsible consumption habits toward water, energy, waste management and disposal of computer equipment, phones and cables. Our goal is to join the Carbon Disclosure Project (CDP), an organization that directs a global reporting system which permits companies and other institutions to manage and measure their environmental impact.

We want to calculate our risk and define a strategy with our suppliers to stipulate and standardize a process of reducing our environmental footprint everywhere in the world. We continue to work on consolidating our initiatives on a global level, through a report containing the results of all our recycling, electronic waste disposal and energy saving efforts.

Efficiency

Cooperation

TECHNOLOGY FOR...

Recycling
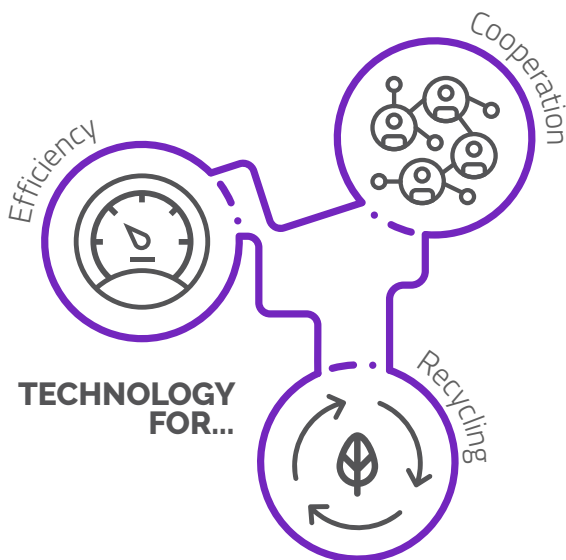
Sustainable Operations

We have worked to reduce the environmental footprint of all our facilities, and as a result of this effort, we have earned certifications for some our offices, attesting to the hard work and commitment Softtek puts towards conserving the environment.

One certification is Leadership in Energy and Environmental Design (LEED), which gives us a framework of action to create healthy, highly efficient spaces that reduce impact by using less energy, water and other resources in our buildings.

Logos 2018:

LEED Oro en Monterrey

- Installed high-efficiency glass, which means lower heat and less air conditioning needed, and therefore fewer greenhouse gas emissions
- Planted native species that reduce the need for watering and favor biodiversity
- Reduced freshwater consumption by 47% through the use of latest-generation technologies
- 95% of the equipment we use is Energy Star-rated, which reduces energy consumption compared to traditional offices
- 21% of the materials we use in construction contain recycled matter

LEED Platino GDC Aguascalientes

- Maintained nearby transportation options
- Reduced freshwater consumption by 40% by planting native flora
- Reduced energy consumption by 40%
- Installed LED lighting and designed high-yield ventilation, heating and air conditioning systems to reduce energy consumption
- Trained community members and neighbors living in disadvantaged conditions

The benefits of LEED certification include both energy and economic efficiency, as well as increased yield and productivity in the workplace.

GRI 302-4, 302-5, 305-5
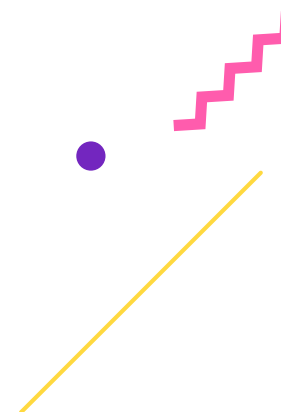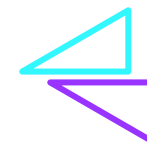
Energy

We are committed to operating in an efficient, innovative and sustainable manner in order to benefit the environment. Therefore, we have internal initiatives to raise awareness among our associates about energy consumption, so we can reduce our use of fuel and thus our CO2 emissions.

Some of our initiatives in place to reduce energy consumption are:

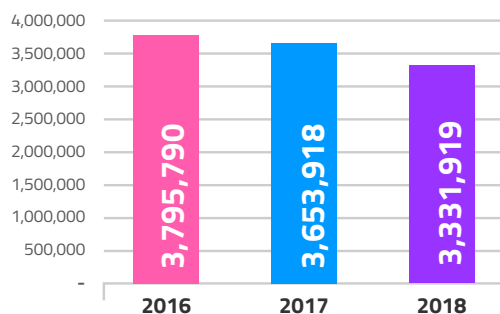- We monitor startup times for air conditioning control systems and gradually manage their components.
- We set hours in each area for turning air conditioning on and off, depending on when the area is in use for projects.
- We carry out monthly maintenance on cooling units, and quarterly maintenance on control systems to make sure they are working properly and avoiding energy loss due to inefficiency.
- We invest in LED lighting technology to reduce consumption; today 95% of the lighting in the building is LED.

*In some of our buildings, we have reduced energy consumption by **841,125 kWh a year,** due to energy conservation and efficiency initiatives.*

Total electrical energy consumption (kWh)*

	2016	2017	2018
	3,795,790	3,653,918	3,331,919

Total electrical energy consumption includes Aguascalientes, Ensenada, Eugenia, Monterrey, and Guadalajarafor 2016 and 2017; for 2018, it includes Aguascalientes, Eugenia, Toreo, Monterrey and Culiacan.

Total resource consumption

Total consumption of fuel from non-renewable sources *Diesel in emergency backup plants*	1,000 L
Total consumption of fuel from renewable sources *Solar panels*	5,000 kWh
Total electricity consumption	1,316,103 kWh a year
Energy intensity ratio *Eectricity and diesel per employee*	658 kW a year

* Scope: Mexico
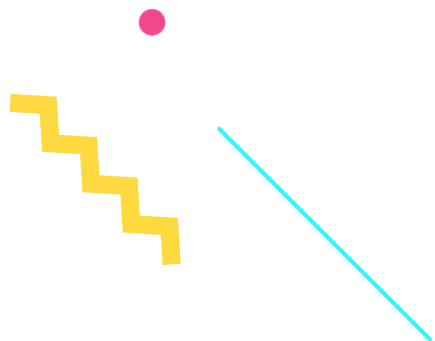
Emissions

Our activities do not generate significant direct emissions of greenhouse gases, although employee travel does contribute, so we encourage the application and use of global tools to help reduce our environmental footprint and promote the use of communication technologies that cut down on travel. Our goal is to control and manage this mobility and offset the collateral damage caused by fuel use.

CO_2 emissions

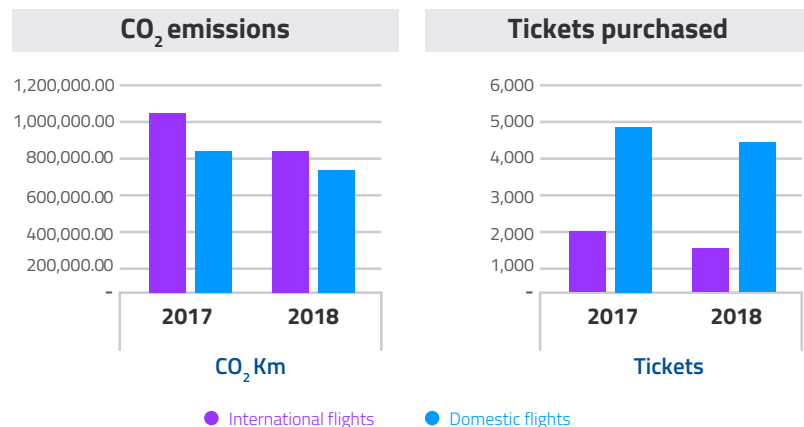| Tickets purchased |
| --- |

CO_2 Km

Tickets

● International flights ● Domestic flights

Coomute

One of the tools that facilitates communication among our associates, and therefore reduces our environmental impact, is Coomute. This mobile app enables drivers and passengers to share trips to and from Softtek offices. This helps reduce emissions and encourages togetherness among Softtekians. With the creation of this app, we expect to achieve a 15% reduction in our emissions in 2019.

All Hands

We hold a regular event in which we share recent news and initiatives and recognize the outstanding performance of employees in their projects. This event is held in each building, so there is no need to travel from one place to another, which reduces our environmental impact.

In 2018, 3,979 Softtekians viewed "All Hands" without having to move from their location or office.

Scope Mexico

Virtual meetings

In 2018, in partnership with Microsoft, we conducted workshops for our employees on the use of unified communication tools, not only reducing travel and the associated emissions, but also encouraging more agile cooperation.

	Numbers of sessions	Average of minutes per call
On Premise (on site from our facilities)	83,104	54
On Cloud	35,374	44

GRI 305-3
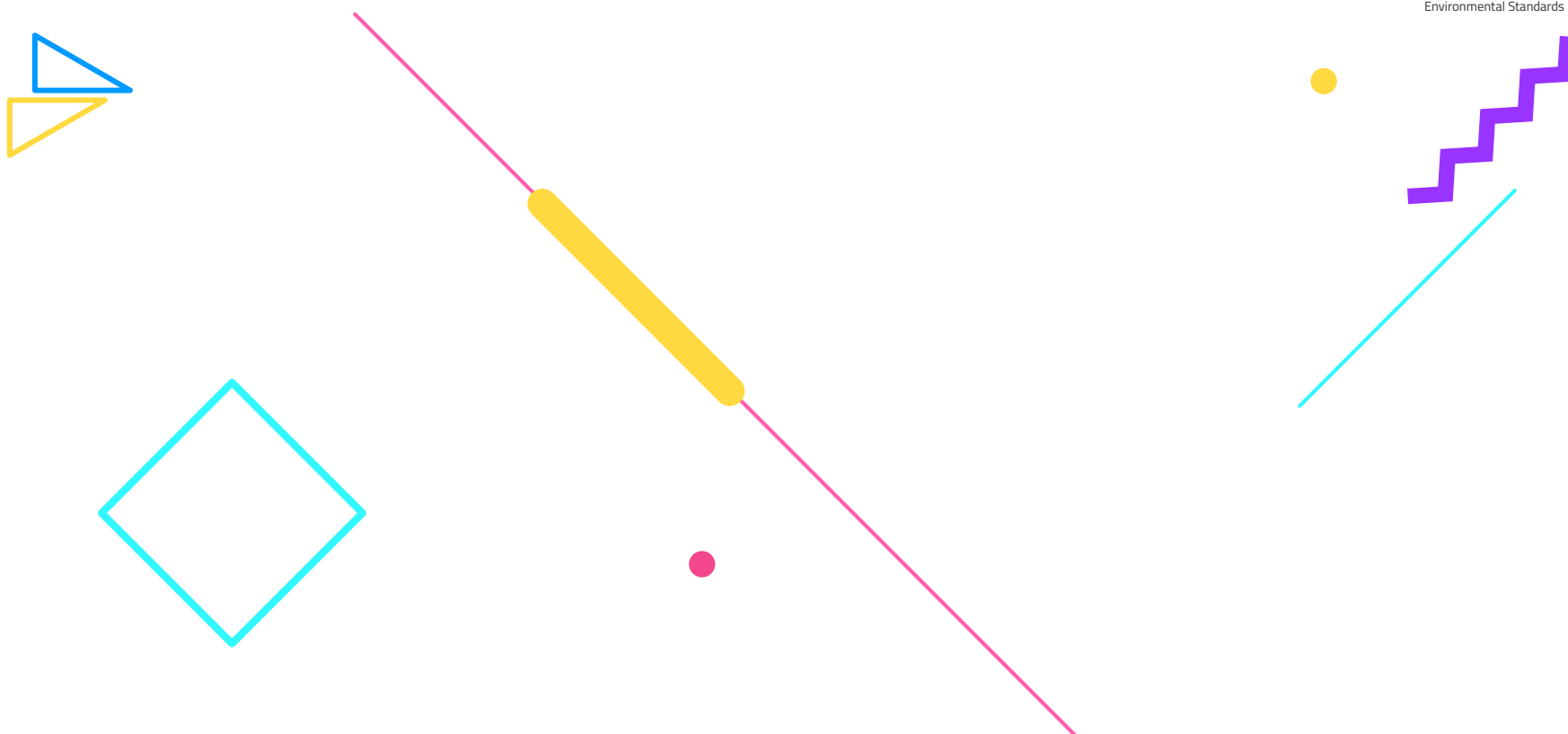
Water

Our water impact is not highly damaging to the environment because our sanitary waste is channeled to municipal drainage in the cities where we operate.

Total water consumption*

2018	29,290 m³

Total water consumption includes only Aguascalientes, Ensenada and Monterrey; the rest of our facilities are rented, nd our consumption is not metered separately.

Waste

We have a computer recycling and donation initiative to best dispose of equipment that is still in good condition or that has useful components for reformatting or reuse, thus extending their useful life.

Number of computers donated or recycled

Donated	508
Recycled	992 +
Total	**1,500 +**

GRI 306-1
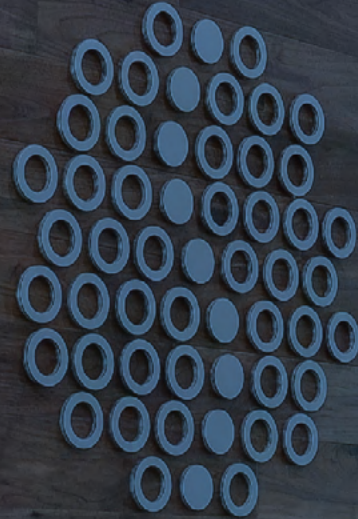
Softtek Code

Chapter 4:

Corporate Governance

Executives

Blanca Treviño
Chairman of the Board & CEO

Beni López
Market CEO
US y Canada

Carlos Funes
Market CEO
Mexico and Central America

Miguel Saldívar
Market CEO
Brazil

Mauro Mattioda
Market CEO
Spanish South America

Doris Seedorf
Market CEO
Europe

Roberto Montelongo
Chief Operating Officer

Heriberto Murillo
Chief Financial Officer

Eduardo Guerrero
Chief Sales Officer

Alejandro Camino
Marketing y Comunicaciones

Fernando Méndez
Shared Services

Luis Revilla
Human Capital

GRI 102-18, 102-20, 102-22, 102-23,
102-26, 102-27, 102-30, 405-1
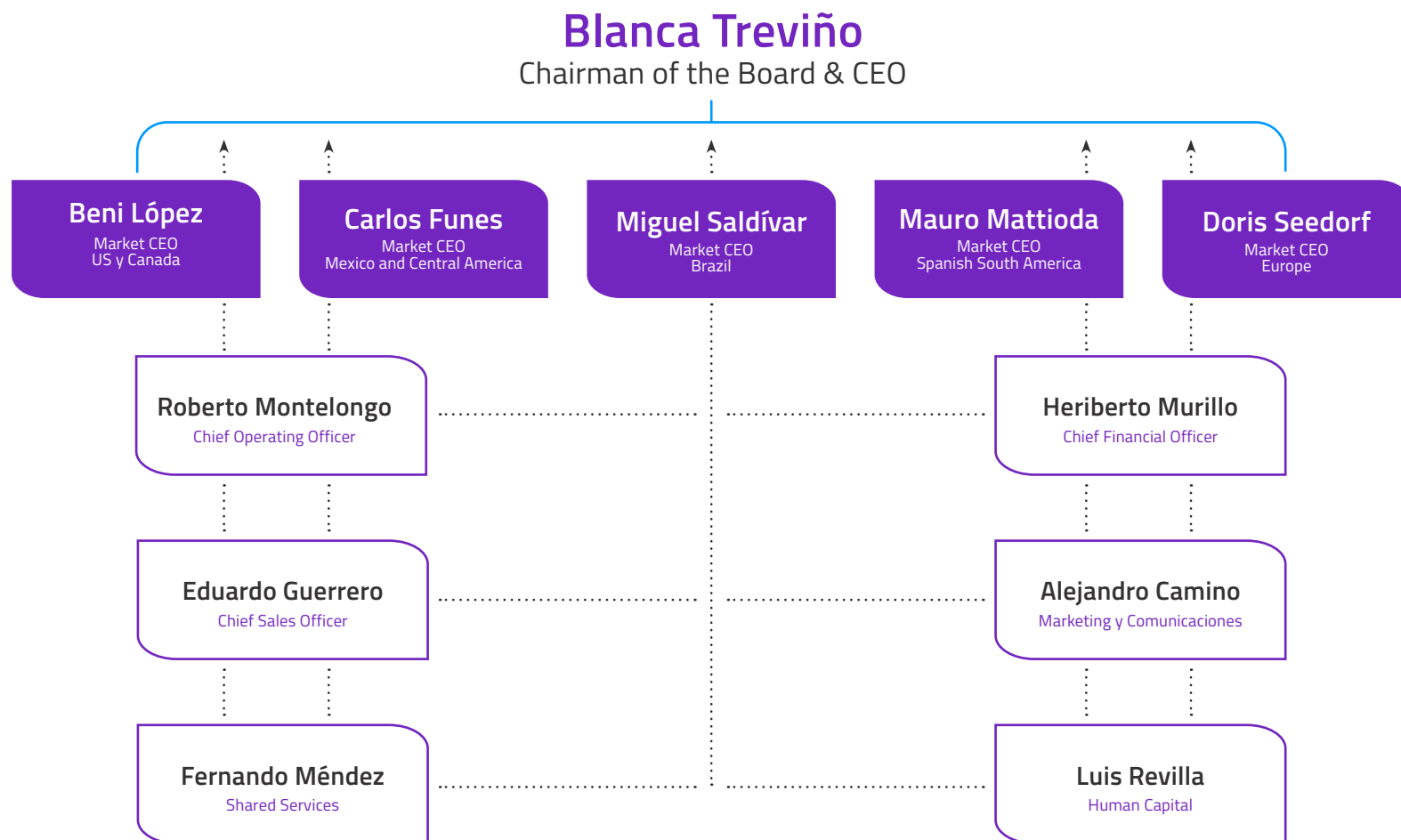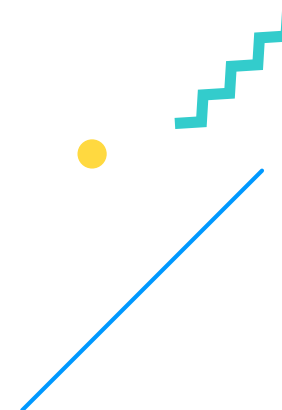
Board of Directors

Our governance system is key to the organization.

Blanca Treviño	Chairwoman
Doris Seedorf	Member
Roberto Montelong	Member
Heriberto Murillo	Member
Carlos Cantú	Alternate Member

The highest body of corporate governance is our Board of Directors, made up of leaders and experts in the Information Technology Industry. Our mission would not be possible without the combined efforts of our directors, who help make Softtek an excellent company that seeks to create value through technology for all our stakeholders.

Board activities:
- Executing and overseeing compliance with Shareholder resolutions
- Supervising the management, performance and general strategy of the business.
- Reviewing and authorizing financial statements.
- Reporting on the status and performance of the business.
- Authorizing investment plans and financial projections for the next five years in the markets where we operate.
- Meets three times a year.

28.57% of our Board members are women and 71.43% are men

Committees

The Board of Directors is supported in its duties by various committees that oversee pertinent business matters. The company's Operating Committees are as follows:

- Investment and Risk Committee
- Information Security Committee
- Executive Committee
- Audit Committee
- Ethics Committee

Investment and Risk Committee

Responsible for implementing, evaluating and authorizing risk policies.

Activities:

- Evaluate the quarterly results in each market based on its budget
- Take the necessary actions to safeguard business performance

Cargos significativos y compromisos de cada persona y naturaleza de los compromisos	
Blanca Treviño	Affiliation with under-represented social groups.
Roberto Montelongo	Expertise in economic, environmental and social issues.
Heriberto Murillo	Stakeholder representation.

Information Security Committee

Responsible for authorizing policies and initiatives proposed by the Information Security Office and ensuring they are aligned with the values of Softtek, its clients and market requirements. The committee members are:

- **Blanca Treviño**
- **Roberto Montelongo**
- **Heriberto Murillo**
- **Beni López**

Activities:

- Evaluates and keeps track of information security risks or incidents at Softtek
- Reviews information security clauses in work or service contracts
- Provides training on data privacy and information security policies
- Coordinates, together with Talent Development and Human Resource Administration, awareness-raising campaigns about information security
- Supports areas in integrating or changing tasks/steps in standard operating procedure relating to information security
- Supports, during client visits, by answering questions relating to information security

Executive Committee

Made up of the CEOs of each of our markets, this committee evaluates annual and biweekly plans for each market, as well as the results of business strategies, in order to share experiences, provide feedback and make the appropriate modifications.

Members:

Blanca Treviño	Chairwoman
Roberto Montelongo	
Heriberto Murillo	
Fernando Méndez	
Eduardo Guerrero	
Agustín de la Maza	
Beni López	
Carlos Funes	
Doris Seedof	
Mauro Mattioda	
Miguel Saldívar	
Luis Revilla	
Alejandro Camino	

Audit Committee

Evaluates the internal control and audit system in order to inform the Board of Directors about its status. This committee has the following members:

Horacio Flores	Chairman
Elsa Patiño	Member

Actividades:

- Approves annual internal audit program.
- Evaluates quality of internal audit repots.
- Oversees independence of internal auditor.
- Informs board of the status of corporate governance, reporting shortcomings and deviations in risk and internal control.
- Reports on irregularities detected.
- Evaluates compliance with institutional goals and targets.
- Reviews plans for normalization and self-correction.
- Meetings with the Internal Audit area at the close of each audit.

Ethics Committee

Softtek is convinced that integrity, honesty and respect are not only desired values, but an obligation, if we want to transcend and leave a mark on the business world.

For this reason, we have a Global Ethics Committee, led by Luis Revilla, Mauro Mattioda, Agustín de la Maza, Beatriz Vallejo and Fernando Mendez, in charge of overseeing compliance with our ethical standards. We also have local committees to address any violation of our Code of Ethics or values.

***1,665 hours** of training
on the Code of Ethics.*

Code of Ethics

As part of our commitment to integrating ethics into our DNA, we have a Code of Ethics, which embodies our commitment to creating and promoting a culture of respect, transparency and honesty.
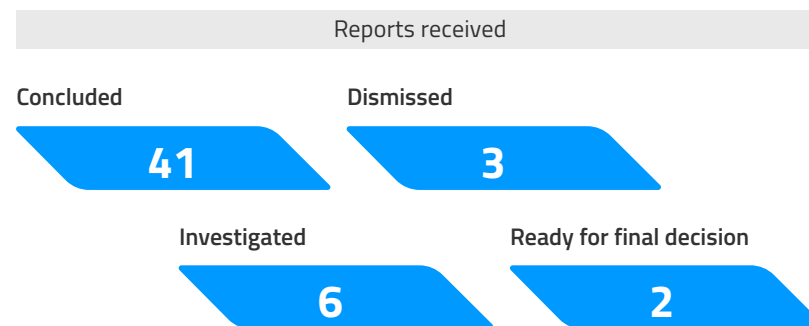
We also have a solid strategy based on the Ethisphere methodology for ranking the World's Most Ethical Companies. To achieve this goal, we launched our "Integrity Hotline" in 2017, which stakeholders can use to report any possible breach of the Code of Ethics. (*http://integrity.softtek.com*)

We encourage the entire Softtek community, including suppliers, clients and other related partners, to inform their superiors or file a report using the hotline when they become aware of any conduct that might not adhere to our Code or our guidelines.

For each report received in the hotline, an anonymous, objective investigation is carried out, with the support of an external consultant who guarantees that there are no reprisals against the person making the report.

Reports by type	
Bullying or harassment	12
Conflict of interest	2
Information integrity	3
Information Protection	1
Interpersonal respect	26
Other	8

Reports received

Concluded	Dismissed
41	3

Investigated	Ready for final decision
6	2

Subclassification Interpersonal respect

- Official misconduct
- Workplace environment
- Discrimination
- Proper management
- Interpersonal respect
- Other

GRI 102-16, 102-17, 406-1, 412-2

Our commitment to Anti-corruption

Our Code of Ethics includes a section on avoiding acts of corruption, bribery or any other fraudulent conduct. At Softtek we will neither offer nor accept any type of payment, gift or gratification to or from any other party, internally or externally, to obtain an unjust competitive advantage.

The Code includes special sections informing our employees what exactly constitutes an act of corruption and making all our Softtekians aware of the cost of ethics in the organization. In 2018, we strengthened the process and updated the reporting platform. Every policy, code or guideline in this area is managed through the Ethics Committee. In coming years, to reinforce our anti-corruption practices, we are committed to creating a policy on conflicts of interest, gifts and entertainment expenses.

0 Cases of anti-corruption policy violations in **2018**

*We participated in **"500 Frente a la Corrupción: Integridad Corporativa"** (IC500) through which we follow up on these commitments*

For information, visit: http://integridadcorporativa500.mx/

Human Rights

Respect for human rights is one of the guiding principles of our Code of Ethics, and this includes discouraging child labor and slavery, respecting honest competition and avoiding any type of discrimination. Accordingly, we are committed to respecting and standing behind our principles, national and international agreements, and above all, the Universal Declaration on Human Rights.

Although we have always been deeply committed to respecting and protecting human rights, last year we focused on building our employees' awareness and sensitivity to these issues. As a target for coming years, we will be holding training and education sessions on these topics.

GRI 205, 206, 408, 409, 412: 103-1, 103-2, 103-3
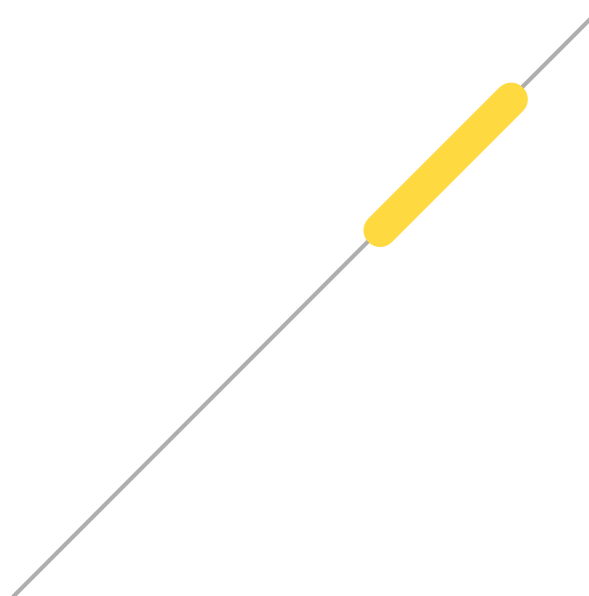GRI 205-2, 205-3

Risk Management

Our **Disaster Recovery Plan** (DRP) provides a documented process for preparing ourselves for natural disasters. It contains a list of steps and actions to be taken to protect our employees and restore operations within certain established time periods.

The plan is reviewed every year by our Capabilities managers, together with the Facilities team, and as a second review, the Information Security Office signs off on it and it is published for internal use on the Intranet page.

Early in 2018, we faced a tremendous challenge: an earthquake in Mexico City that primarily affected our Eugenia building. We identified areas of opportunity in reinforcing our DRP, which we will address soon.

In 2019, we intend to improve our DRP/BCP base documentation and continue holding quarterly evacuation drills, with the respective reports, conducting one general drill as well as drills designed uniquely for each office location. The documented results are audited by an independent party and are part of the certifications we hold (ISO 27002:2005).

Business Continuity Management Plan (BCP)

This is a set of policies and procedures that identify threats to the organization and their impact on commercial operations. These policies supply a framework for developing recovery and effective response plans that protect our employees, our reputation and value creation activities.

Our **Business Continuity Plan** and **Disaster Recovery Plan** must be available to protect our employees and clients and meet legal requirements, in order to restore operations in the event of an emergency or natural disaster.

*In **2018** we designed an online course for Softtekians to familiarize themselves with and become more aware of the issue of prevention, and to know how to act in the event of a disaster.*

Reporting Tools

Chapter 5:

About this Report

*Achieving the **Sustainable Development Goals (SDG)** requires that governments, the private sector, nonprofits and citizens cooperate equally to ensure that we leave a better planet for future generations.*
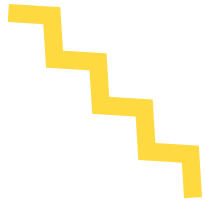
About this Report

The Global Reporting Initiative (GRI) helps companies and governments around the world understand and communicate their impact on critical sustainability issues such as climate change, human rights, governance and social wellbeing.

This is our fourth Sustainability Report for Mexico, and this year we migrated to the latest version of the GRI Guidelines to ensure this report is in line with best practices in triple-impact reporting: economic, environment and social. The report has been prepared in accordance with the GRI Standards: Core option.

This document also contains our Communication of Progress (CoP) that we present to the United Nations Global Compact, an organization of which we are a member. Finally, it includes the efforts made toward the U.N. 2030 Development Agenda, through five priority Sustainable Development Goals.

GRI 102-12, 102-54

This report presents the results achieved in the period between January 1 and December 31, 2018, and complies with GRI principles for determining the content and quality of such reports:

- Accuracy
  This Report provides sufficient and precise qualitative and quantitative information, including tables, photographs, access links and clear language, to communicate the company's progress to all its stakeholders.

- Balance
  The report objectively presents both positive aspects and areas of opportunity, in order to provide clear and transparent information.

- Clarity
  The information is expressed clearly and precisely, in terms that can be understood by all stakeholders.

- Comparability
  The information and comparisons presented permit stakeholders to compare changes in 2018 against previous years.

- Reliability
  In accordance with the principles of ethics and transparency for which we are known, this report presents relevant and reliable data for our stakeholders.

- Timeliness
  This year we present relevant, timely information about our offices.

Principles for defining the content

Stakeholder engagement | 01
02 | Sustainability context
Materiality | 03
04 | Completeness

GRI 102-50
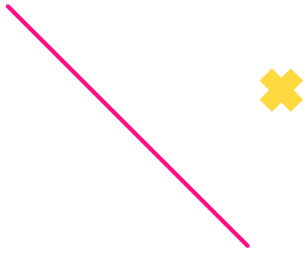
Materiality

We carried out a materiality assessment in 2018, working together with a consulting firm specializing in sustainability, to identity the material issues to be reported and to identify trends, risks and opportunities.

Based on these results, we obtained the material aspects we would be reporting on, as mentioned in the materiality chart, the scope of which encompasses all Softtek operations as well as its various stakeholders, unless otherwise indicated.

Additionally, the study revealed some areas of opportunity for Softtek and will be presented as material in this report because of their importance to the industry. The issues were then translated into standard GRI Content Topics.

MATERIALITY STUDY

QUALITATIVE AND QUANTITATIVE ANALYSIS OF:

Identification

INDUSTRY MATURITY — INDUSTRY RISK — SOCIAL RISK

Prioritization

RELEVANT ISSUES

SIGNIFICANT ASPECTS FOR SOFTTEK

Validation

MATERIAL ASPECTS
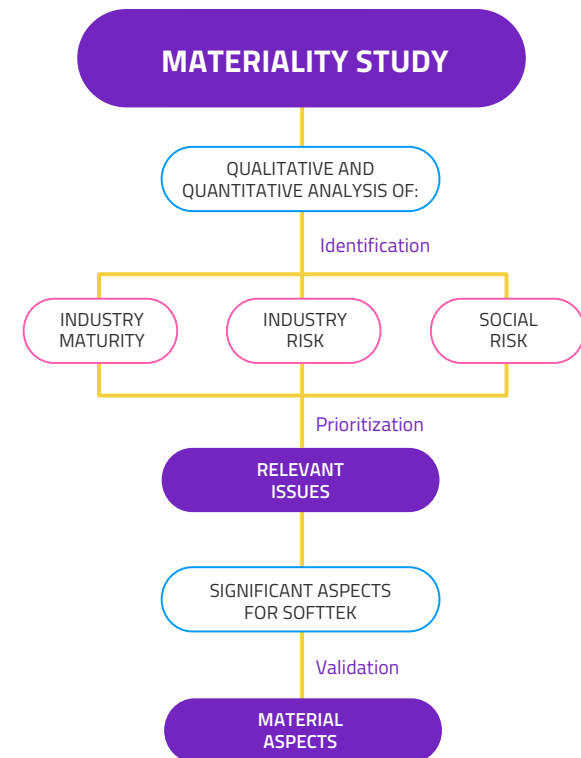
GRI 102-46

Results Materiality Study

Urgent | Necessary

Industry maturity + industry influences + social influences

- Operations — 97%
- Corruption — 90%
- Product/service development — 90%
- Ethics and integrity — 88%
- Health and safety — 85%
- Risk management — 83%
- CSR Management — 82%
- Climate change — 80%
- Environmental policy — 82%
- Corporate governance — 80%
- Financial issues — 78%
- Humans Rights — 78%
- Social Impact — 77%
- Waste management — 76%
- Brand management — 77%
- Energy eco-efficiency — 77%
- Diversity — 76%
- Talent Attraction — 79%
- Human capital development — 82%
- Customer management — 72%
- Supplier standards — 70%
- Corporate governance — 70%
- Water stewardship — 60%
- Materials — 57%
- Biodiversity — 44%

Legend (right)

- Corporate governance
- Brand management
- Financial issues
- Customer management
- Risk management
- CSR Management
- Ethics and integrity
- Corruption
- Product/service development
- Operations

- Supplier standards
- Human rights
- Social Impact
- Diversity
- Talent Attraction
- Human capital development
- Health and safety

- Climate change
- Energy eco-efficiency
- Biodiversity
- Water stewardship
- Environmental policy
- Materials
- Waste management

Emerging | Softtek | Mainstream

GRI Standard Content
Material aspect

Material aspect	GRI Standard Disclosure
Operations	**GRI 102.** General disclosures. Organizational profile
Brand management	**GRI 102:** General disclosures. Organizational profile **GRI 419:** Socioeconomic compliance
Risk management	**GRI 102:** General disclosures. Strategy **GRI 102:** General disclosures. Organizational profile **GRI 102:** General disclosures. Governance **GRI 201:** Economic performance
Ethics and integrity	**GRI 102:** General disclosures. Ética e integridad
Corruption/bribery/ transparency	**GRI 102:** General disclosures. Ética e integridad **GRI 205:** Anti-corruption **GRI 206:** Anti-competitive behavior **GRI 415:** Public policy

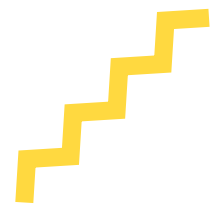| Material aspect	GRI Standard Disclosure
Product and service development	**GRI 416:** Customer health and safety **GRI 417:** Marketing and labeling
Customer relationship management	**GRI 416:** Customer health and safety **GRI 417:** Marketing and labeling **GRI 418:** Customer privacy **GRI 102:** General disclosures Stakeholder engagement
Human capital development	**GRI 404:** Training and education
Social impact	**GRI 201:** Economic performance **GRI 202:** Market presence **GRI 203:** Indirect economic impacts **GRI 413:** Local communities

GRI Standard Content
Urgent aspect

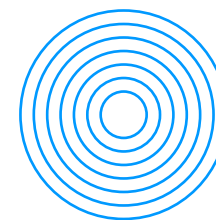| Urgent aspect	GRI Standard Disclosure
CSR Management	**GRI 102:** General disclosures Strategy **GRI 102:** Contenidos generales Organizational profile **GRI 102:** General disclosures Governance **GRI 419:** Socioeconomic compliance
Financial issues	**GRI 102:** General disclosures Organizational profile **GRI 201:** Economic performance
Corporate governance	**GRI 102:** General disclosures Gobernanza
Talent recruitment and retention	**GRI 102:** General disclosures Organizational profile **GRI 401:** Employment **GRI 405:** Diversity and equal opportunity **GRI 407:** Freedom of association and collective bargaining
Occupational health and safety	**GRI 403:** Occupational health and safety

Urgent aspect	GRI Standard Disclosure
Diversity and equal opportunities	**GRI 405:** Diversity and equal opportunity **GRI 406:** Non-discrimination
Human rights	**GRI 406:** Non-discrimination **GRI 408:** Child labor **GRI 409:** Forced or compulsory labor **GRI 412:** Human rights assessment
Supplier standards	**GRI 204:** Acquisition Practices **GRI 308:** Supplier environmental assessment **GRI 414:** Procurement practices
Environmental policies	**GRI 307:** Environmental compliance
Energy eco-efficiency	**GRI 302:** Energy
Climate change	**GRI 305:** Emissions
Waste management	**GRI 306:** Effluents and waste

Stakeholder engagement

Stakeholder	Interests	Channels of communication
Employees	• Medium- and long-term economic performance • Customer commitment and satisfaction • Professional growth and development • Health and safety	• Weekly e-mail • Global Cloud • Regular public meetings and web conferences • Performance Management • Engagement Index (Annual) • Social networks • Yammer
Customers	• Customer commitment and satisfaction • Medium- and long-term economic performance • Quality services and solutions	• Customer commitment and satisfaction • Medium- and long-term economic performance • Quality services and solutions • Ongoing customer relationship management through sales representatives • Annual trade events • Annual customer satisfaction surveys • E-mail • Webpage • Voice of the Customer (VOC) • One-on-one meetings
Suppliers	• Health and safety • Medium- and long-term economic performance • Fair business conditions	• Daily interaction for purchasing • E-mail • One-on-one meetings

GRI 102-40, 102-42, 102-43, 103-44

Stakeholder engagement

Grupo de interés	Interests	Canales de comunicación
NGOs and Community	• Medium- and long-term economic performance • Environmental impact mitigation and management • Health and Safety • Human rights • Transparent communications • Contributions to community well-being and development • Local job opportunities	• Continuous one-on-one meetings with community leaders and organizations • Continuing education programs on sustainability and skills training • Participation in local job fairs • Community infrastructure initiatives, volunteering and social investment
Local, national and regional governments and regulators	• Medium- and long-term economic performance • Health and Safety • Local job opportunities	• Annual sustainability report • Long-term alliances • Regular meetings • Events and conferences
Investors	• Medium- and long-term economic performance • Corporate Governance • Disclosure and performance in environmental, social and corporate governance issues	• Regular meetings, web conferences and phone calls • Financial reports • Annual financial reports and annua sustainability report • Continuous updates to website
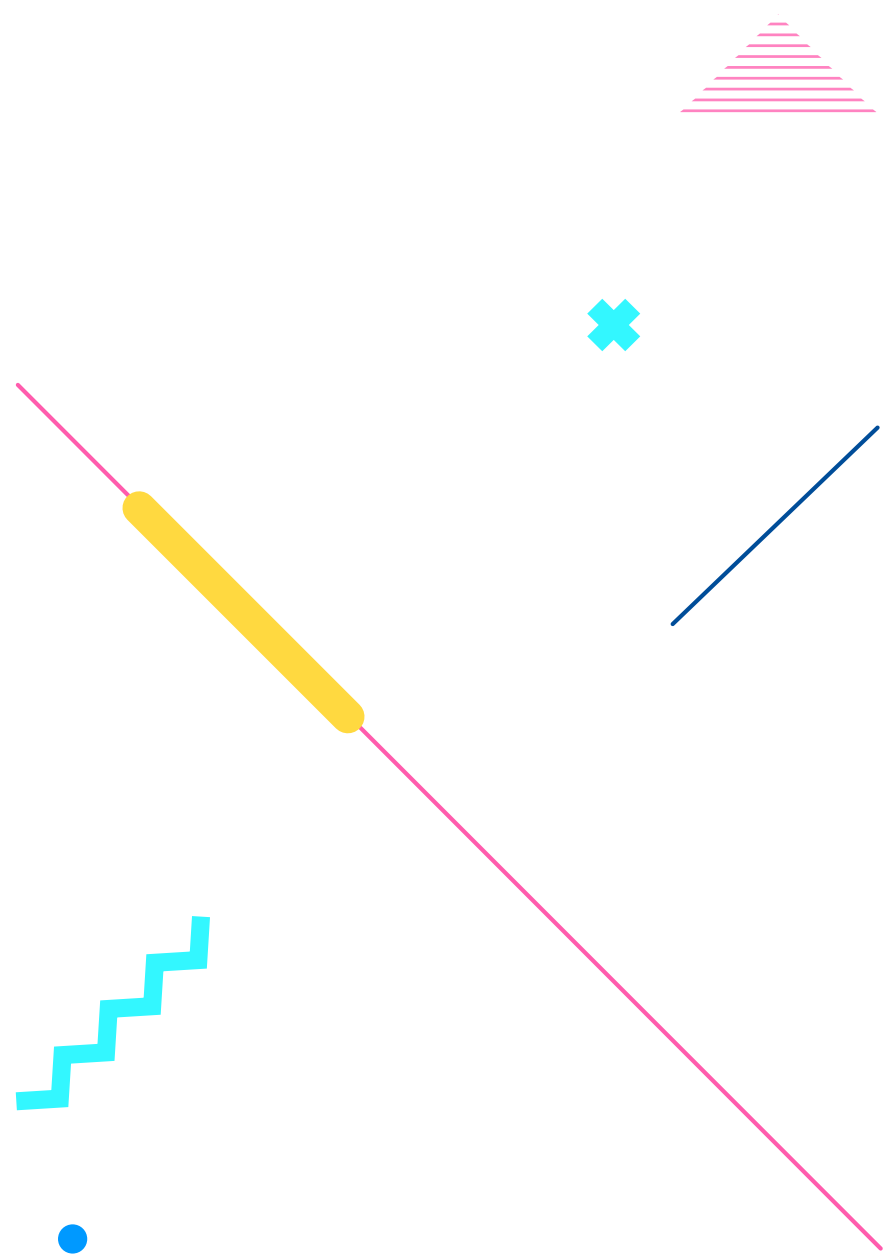
GRI Content Index

Global Reporting Initiative (GRI) helps companies and governments around the world to understand and communicate their impact on key sustainability issues such as climate change, human rights, governance and social welfare.

For the Content Index Service, GRI Services has confirmed that the GRI Content Index in this report is clear, and that all disclosure labels for every content correspond to the indicated sections in the report. The service was performed on the Spanish version of the report.

GRI Content Index Softtek — Jul 2019 Service

General Disclosures

GRI Standard	Content	Page / Direct answer	Omissions and explanation
GRI 101: Foundation 2016	72		
	1. ORGANIZATIONAL PROFILE		
GRI 102: General disclosures 2016	102-1	8, 14	
	102-2	8, 14	
	102-3	6-7, 87	
	102-4	16	
	102-5	Variable-equity limited-liability corporation, with privately held capital stock	
	102-6	14	
	102-7	6,16,32	
	102-8	32	
	102-9	49	
	102-10	25	
	102-11	28,67	
	102-12	47,71	
	102-13	CANIETI, CMN, AMITI, CSoft, COPARMEX, Consejo Mexicano de Negocios, of which our president was recently named vice-president of the board, Empresas Anti la corrupción http://integridadcorporativa500.mx/ Éntrale https://entrale.org.mx/ Pride Connection 2018 https://www.prideconnectionmexico.com/	
	2. STRATEGY		
	102-14	10	
	102-15	10	

GRI Standard	Content	Page / Direct answer	Omissions and explanation
	3. ETHICS AND INTEGRITY		
GRI 102: General disclosures 2016	102-16	18,65	
	102-17	65	
	4. GOVERNANCE		
	102-18	60	
	102-20	60	
	102-22	60	
	102-23	60	
	102-26	60	
	102-27	60	
	102-30	60	
	5. STAKEHOLDER ENGAGEMENT		
	102-40	77	
	102-41	Due to Softtek's scheme of service provision, we do not have employees with collective bargaining agreements. Softtek recognizes the importance of social dialogue institutions and the applicable collective bargaining structures; therefore, we always respect our employees' right to form their own organizations and/or join them.	
	102-42	77	
	102-43	77	
	102-44	77	

Estándares Temáticos

GRI Standard	Content	Page / Direct answer	Omissions and explanation
	6. REPORTING PRACTICES		
GRI 102: General disclosures 2016	102-45	As a private Company, Softtek does not publish financial statements. This report shows results for all the company's entities, unless otherwise stated.	
	102-46	73	
	102-47	74	
	102-48	There were no restatements of information.	
	102-49	For the first year, we are Reporting under the GRI Standards guidelines.	
	102-50	72	
	102-51	2017	
	102-52	Annual	
	102-53	87	
	102-54	71	
	102-55	79	
	102-56	This report has no external assurance.	

GRI Standard	Content	Page / Direct answer	Omissions and explanation
GRI 200: ECONOMIC STANDARDS			
GRI 103: Management approach 2016	103-1	14,21	
	103-2	21,67	
	103-3	14	
GRI 201: Economic performance 2016	201-1	47	Confidentiality constraints. The generated and distributed value are confidential because Softtek is a private company; however, we report our social contribution as good practice.
	201-3	33 / In countries such as Mexico, Argentina, Chile, Colombia, Spain and India, we grant a percentage to retirement plans, according to the legislation of each country.	
	201-4	In Argentina and Spain, we receive aid for deductions and subsidies for training, respectively.	
GRI 103: Management approach 2016	103-1	32	
	103-2	32	
	103-3	32	
GRI 202: Market presence 2016	202-2	Approximately 74% of senior executives are hired from the communities where we have presence. Senior executives include directors from each area, vice presidents and local and global managers.	

GRI Standard	Content	Page / Direct answer	Omissions and explanation
GRI 103: Management approach 2016	103-1 103-2 103-3	48 48 48	
GRI 203: Indirect economic impacts 2016	203-1 203-2	48 48	
GRI 103: Management approach 2016	103-1 103-2 103-3	49 49 49	
GRI 204: Procurement practices 2016	204-1	49	
GRI 103: Management approach 2016	103-1 103-2 103-3	66 66 66	
GRI 205: Anti-corruption 2016	205-2 205-3	66 66	

GRI Standard	Content	Page / Direct answer	Omissions and explanation
GRI 103: Management approach 2016	103-1 103-2 103-3	66 66 66	
GRI 206: Anti-competitive behavior 2016	206-1	During 2018, there were no legal proceedings for anti-competitive behavior and/or monopolistic practices.	

GRI 300: ENVIRONMENTAL STANDARDS

GRI Standard	Content	Page / Direct answer	Omissions and explanation
GRI 103: Management approach 2016	103-1 103-2 103-3	53 53 53	
GRI 302: Energy 2016	302-1 302-3 302-4 302-5	55 55 54 54	
GRI 103: Management approach 2016	103-1 103-2 103-3	53 53 53	
GRI 305: Emissions 2016	305-3 305-5	56 54	

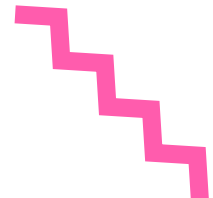| GRI Standard	Content	Page / Direct answer	Omissions and explanation
GRI 103: Management approach 2016	103-1	53	
	103-2	53	
	103-3	53	
GRI 306: Effluents and waste 2016	306-1	57	
GRI 103: Management approach 2016	103-1	53	
	103-2	53	
	103-3	53	
GRI 307: Environmental compliance 2016	307-1	There was no fine for non-compliance with environmental regulations in 2018.	
GRI 103: Management approach 2016	103-1	49	
	103-2	49	
	103-3	49	
GRI 308: Supplier environmental assessment 2016	308-1		Information unavailable. At the moment, we do not carry out supplier environmental assessments; however, we are evaluating the assessment criteria to include environmental metrics during 2019 and report them on the next annual report.

GRI Standard GRI	Content	Page / Direct answer	Omissions and explanation
GRI 400: SOCIAL STANDARDS			
GRI 103: Management approach 2016	103-1	32,35	
	103-2	32,35	
	103-3	32,35	
GRI 401: Employment 2016	401-1	32	
	401-2	33	
	401-3	33	
GRI 103: Management approach 2016	103-1	43-46	
	103-2	43-46	
	103-3	43-46	
GRI 403: Occupational health and safety 2018	403-1	43-46	
	403-2	43-46	
	403-3	43-46	
	403-4	43-46	
	403-5	43-46	
	403-6	43-46	
	403-7	28,49	
	403-8	95% of employees are covered by the health management system, which is audited internally and externally.	
	403-9	43-46 / During 2018, there was no death or accident related to work; we do not have activities with high risk of labor injury.	
	403-10	43-46	

GRI Standard	Content	Page / Direct answer	Omissions and explanation
GRI 103: Management approach 2016	103-1	37	
	103-2	37	
	103-3	37	
GRI 404: Training and education 2016	404-1	37	
	404-2	37	
GRI 103: Management approach 2016	103-1	31,36	
	103-2	31,36	
	103-3	31,36	
GRI 405: Diversity and equal opportunity 2016	405-1	32,60	
GRI 103: Management approach 2016	103-1	31,36	
	103-2	31,36	
	103-3	31,36	
GRI 406: Non-discrimination 2016	406-1	65	

| GRI Standard	Content	Page / Direct answer	Omissions and explanation
GRI 103: Management approach 2016	103-1	Softtek recognizes the importance of social dialogue institutions and applicable collective bargaining structures; therefore, we always respect our employees and suppliers' right to form their own organizations and/or join them.	
	103-2	Softtek recognizes the importance of social dialogue institutions and the applicable collective bargaining structures; therefore, we always respect our employees and suppliers' right to form their own organizations and/or join them.	
	103-3	Softtek recognizes the importance of social dialogue institutions and the applicable collective bargaining structures; therefore, we always respect our employees and suppliers' right to form their own organizations and/or join them.	
GRI 407: Freedom of association and collective bargaining 2016	407-1	No operations or suppliers have been identified where the right to freedom of association and collective bargaining could be at risk.	

GRI Standard	Content	Page / Direct answer	Omissions and explanation
GRI 103: Management approach 2016	103-1	66	
	103-2	66	
	103-3	66	
GRI 408: Child labor 2016	408-1	No operations or suppliers with significant risks of child labor have been identified.	
GRI 103: Management approach 2016	103-1	66	
	103-2	66	
	103-3	66	
GRI 409: Forced or compulsory labor 2016	409-1	No operations or suppliers with significant risks of forced or compulsory labor have been identified.	
GRI 103: Management approach 2016	103-1	66	
	103-2	66	
	103-3	66	
GRI 412: Human Rights assessment 2016	412-2	65	

GRI Standard	Content	Page / Direct answer	Omissions and explanation
GRI 103: Management approach 2016	103-1	47	
	103-2	47	
	103-3	47	
GRI 413: Local communities 2016	413-1	48	
GRI 103: Management approach 2016	103-1	49	
	103-2	49	
	103-3	49	
GRI 414: Supplier social assessment 2016	414-1		Information unavailable. At the moment, we do not carry out supplier social assessments; however, we are evaluating the assessment criteria to include social metrics during 2019 and report them on the next annual report..

GRI Standard	Content	Page / Direct answer	Omissions and explanation
GRI 103: Management approach 2016	103-1	Since its inception, Softtek was formed under the concept of being an A-Political and A-Confessional company. This is reflected in our Code of Ethics, which sustains people's freedom of belief.	
	103-2	Since its inception, Softtek was formed under the concept of being an A-Political and A-Confessional company. This is reflected in our Code of Ethics, which sustains people's freedom of belief.	
	103-3	Since its inception, Softtek was formed under the concept of being an A-Political and A-Confessional company. This is reflected in our Code of Ethics, which sustains people's freedom of belief.	
GRI 415: Public policy 2016	415-1	Softtek has not given economic or in-kind contributions to any political party.	
GRI 103: Management approach 2016	103-1	24,25	
	103-2	24,25	
	103-3	24,25,28	
GRI 416: Customer health and safety 2016	416-1	24,25	
	416-2	During 2018, there was no incident derived from the regulations on the health and safety of our products and services.	

GRI Standard	Content	Page / Direct answer	Omissions and explanation
GRI 103: Management approach 2016	103-1	26	
	103-2	26	
	103-3	26	
	417-1	26	
GRI 417: Marketing and labeling 2016	417-2	During 2018, there was no non-compliance related to information and product / service labeling.	
	417-3	During 2018, there was no non-compliance related to marketing communications.	
GRI 103: Management approach 2016	103-1	28	
	103-2	28	
	103-3	28	
GRI 418: Customer privacy 2016	418-1	During 2018, there was no claim or fine derived from violations of the clients' privacy or loss of data.	
GRI 103: Management approach 2016	103-1	26,28	
	103-2	26,28	
	103-3	26,28	
GRI 419: Socio economic compliance 2016	419-1	During 2018, no non-compliance with the laws and regulations of social or economic matters was identified.	
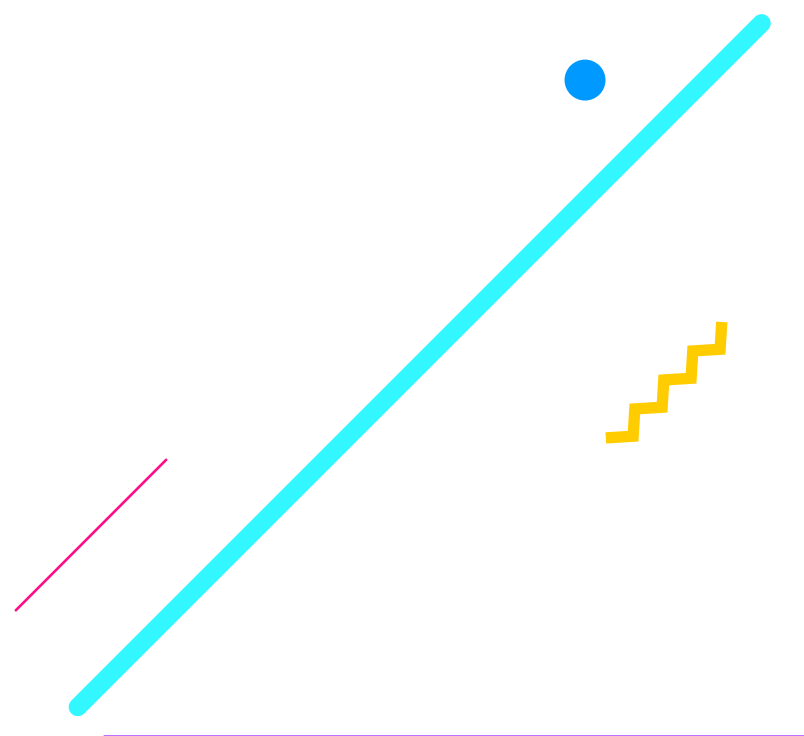
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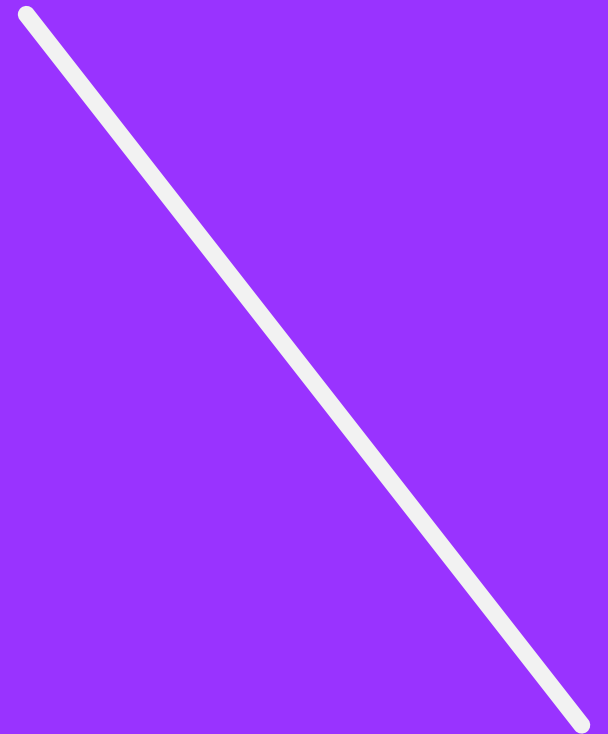*This complete version of our report, which can be viewed at: : **https://www.softtek.com/about/social-responsibility/sustainability-report-2018**
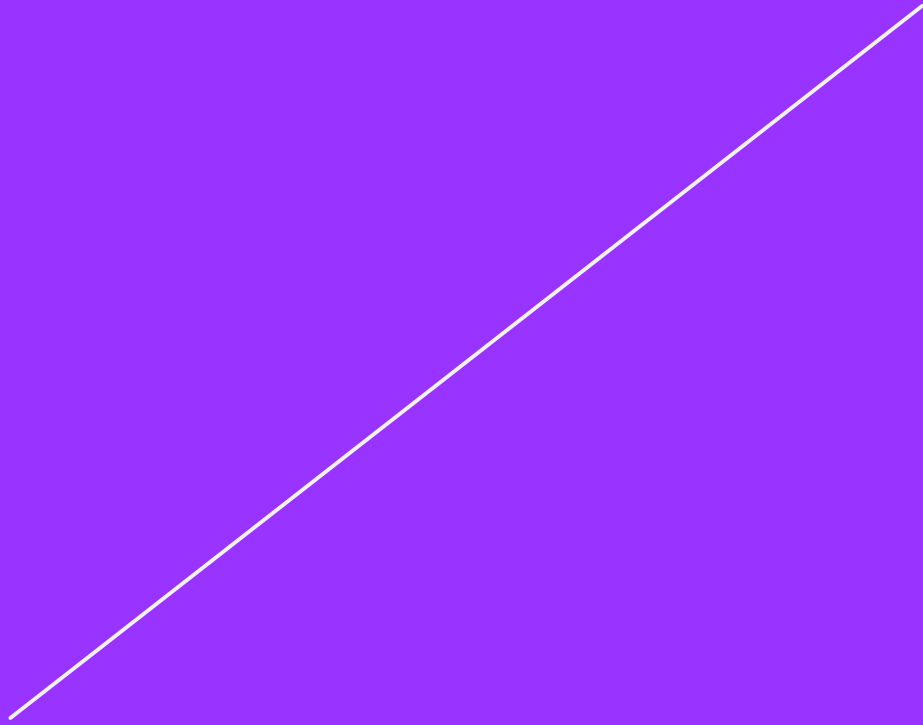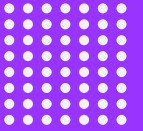
Softtek®

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