

# Architecting the future.

IT at heart. Sustainability in mind.



Your strong IT partner.  
Today and tomorrow.

**BECHTLE**

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materials



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## SUSTAINABILITY REQUIRES COMMITMENT.

Since 13 September 2018, Bechtle AG has been one of the signatories of the UN Global Compact. The UN Global Compact is a United Nations strategic initiative for companies that orients business activity around ten principles.



[unglobalcompact.org](http://unglobalcompact.org)

1. Businesses should support and respect the protection of internationally proclaimed human rights;
2. Business should make sure that they are not complicit in human rights abuses;
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. Business should advocate the elimination of all forms of forced and compulsory labour;
5. Business should advocate the effective abolition of child labour;
6. Business should advocate the elimination of discrimination in respect of employment and occupation;
7. Businesses should support a precautionary approach to environmental challenges;
8. Businesses should undertake initiatives to promote greater environmental responsibility;
9. Businesses should encourage the development and diffusion of environmentally friendly technologies; and
10. Businesses should work against corruption in all its forms, including extortion and bribery.

The progress made on the principles defined in the Global Compact (Communication on Progress) can be found in the Bechtle AG Sustainability Report.



Bechtle is also a signatory of the WIN Charta, a volunteer-based sustainability alliance that aims to raise awareness of and encourage action on sustainability issues in companies in all industries across the state of Baden-Württemberg. By signing the WIN Charta, companies acknowledge their economic, environmental, and social responsibility.



[win-bw.com](http://win-bw.com)



## ABOUT THIS REPORT.

Bechtle began publishing an annual sustainability report in 2016 in order to give customers, business partners, employees, shareholders and the interested public updated information on our sustainability strategy and essential activities related to sustainability.

As in the 2017 Report, the Bechtle Sustainability Report 2018 contains a Non-financial Report pursuant to Section 315b of the German Commercial Code (HGB). With the publication of non-financial information, Bechtle has fulfilled its obligation according to the German “directive to strengthen non-financial reporting of companies in their annual reports (CSR Directive Implementation Act – CSR-RUG)”, see Bundesgesetzblatt 2017 Section I No. 20, published in Bonn on 18 April 2017.



[bechtle.com/investors](https://bechtle.com/investors)

The Bechtle 2018 Sustainability Report is published on 15 March 2019 along with the Annual Report. For further financial data and background information on the company's financial goals and business development, please refer to the Annual Report 2018.

### REPORTING PERIOD AND SCOPE.

The reporting period of this report is from 01 January to 31 December 2018. The report is supplemented with information on major activities that occurred before and after the given time period up until the editorial deadline in January 2019, which is indicated accordingly. The key figures were recorded by the management system of the respective business unit, which apply to the given reporting period unless otherwise indicated.

All figures refer to the Bechtle Group. Measures that apply only to individual companies, locations or brands are indicated accordingly.

### CONTENTS AND LEGAL REQUIREMENTS.

The subject material appearing in the report was selected according to the principle of materiality and the central expectations of the Bechtle AG stakeholders. The contents of the report are also weighted on the basis of Bechtle's corporate strategy and industry-specific topics. The challenges faced and measures taken are described in the chapters Corporate governance, Customer focus, Employees, Environment and Social commitment.

### ADDITIONAL INFORMATION.



[bechtle.com/sustainability](https://bechtle.com/sustainability)

Availability: The Bechtle Sustainability Report is available online in English, German and French at [bechtle.com](https://bechtle.com). We choose not to publish print editions of the Report for sustainability reasons.



## DEAR READERS,

Sustainability is a topic that's gaining importance with customers, investors, and partners. We're seeing this in many different areas—in large tenders and products, in the new products and solutions being released, but also in active requests from a variety of stakeholders. In short, this reflects a social trend. People are seeing the connection between economic and environmental factors and developments in a clearer light and placing more importance on security and sustainability and know the responsibility that companies have towards their employees in particular, but also towards society as a whole.

We are therefore intensively engaging with all aspects of the important topic of sustainability within the Bechtle Group. Over the past months, we've created new structures, adapted existing processes and gained additional resources, including personnel. In signing the UN Global Compact in September 2018, we demonstrated our commitment as a company to take responsibility. We are definitely on the right track. We've already achieved a great deal, and we've set ourselves even more, ambitious goals.

The report you are about to read provides information on the wide range of initiatives we've taken to implement sustainability and documents the measures we plan to take in the future. This includes, above all, our Vision 2030, published in December 2018. While acting as a guiding star for us at Bechtle, it is a concrete promise for a successful future that's built on sustainable growth and, as in the past, we will continue to use our Visions as yardsticks against which we measure ourselves.

I hope you find the report interesting and that you continue to accompany us on our journey together.

Sincerely,

A handwritten signature in blue ink, which appears to read 'Thomas Olemotz'. The signature is fluid and cursive, written on a white background.

Dr Thomas Olemotz

## DOING BUSINESS RESPONSIBLY.



See chapter  
Company in the  
Annual Report 2018

**A future-proof company needs both: an entrepreneurial mindset and a social conscience. Bechtle's success is due in large part to our commitment to long-term solutions—seeing the “whole picture”, rather than investing in quick fixes.**



See Vision, P.10



See Business model,  
P.38

This is why Bechtle is and always has been a future-oriented company. We are driven by solid, measurable objectives. Our values—integrity, determination, reliability and inspiration—are the cornerstones of our enterprise which we integrate, together with the principles of responsible business, into our strategic and operative business.

### SUSTAINABILITY AT BECHTLE.



See Non-financial Report,  
Materiality Matrix, P.38

As a company, we want to do our part by contributing to making our society one that is marked by strength, solidarity and vigour, and by actively promoting an environment in which we can continue to grow successfully. The basis of our sustainable commerce is the Bechtle Sustainability Report, which has set our values in writing since 2013 and is still as relevant now as when the first report was published. The topics relevant for Bechtle, which partly come from this report, are reviewed every year.

We see sustainable business as a responsibility that affects everyone, and try to tackle the whole of the issue. In 2013, a sustainability project group was established to handle and coordinate all sustainability activities, and since April 2018 this has been headed by an employee in Corporate Communications. The group consists of employees from all relevant fields and areas of responsibility, which include the departments Quality Management, Human Resources, Personnel Development and Academy, Legal and Compliance, Logistics Management, Environmental Management, Product Management, Corporate Communications and Investor Relations, and answers directly to the Executive Board. The initiator and member of the board responsible for the project group is the CEO, Dr Thomas Olemotz.

### TRANSPARENT COMMUNICATION.



[bechtle.com/  
sustainability](https://www.bechtle.com/sustainability)

Since 2015, we have been presenting information on our sustainability activities to those interested in our annual Sustainability Report. Since 2017, the Report has been supplemented with the Non-financial Report, which in addition to the Bechtle Sustainability Code specifies the essential topics for Bechtle.

We adhere to applicable law and all relevant standards without exception. The name Bechtle stands for fair operational and business practices. Openness and transparency are among our most important guiding principles, which, as a publicly traded company, we also feel obligated to fulfil not least to our shareholders. All capital-market-relevant information is published both in German and English to a broad audience via mailing list and made available online on the company's website. The same also applies to all important dates, financial reports, press releases and presentations.

## COMPLIANCE AT BECHTLE.

Bechtle condemns arrangements—whether with competitors or suppliers—that unlawfully restrict free and open competition or that affect prices or conditions. We avoid and oppose any form of corruption; our employees draw clear lines between a normal business relationship and private interests when dealing with business partners and representatives of public institutions.

In accordance with the Bechtle corporate culture, we expect every employee to treat fellow colleagues of all levels and in all company departments in a professional, friendly and fair manner. Discrimination of any kind is not tolerated at Bechtle.

To ensure full compliance with legal requirements and ethical business operations, we have established various guidelines and processes that our employees and even Executive Board members are obliged to adhere to. All relevant and up-to-date standards—Code of Conduct, Corporate Philosophy, Leadership Principles, and Social Media Guidelines—are available at all times on the Bechtle intranet.



See Non-financial Report,  
Anti-corruption, P. 60

## CORPORATE GOVERNANCE CODE.

The German Corporate Governance Code stipulates essential legal provisions on corporate governance and control for German publicly traded companies. In the form of recommendations, it contains international and nationally recognised standards for good and responsible corporate governance and a sustainable value creation chain. At Bechtle, both the Executive and Supervisory Boards fully recognise the principles and recommendations of the German Corporate Governance Code. Our corporate governance complies with the vast majority of the recommendations defined in the Code. In the few cases, where the Supervisory and Executive Boards believe it makes sense, we have defined deviating provisions in the best interest of good corporate governance. The reasons for these deviations are explained in detail in our Annual Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Code (AktG). This document, along with the Declaration of Corporate Governance pursuant to Section 289a of the German Commercial Code (HGB), is available to the public on our company's website.



See chapter  
Governance Code in the  
Annual Report 2018



[bechtle.com/  
corporate-governance](https://bechtle.com/corporate-governance)

## BECHTLE CODE OF CONDUCT AND COMPLIANCE BOARD.

Introduced in 2010, the Bechtle Code of Conduct is an integral component of compliance at Bechtle. The code outlines the principles and rules of conduct in areas applicable to Bechtle and it also represents a commitment to integrity that is binding for all Bechtle employees. Along with the Bechtle Code of Conduct, Bechtle has also set up a Compliance Board consisting of the entire Executive Board of Bechtle AG and a permanent representative of the legal department. The Compliance Board manages and operates a central compliance hotline and dedicated compliance e-mail account for employees. Reported information or violations are reviewed and assessed by the Compliance Board. If necessary, the board initiates suitable measures or provides the decision-makers in the respective organisation with assistance and guidance for handling compliance-relevant situations.

As the central compliance entity, the Compliance Board is also responsible for creating binding requirements in the form of compliance guidelines and instruments and differentiating and updating them (policy-making power). In line with the Group's internal principle of dispersed implementation responsibility, the managing directors of the Group companies and the heads of the central divisions are responsible as "1st Compliance Officers" on site for compliance with and implementation of the compliance requirements in their respective areas.

### BECHTLE COMPLIANCE REPORT.



See  
Compliance Report

To ensure the effectiveness of the Compliance Board, the managing directors of Bechtle Group companies and the heads of the central departments report relevant incidents (especially identified violations of the code of conduct or of applicable law) in the form of an annual compliance report. The report also indicates how the persons in charge handled the cases. Subsequently, the Compliance Board prepares a consolidated overall compliance report and submits it to the Supervisory Board of Bechtle AG. The reporting period corresponds to the respective calendar year.

Based on the evaluation and supervision of reported issues by the Compliance Board and the measures derived, the compliance requirements are continually differentiated and laid down in specific terms. In 2011, for example, the Compliance Board elaborated a binding corporate policy for dealing with incentives from business partners. Additionally, the Compliance Board also developed a practical guide for employees on how to appropriately deal with gifts and benefits. Employees can always access the latest versions of the guidelines on the Bechtle intranet. In 2014, the Compliance Board devised a new code of conduct for suppliers and standardised the selection process.

In the reporting year, work commenced to fundamentally overhaul and update the Bechtle Code of Conduct. Special attention will be placed on the implementation of preventative measures to strictly avoid behavioural corruption and offer orientation in general accordance with the principles of the UN Global Compact (joined in the reporting year). Finalisation of the reworked Code of Conduct and linked compliance-relevant guidelines are planned for 2019.

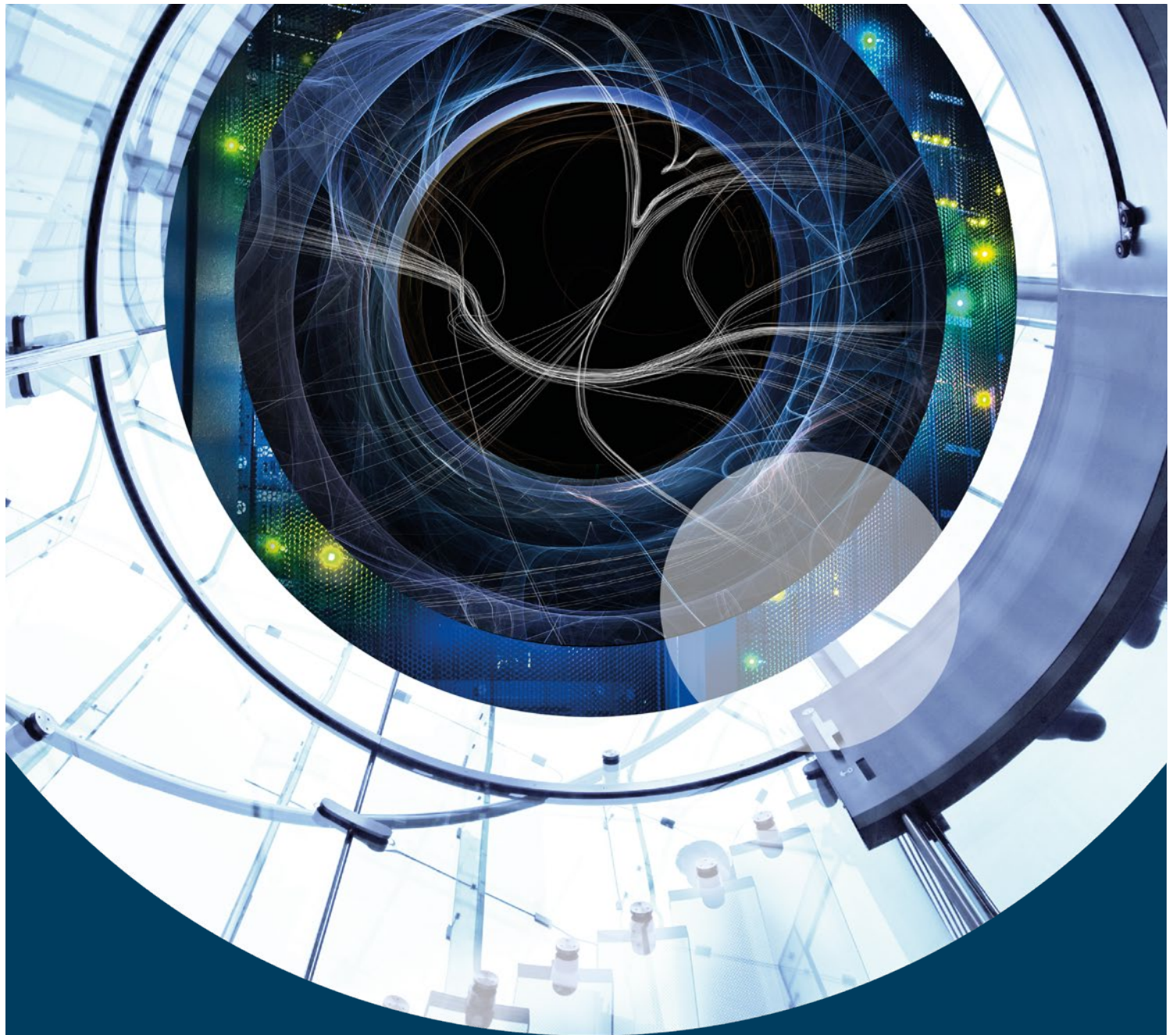


## OUTLOOK.

The National Action Plan (NAP) Business and Human Rights passed by the Federal Cabinet of the Federal Republic of Germany on 16 December 2016, was closely aligned with the United Nations (UN) Guiding Principles on Business and Human Rights that was unanimously adopted by the Human Rights Council in 2011. The aim of the NAP is to advance implementation of the UN Guiding Principles in Germany. With regard to corporate respect for human rights, the Federal Government expects all enterprises “to introduce the process of corporate due diligence described below in a manner commensurate with their size, the sector in which they operate, and their position in supply and value chains.” (NAP 2017, p. 7). A project group will examine which requirements of the NAP have already been implemented and present them in the 2019 Sustainability Report.



[csr-in-deutschland.de/EN](https://www.csr-in-deutschland.de/EN)



# VISION 2030. BECHTLE: INTEGRATE IT. ARCHITECT THE FUTURE.

**We empower business.** We understand our customers and deliver future-oriented IT to drive their success.

**IT is our passion.** We are professionals. We strive to excel and we have what it takes. Bechtle is a place where great people accomplish great things.

**Growth and foresight underpin our success.** We are able to build a sound future for Bechtle by pursuing sustained profitability. An EBT margin of 5 per cent or more gives us the freedom to invest while safeguarding our security and independence.

**We aspire to lead the market.** We focus on IT markets where we can carve out a leading position. Our growth is above market with our sights set on a revenue mark of 10 billion euros.

**In December 2018, we published Bechtle's Vision 2030. It is the fourth Vision in the 35-year history of the Neckarsulm-based IT company and succeeds its Visions 2000, 2010, and 2020. With the new Vision, Bechtle has set its sights on a revenue mark of 10 bn euros with an EBT margin of 5 per cent, formulating a claim to market leadership and above market growth. What's new, however, is that Vision 2030 is the first in the series to carry a title, "Bechtle: Integrate IT. Architect the future." It's our guiding star that shows us the way to the future with long-term, measurable objectives, which Bechtle has consistently achieved since its very first Vision published in 1988.**

Either ahead of time, such as the recent threshold of 10,000 employees as formulated in Vision 2020; a year late, such as the revenue mark laid down in Vision 2010; or bang on target, such as the 2000 IPO projected in 1988.

In a time characterised by speed, volatility, uncertainty, complexity and constant change, we need a vision to show us the way. It motivates employees, gives us direction and provides orientation beyond our daily, quarterly or annual business. It provides customers and vendors alike with the security of having a reliable partner with long-term orientation. And the vision provides the capital market with a clearly outlined and quantified look into the future of Bechtle.

**"VISION 2030 IS AN INCENTIVE, MOTIVATION AND CHALLENGE AT THE SAME TIME."**

Vision 2030 has been in the making throughout the year 2018, which saw the Executive Board's original draft undergo multiple reviews and revisions involving select teams of employees from a great variety of business units and hierarchies. The three Members of the Executive Board presented the Vision to all employees on 14 December 2018 in a live stream.

The Vision's ambitious goals are primarily intended to have an effect within Bechtle and constitute an incentive, motivation, and a challenge. They also demonstrate courage to lay our long-term goals out publicly. It's somewhat unusual—but from the Board's point of view it's the order of the day. Clarity, transparency, and openness in setting goals, in addition to employee expectations, are what's required to achieve big things.

The importance of mutual understanding is particularly emphasised in Vision 2030's explanatory notes. For example, achieving sustainable profit means, by definition, investing in Bechtle's future. These qualitative goals set the new Vision apart from those that have gone before. And: the Vision does not stand alone, but rather is part of the annual goal-setting of each of the individual companies. Pursuing the Vision therefore becomes a dynamic process involving many people. Because the better each individual understands the contributions that are both possible and required, the better they can all focus on looking forward together and realise the set objectives.



[vision.bechtle.com](https://vision.bechtle.com)

## OUR CUSTOMERS ARE OUR TOP PRIORITY.

**We pride ourselves on maintaining close ties with our customers, who benefit from our focus on quality, future-oriented solutions and responsible management.**

More than 70,000 customers rely on Bechtle as their trusted IT partner for the future. Our goal is to help them achieve success. We conduct regular surveys in both business segments—IT Systems Integration & Managed Services and IT E-commerce—to obtain insight into how our customers view and rate us. The questions we ask are tailored to the different target groups. As part of the customer survey conducted for IT Systems Integration & Managed Services, we are also able to measure the type and level of our customer retention using the “TRI:M index”.

### BECHTLE CUSTOMER SURVEYS.

In 2018, a total of 52,248 German, Swiss and Austrian customers in our IT Systems Integration & Managed Services segment were invited to participate in our survey. This number was much higher than in 2016, when we conducted our last survey. Of these, 2,691 completed surveys were included in our analysis. By contrast, we sent out 10,160 invitations for our last survey, with 1,467 responses included in our analysis. Our systems integrators' overall average score deteriorated from 1.59 points to 2.09 points. Reutlingen University's Herman Hollerith Centre had already projected a downturn of some 0.30 points. According to Dr Dieter Hertweck, this is the result of fine-tuning the measurement process, on the one hand, and of the increased size (and validity) of the universal set, on the other. Once adjusted for these variables, the results indicate a slight deterioration of 0.20 points. The reasons for this will be examined closely by quality management leadership and managing directors, who will then report their findings to the responsible member of the Executive Board. Improvement measures may be developed based on the insights gained from the analysis of survey results.

Our overall rating for “Complaints and Returns” improved slightly to 2.08 points. With respect to “Quality of Consulting Services” and “Team Coordination and Availability of Service Providers”, we improved substantially from 2.35 to 1.84 points and from 2.50 to 2.05 points respectively, beating our respective internal goals of 2.10 and 2.20 points.

Since 2016, our systems integrator survey has also included questions about sustainability. Specifically, we wanted to know how important sustainability (social responsibility, environmental protection) is to our customers. It was rated as important to very important by 81 per cent of respondents.

Surveys are also sent out every two years to customers in Germany of Bechtle's IT E-commerce subsidiaries Bechtle direct and Bechtle ÖA direct (the latter focusing on the public sector). The Bechtle direct survey was sent to 2,482 customers, of which 173 responded. The Bechtle ÖA direct survey was sent to 1,474 customers, of which 126 responded.

The 2018 survey asked customers how important sustainability is to them.

For Bechtle ÖA direct, 76 per cent of respondents (including government agencies, administrations and public institutions) indicated that they consider it important to very important. For Bechtle direct customers (mid-sized companies and corporate groups), this figure was 69.4 per cent.

Customers were also given the opportunity to respond in free form to the question "Why is sustainable management so important to you?" Environmental protection, resource conservation and the future were mentioned most often. These results strengthen our resolve to continue improving—and appropriately communicate—our sustainability efforts. Our next customer surveys are planned for 2020.

## **BECHTLE PROJECT MANAGEMENT.**

The success of IT projects relies heavily on understanding, transparency and openness. To achieve this, we have developed the Bechtle Fair Project (BFP) methodology. BFP makes it easy to calculate and control the delivery, implementation, operation, maintenance and support of a solution in a traceable manner. This standardised method reduces the amount of administrative work and also lowers costs. Every employee has access to all necessary project management instruments, and the Bechtle Academy also offers regular BFP training.

During the reporting year, a Bechtle Fair Project Smart Edition, designed specifically for small to medium-sized projects, was added. The Smart Edition distils all of the practical experience gained from full BFP projects into a streamlined version.

In addition to encouraging responsible management of capacities and resources, both BFP versions minimise project risks, and ensure and improve quality and communication among all project participants.

### **CERTIFIED BECHTLE QUALITY.**

To ensure that our customers' requirements are systematically recorded and that we are able to fulfil them, we introduced a group-wide ISO 9001 management system back in 1996. This management system makes sure to take into account the complex requirements of a decentralised business model based on a strong regional presence, while operating with the efficiency of a centrally organised company in areas such as logistics, warehousing and product management. Bechtle's quality management system is regularly assessed by Bechtle's quality management officer using internal audits as well as by external experts from independent certification organisations. Every year, DQS GmbH, a company specialised in auditing management systems, examines all of the processes and procedures in place at Bechtle's central units as well as three to five randomly selected, rotating Bechtle Group locations. In addition to these annual audits, DQS GmbH also conducts recertification audits every three years. Notably, it has never identified any major issues at Bechtle.

In spring 2017, we successfully transitioned from the outdated ISO 9001:2008 standard to the new ISO 9001:2015 version within the framework of matrix certification—one of the first companies in Germany to do so. This has noticeably improved the quality of our internal processes even further. The new version is closely aligned to practical realities, reflecting the requirements of rapid technological and economic change. By improving the quality of our processes and identifying risks and opportunities, as required by the standard, we have been able to deepen our relationships with customers and other stakeholders.

### **BECHTLE FEEDBACK MANAGEMENT.**

Our quality management includes the qualified management of complaints and queries. Proactive complaints management provides important insight into our strengths and weaknesses. This information allows us to continually improve our service quality and, consequently, customer satisfaction.

As the Bechtle Group has a decentralised structure, the local processes used by individual subsidiaries are not identical. However, at all locations queries are first recorded and answered by the appropriate local employees. Complaints that cannot be resolved by this first-level support or which put the customer relationship at serious risk are forwarded to the claims management officer. In addition to looking for solutions, the claims management officer compiles and analyses queries. When certain problems are recurrent (e.g. incorrect deliveries, deficient advice or defective services), steps are taken in cooperation with the subsidiary's management to resolve the issue, e.g. training or one-on-one conversations with the employees concerned.



Bechtle direct Germany, which is part of the IT E-commerce segment, takes customer feedback one step further. Both praise and suggestions for improvement given by customers are documented in the ERP system and statistically analysed. As part of feedback management, new employees are trained thoroughly when they begin their jobs.

In 2017, the Group's largest internal service provider, Bechtle Logistik & Service, established its own claims management as part of its quality management system. It also aims to transform negative customer experiences into positive opportunities for maintaining healthy, long-term customer relationships. A central component of this system is its returns management.



See Non-financial Report,  
P. 46

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## OUTLOOK.

We want a crystal-clear picture of which services and information our customers expect to receive. To achieve this goal, our first step in 2019 was to consolidate and expand the marketing units of the IT Systems Integration and Managed Services and IT E-commerce segments meaning that, in future, we will be able to tailor our offering even more closely to the needs and requirements of our customers.

# BECHTLE LOGISTICS – SUSTAINABLY RE-INVENTING THE BOX.

**SUSTAINABLE  
SHIPPING WITH  
THE BECHTLE  
BOX® RETHOUGHT.**





**The Bechtle Box® is a genuine space-saver: three pallets of commercially packaged items leave the Bechtle warehouse in just one reusable box—an environmentally friendly, space-saving solution that is also secure. Partitions can be individually placed to accommodate a number of items per box, depending on the product. The high-quality fabric lining the partition walls provides optimum protection during transport.**

Doing away with the outer packaging has a number of benefits, for example, the box is stackable, can be picked up by a forklift, and saves space. Additional security sealing acts as an anti-theft deterrent while in transit. “Antistatic partitions ensure that packed IT hardware is protected and can be used immediately when it arrives at the customer, without having to unbox or dispose of packaging materials,” explains Patrick Gasz, Team Leader, Bechtle Logistik & Service in Neckarsulm. Not only are customers saved from having to spend any time or money disposing the packaging, the Bechtle Box® can simply be folded up, sent back and used again. A single-use version of the Bechtle Box® is also available for orders shipped overseas.

The Bechtle Box® was developed and tested in cooperation with a major customer four years ago. Since then, it’s become a key component of the Bechtle packaging solutions and is being requested by more and more customers. **“ON REQUEST, WE CAN ALSO INVENTORISE AND LABEL THE PRODUCTS.”** “The Bechtle Box® is being welcomed in particular by customers with a high volume of one-off product orders or with special requirements. On request, we can also inventurise and label the products,” explains Patrick Laux, Team Leader, International Sales, Bechtle direct. The Bechtle Box® combines both convenience for the customer with a sustainable packaging solution.



## INTO THE FUTURE TOGETHER.

**As a strong employer in the future-looking sector of IT, we have much to offer our employees: the freedom to take the initiative guided by clear goals, mutual esteem and unity, in a powerful team with support from experienced specialists. It is very important for us, both from a strategic and an economic perspective, not only to recruit highly qualified people, but also to keep them long term.**



For further information  
see **Employees** chapter,  
Non-financial Report,  
P.48ff

It's important that our employees are able to develop and grow at Bechtle and also feel at home. To promote employee satisfaction, we invest in a pleasant working environment, further education options, early promotions, fair pay, and a wide range of opportunities for personal and professional development.

### EXCELLENT RECRUITING.



bechtle-azubit.de

In 2018, Bechtle won the "Best Recruiters Gold" award once again. For the third straight year, Bechtle earned the top spot in the IT/software/telecommunications category, and second place in the total ranking of 423 competing companies in Germany. Bechtle stood out with its very good communication style, content and appealing adverts, as well as for its very good personal contact with applicants. The jury in particular praised the "AZUBIT" initiative, in which trainees and vocational students blog and post their experiences on social media.

A total of 22,069 applications were submitted to Bechtle up to 31/12/2018.

Moreover, the Mint Minded Company seal is a testament to our commitment to students, graduates, and talented individuals in mathematics, IT, sciences, and technology, in addition to the Dualis seal from the Heilbronn-Franken Chamber of Commerce and Industry, which celebrates our excellent achievements as a training company.

### KEEPING THE BALANCE.

We set great store on employee work-life-balance, which enables our workers to manage the requirements of work with their leisure time, family or changing personal situation and the option to match working times to individuals' needs is a measure designed to support this. As far as it is possible, our employees also benefit from agile working. Creating new, attractive and flexible working environments, and offering employees room to unleash their potential is one of the central elements of our cutting-edge leadership culture. In the reporting year 2018, more than 78% of all Bechtle employees took advantage of the agile working model, making it easier for them, for example, to organise their child or dependents' care, even at short notice. At the start of the reporting year, a pilot workplace-sharing project was set up at company headquarters.

In 2018, some 347 Bechtle Group employees took advantage of parental leave. Of these, 49% were men—an increase of 13.3%. On average, male employees take 1.65 months' leave and female workers 21.1 months'.

We also offer other attractive options to make working hours meet individuals' requirements, such as flexible holiday planning and the option to take a career break in order to recuperate, acquire qualifications or provide care at home. In the reporting year, demand for these options continued to grow.

### **WOMEN@BECHTLE – GROW WITH BECHTLE.**

We have been supporting talented and ambitious employees, regardless of gender, in planning their career with the aid of seminars, internal mentoring programmes and coaching. Additionally, we aim to position ourselves as an attractive employer with the “Women@Bechtle – Grow with Bechtle” initiative to increase the proportion of women at the company. 14 women with managerial responsibilities from five different countries attended the event's kick-off meeting. The group, which now also includes male colleagues, first brought the topic to the Bechtle Group when they introduced the initiative to a large audience of colleagues at the beginning of 2018 at the strategy conference. As an accompanying measure, in 2018 we also involved three mentors from different Bechtle companies in the WOMENT<sup>2</sup> mentoring programme at Heilbronn University. WOMENT<sup>2</sup> supports female students transitioning from their studies to employment, while motivating them to aim for a leadership role.

### **GET HEALTHY, STAY HEALTHY.**

To boost the physical and mental health of our employees, Bechtle established Corporate Health Management (CHM) in 2013. CHM takes several different measures in the areas of nutrition, physical exercise and prevention. The central CHM team also stays in regular contact with Bechtle locations to share valuable experience. In the context of the Bechtle CHM, various Bechtle subsidiaries are now also launching their own initiatives.

In 2018, at the headquarters in Neckarsulm alone, almost 1,100 employees took advantage of a total of 20 CHM offers, including “Yoga in the morning”, skin screening and a Health Day focussing on nutrition. This year also saw more regular preventative medical exams—such as sight and hearing tests in addition to intraocular pressure measurements.



For further information  
see Non-financial Report,  
P.55

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### **OUTLOOK.**

We are introducing e-bike leasing for employees in Germany in 2019.

# FROM CAREER CHANGE TO LEADER.

## MELANIE SCHÜLE: A BECHTLE SUCCESS STORY.



**Achieving goals together, making the impossible possible, picking up where others leave off—these are the qualities that make Melanie Schüle stand out. She joined Bechtle after switching from another industry 18 years ago and has been Head of Bechtle Clouds since October—an impressive career.**

It was in January 2000, that the qualified lawyer and notary began looking for a career change, one that would let her and her strengths fully develop. An advert for a position at Bechtle caught her eye, she applied and managed to impress Jürgen Schäfer—current COO for E-commerce at Bechtle—enough to land an interview. The now 46-year-old began at Bechtle in product management. It turned out to be the beginning of an impressive career.

### **"AT BECHTLE, I'VE FOUND MY IDEAL HOME."**

"In the beginning, I absorbed any and all information like a sponge, to try and integrate into the IT sector," remembers Melanie Schüle. She quickly became responsible for the vendor Compaq. After it merged with Hewlett Packard, she successfully positioned Bechtle as a HP growth partner and laid the foundations for an excellent partnership. Ten years later, in 2010, Melanie Schüle became Head of Business Development for

Networking Solutions and Cisco. In the meantime, Bechtle has become one of the most important German technology partners for Cisco, meaning that Bechtle succeeded in being one of the strongest partners for the second time in Cisco's Partner Awards in November 2018, winning Cloud Partner of the Year Germany and Partner of the Year Architectural Excellence Enterprise Networks Germany. These awards honour outstanding achievements, strength in innovation and commitment to the implementation of extraordinary customer projects. During her time as Business Unit Leader, she also laid the foundations for the now firmly established traineeship as an IT Business Architect at Bechtle.

Melanie Schüle's disposition is infectious, as is the spring in her step—this is how she manages to inspire teams in an extraordinary way, implement ideas and reach goals. Because of her entrepreneurial success and motivating character, she was nominated for the one-year Bechtle Management Qualifications in 2011, the General Management Programme. For her, major recognition of her work—for Bechtle, a logical progression. "I learned a great deal from the programme" Melanie Schüle confirms, "a lot about the readiness to embrace change and I'm now more reflective—the feedback was incredibly valuable, it was a key moment in my career." In addition to the theoretical training, she also appreciates how Bechtle is an employer that allows the freedom to take the initiative and trusts in its employees. "It was especially important to me that I don't have to choose between a career and my family, because there are moments when I really have to put my children first." At Bechtle, I've found my ideal home," says the mother of two.

**"THE FEEDBACK WAS INCREDIBLY VALUABLE, IT WAS A KEY MOMENT IN MY CAREER."**

In recent years, Melanie Schüle has put her heart and soul into building up new business areas with the development of our networking business being impressive proof of her energy and assertiveness. "What always impresses me is her talent to make the seemingly impossible possible," says Michael Guschlbauer, Member of the Executive Board, IT Systems Integration and Managed Services, Bechtle AG. In October 2018, thanks to her professional success and motivating personality, Melanie Schüle was chosen to be the new Head of Bechtle Clouds GmbH.

## **LEADERSHIP QUALIFICATIONS AT BECHTLE.**

Bechtle People Development has been running the General Management Programme (GMP) every two years since 2011. It recognises management individuals with potential for business unit leadership, MDs, and other similar positions. Similarly, the Bechtle Academy has been offering the annual nine-month Junior Management Programme (JuMP) since 2013 to prepare employees for their first positions in management, such as team leader. Starting from 2019, due to popular demand, JuMP will take place twice a year. Each year, 10 employees can take part in the GMP and 36 in JuMP.

## SAVING RESOURCES, PROTECTING THE ENVIRONMENT.

**Harmonising economy and ecology is both a corporate responsibility and challenge. What contribution can a decentrally organised group like Bechtle make to climate protection and saving of resources?**

A responsible relationship with nature and its resources is crucial for the long-term success of a company. Successful sustainability lies in fulfilling environmental regulations and laws. We want to make an active contribution to protecting the environment and, where possible, avoid contamination before it happens.

### ENVIRONMENTAL MANAGEMENT.

In 2011, we introduced an environmental management system according to DIN EN ISO 14001 at the Bechtle AG headquarters. We record all environmentally relevant activities and ensure that our operational processes and the conduct of our employees comply with our environmental policies. In 2017, Bechtle ÖA direct became the first Bechtle subsidiary to receive an environmental management system certification according to ISO 14001. In 2018, no further Bechtle group companies were awarded the certification, but we will continue to look into this in 2019.

The Bechtle environment management officer answers directly to the managing director of the respective subsidiary and reports on the performance of the environment management system. In close co-operation with the Executive Board, they submit improvement suggestions, control the environmentally relevant processes and perform internal audits. The central component of the environmental management system is the Bechtle Environmental Management Manual. It provides guidelines, makes it possible to analyse environmental management and helps raise awareness of environmental topics among all employees. The manual is available to all employees on the intranet and is revised yearly by the environmental management officer, who is authorised by the Executive Board.

## **BECHTLE ENVIRONMENT PROGRAMME.**

Within the framework of our environmental management system, the Executive Board devised a concrete environment programme in 2011 that contains targets and a plan of action. It also defines timelines, necessary resources and who is responsible for carrying out the plan. Primarily, the programme pursues seven individual goals:

1. Reducing energy consumption
2. Reducing water consumption
3. Reducing paper consumption
4. Protecting natural resources
5. Sorting waste for recycling
6. Lowering emissions
7. Raising awareness among our employees

From 2011 to 2018, we implemented 91 identified measures in these areas. In 86 cases, we were able to hit our ambitious targets. The status of the declared targets is documented in the so-called environment cockpit and is reported on in an annual audit.

## **CONSERVE, AVOID, RECYCLE.**

Without committed employees, no company can significantly improve their environmental performance. That's why we raise awareness of the economic and environmental consequences of resource consumption, and provide our employees with ample information on the subject on our iLEARN platform. Part of our environmental policy is to use recyclable materials and to use them conservatively, as well as to avoid or reduce waste production as much as possible. Wherever possible, we also choose environmentally friendly products over standard-market products.

With respect to water management, we are always considering different possibilities to control our consumption of life's essential resource in an economical and environmentally friendly way. We consistently sort and recycle reusable materials, and print large publications exclusively on FSC-certified paper from sustainable forestry. In the reporting year 2018, we discontinued the print version of the Bechtle inside employee magazine, switching to a purely digital publication. Our customer magazine, Bechtle update, was relaunched in 2018 and is now printed with the colour Advanced PSO Bio which is made of up to 80 per cent renewable resources.

In addition to the decision made in 2017 to replace all plastic-coated paper cups with reusable ceramic to-go cups, eliminating the waste created by at least 52,000 disposable cups annually, at the end of 2018 we stopped using plastic straws in our company restaurant at the headquarters. We now avoid using 15,000 straws every year. Additionally, bulk packs are favoured over individually packaged goods, in order to reduce or even avoid excess packaging, an approach we take not only in catering, but also in other areas of our headquarters, such as cleaning.

We see room and a need for improvement in the areas of energy consumption and logistics. These are the areas where we will be able to make the most effective improvements in our environmental performance by introducing appropriate measures.

In 2018, Bechtle Remarketing GmbH was able to overhaul and remarket some 80,000 devices, including wiping data from 35,000 devices in accordance with the strictest security standards.

#### ENERGY-EFFICIENT IT.

In the reporting year, a project team from Bechtle Logistik & Service GmbH checked the definition and labelling of a sustainable product portfolio based on various aspects such as energy consumption, manufacture, and use. The result of this was to add the TCO Certified and Energy Star certifications to the monitors and notebooks in our product range available online.

#### SETTING AN EXAMPLE.



In order to both raise awareness of green topics among customers and make a difference to the environment, Bechtle and ARP launched a project with HP in collaboration with PRIMAKLIMA e.V. Since autumn 2018, for every order of HP supplies over 200 euros, a tree is planted in the west Ore Mountains in Saxony in a 3,600 square metre area that used to be used for grazing. These reforestation projects use types of trees and shrubs native to Germany, thus providing many species of birds and insects with new homes. The project will continue to run in 2019.



Moreover, Bechtle also took part in another, similar initiative organised by 3M which ran until 31 December 2018. For every privacy filter purchased, 3M planted eight trees in Mexico with the foundation Plant for the Planet.



Meanwhile, the Bechtle IT systems integrator in Rottenburg has combined a planting initiative with healthy eating in the workplace. Since 2016, the Bechtle branch has been ordering a fruit basket from the start-up Fruitful Office, and every fruit delivery equals a tree planted in Malawi. Thanks to the support of our colleagues in Rottenburg, by the end of 2018, 59 fruit trees had been planted—contributing to the start-up's total of 5 million. The organisation favours guava and papaya trees because the fruit is rich in nutrients and trading the fruit helps families there to have more financial independence. In addition, quick-growing trees are also cultivated to provide firewood to conserve the forests' natural resources.



fruitfuloffice.de

## MORE RENEWABLE ENERGY.

In the IT sector, there are limitations on how much energy can be saved, so we have been speeding up the switch to renewable energy over the last decade. 895,564 kWh of power was generated at the company headquarters in Neckarsulm in 2018, which corresponds to 14.9 per cent of our headquarters' total power requirement (YOY: 616,475 kWh, 10 per cent).



See Bechtle turns to renewable energy, P.26

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## OUTLOOK.

During new Bechtle building projects, the feasibility of renewable energies such as geothermal and photovoltaics is tested and, where possible, this is used. An example of this was in 2018, when we conducted test drilling at our headquarters in Neckarsulm to see if further geothermal systems could be installed. The positive results mean that we will once again be using geothermal energy for the new office building, construction of which will begin in 2019.

In 2019, the relevance of the TCO Certified and Energy Star certifications for the future will be assessed and the portfolio labelled accordingly, and we will assess to what extent this can be applied in other product areas. We are also planning to raise awareness of these certifications in employee training, the aim of the project being to be able to better inform the customer about sustainable solutions.

# BECHTLE TURNS TO RENEWABLE ENERGY.

**PHOTOVOLTAIC  
SYSTEMS AND  
ELECTRIC  
RECHARGING  
POINTS PROVIDE  
A NEW WAY TO  
BE MOBILE.**



**Rays of sun travel 150 million kilometres before reaching the roofs of Bechtle's headquarters in Neckarsulm. A total of 5,285 solar modules produce energy that flows not only into use in the IT company's office buildings, but also into one of the largest charging stations in Germany. The latest section of the photovoltaic system was put into operation in 2018, and geothermal energy acquisition at Bechtle's headquarters is to be expanded by two geothermal fields in 2019.**

Since the headquarters moved to Neckarsulm in 2004, office and warehouse space have been extended in several construction projects and supplemented with photovoltaic systems. In March 2016, the diggers came back. But this time, they brought renewable energy from roof to foundations. Because in addition to the photovoltaic system mounted on the roof, under the new building are 72 holes drilled 48 metres deep, forming a geothermal field that supplies the warehouse with heating in winter and cooling in summer. One year later, in 2017, the energy concept was taken a step further with the development of the cutting-edge employee multi-storey car park, with a second geothermal field of 110 holes to supply power to office buildings. The photovoltaic systems installed on the roof of the car park generate a maximum of 525 kilowatt peaks (kWp) and supply one of the largest charging stations in Germany. The 50 charging points are built into the basement of the 1,574-space car park. "In the mid-term, the number of electric and hybrid company cars is set to rise and to support this, the car park has been equipped with the necessary charging points," explained Uli Drautz, Head of Corporate Controlling, Bechtle AG. All-together, the charging stations can provide up to 22 kW of power, and the main circuitry is kept separate from the actual charging points in a space-saving central plant room. Moreover, when the charging points are not in use, no power flows to them, ensuring high levels of safety are fulfilled.

**"IN THE MID-TERM, THE NUMBER OF ELECTRIC AND HYBRID COMPANY CARS IS SET TO RISE."**

"We're now able to manage charging so that power only flows where we want it to. This allows us to set different priorities for each charging point," says Bernd Britsch, Environmental Management Representative for Bechtle AG. If the sun disappears behind the clouds, however, there is the option to use power from the national grid network.

Bechtle covers ten per cent of its own headquarters' energy requirements from renewable sources. The photovoltaic systems provide nominal power of more than 1,349 kWp which could amount under optimum conditions to some 1,282,500 kWh annually, saving 676 tonnes of CO<sub>2</sub>. If fed into the public grid, this energy could theoretically supply the annual power used by 321 four-person households. And Bechtle's investment into renewable energy sources is already paying off at some branches—all power required for heating and air-conditioning at the Gaildorf branch comes from the ground, and there are also geothermal systems at Bechtle Karlsruhe and Freiburg im Breisgau.

The aim is to continue increasing the proportion of renewable energy used in new constructions both at the headquarters and farther afield.



RENEWABLE ENERGY AT BECHTLE PLATZ 1.

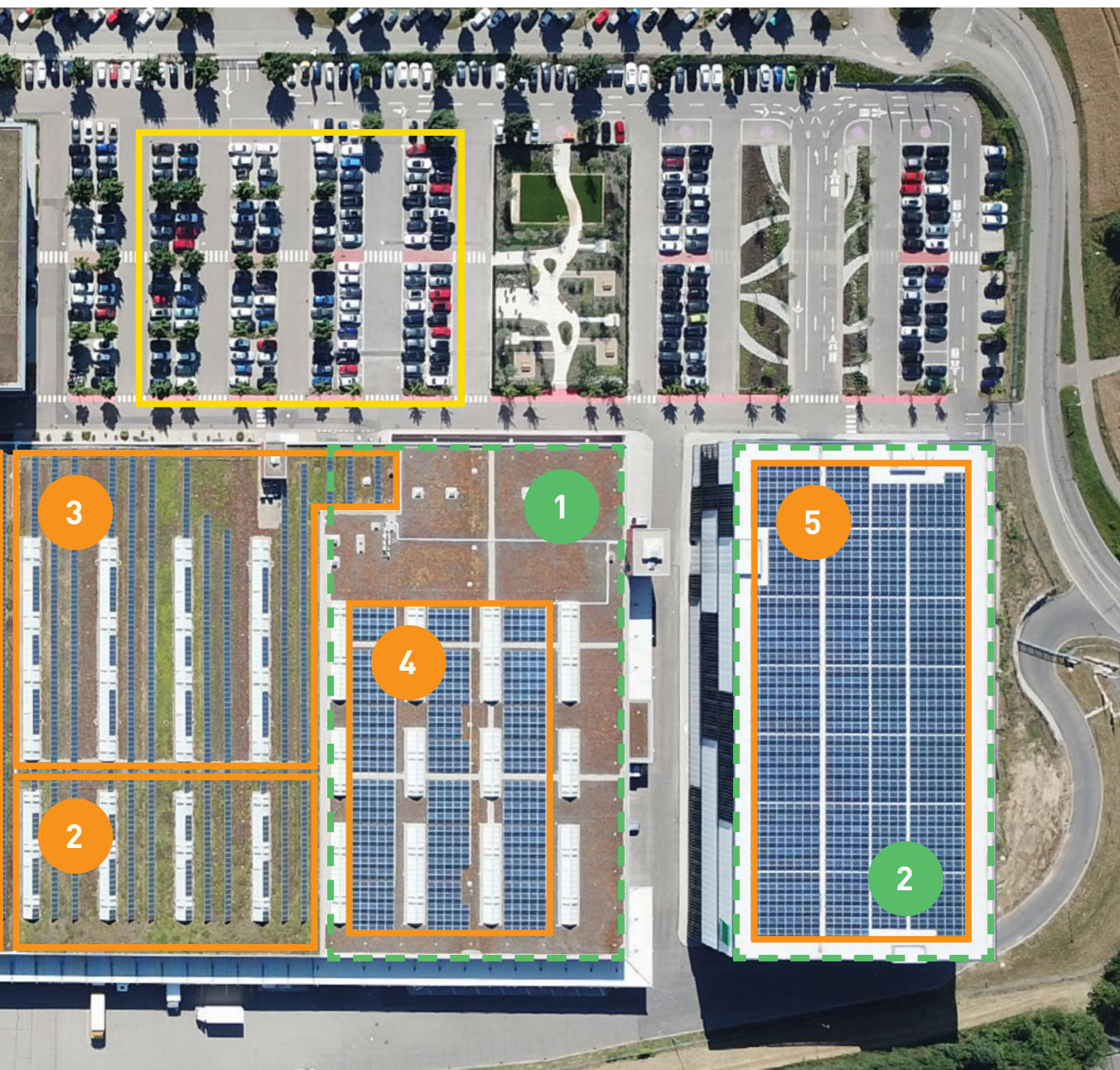
A bird’s-eye view of Bechtle’s Group headquarters in Neckarsulm: four photovoltaic systems are installed on the logistics building (numbers 1-4, orange), with an additional one on the roof of the parking structure (number 5, orange). Two geothermal fields are located under the logistics annex



PHOTOVOLTAIC SYSTEM	1	2	3	4	5	Total
Power in kWp	380.19	70.6	149	223	524.9	1,347.69 kWp
Number of modules	1,653	304	648	828	1,852	5,285 modules
Area in m²	2,391	824	1,041	Approx. 300	4,500	11,756 m²
In operation from	2007	2008	2011	2018	2018	



(number 1, green) and beneath the parking structure (number 2, green). Operation of a third geothermal field, located under the planned additional office space, is projected to begin in 2019 (yellow area).



#### GEOTHERMAL SYSTEM

	1	2	Total
Output in kW	130	220	<b>350 kW</b>
Boreholes (48 m deep)	72	110	<b>182</b>
In operation from	2016	2017	

## INVESTING IN THE FUTURE.

**A future-proof company needs both a success-oriented entrepreneurial mindset and a social conscience. Social commitment is part of our corporate responsibility and a key component of our sustainable company culture. Bechtle AG and its Bechtle Group companies sponsor various community projects that serve the community in many different ways. On the basis of a portfolio analysis, a group-wide strategy on social commitment was drawn up in the reporting period, based on the previous guidelines from 2014.**

This strategy had to include clear guidelines designed to provide our subsidiaries and their respective managing directors with orientation on the subject.



See Vision 2030, P.10

We want our activities to have a tangible positive effect on public welfare, and we ensure that they pursue a clear purpose, are for the long term and that we fully commit to them. What is important—and requested by the Board—is that all activities for the benefit of the community that Bechtle takes part in are to be recognisably consistent across all Group companies. Consequently, Bechtle AG has been concentrating its social commitments in the areas of children/young people, education and sports since 2014, as our future rests in the hands of the next generation, and a good education is the foundation of each individual's participation in his community and the successful development of our society. Sports reflect the dynamic, team-oriented component of our company's goals and also supports our initiative in corporate health management. This triad is an excellent fit with Bechtle's corporate culture and dovetails perfectly into our Vision 2030.

### RELIABLE, LOCAL PARTNER.

With over 100 subsidiaries, Bechtle is active in its local communities as an employer, contractor and business partner. We are most active in the communities where we are located as this is where we can make the biggest difference. An important principle is therefore embracing our corporate social responsibility locally—maintaining a high level of authenticity and sponsoring projects that complement Bechtle and reflect our values and culture, perfectly complementing the above triad and our regional responsibility. Each of our commitments is characterised by a firm commitment and a high degree of continuity, which not only improves efficiency, but a three to five-year commitment also underscores reliability as one of our corporate values, as well as our goal to be a fair business partner.

## BECHTLE AG'S COMMITMENT.

In 2009, Bechtle's founding member, Ralf Klenk, started the foundation "Big Help for Little Heroes" (Große Hilfe für kleine Helden). It supports sick children and their families during their stay at the Heilbronn children's clinic and during their recovery time. In close co-operation with the team of doctors and nurses, the foundation enables optimal care and treatment of the patients, the costs of which would not otherwise be covered. Bechtle has sponsored the project yearly since 2010, including with a donation of 25,000 euros in 2018.



grosse-hilfe.de

Between 2015 and 2018 we also gave financial support to St. Paulusheim in Eberbach am Neckar. The local charity "Katholische Frauen Heidelberg e.V." serves children and young people who can no longer live at home due to a family crisis. The charity is also active in schools, where they act as mediators to de-escalate conflicts. The total donation of 1,670 euros is from the proceeds of the sale of honey from our sustainability project, "Bechtle Bees".



skf-heidelberg.de

Moreover, Bechtle supports the Krautheim Workshops for People with Disabilities (Krautheimer Werkstätten für Menschen mit Behinderung) with a collection point for used books at Bechtle Platz 1 in Neckarsulm. Employees of the association process the collected books and list them for sale on the online platform Amazon, providing them with worthwhile employment.



krautheimer-werkstaetten.de

## EDUCATION IS THE KEY TO SUCCESS.

Bechtle has been co-funding an endowed professorship at Heilbronn University since 2009 with a focus on logistics. Since 2010, the annual financial contribution has been 10,000 euros with further financial support being confirmed through to 2019. The co-operation with the Chair for Technological Logistics Management, Prof. Dr Susanne Hetterich, has already led to a variety of synergic joint projects and current research input.

## SPORTS UNITE US.

As a sign of our commitment to the region, we have a co-operation with the Neckarsulm Sport Union Club, which is significant in the region both in terms of its size and its professional organisation. Our contribution to the development of young talent also fits in perfectly with our focus on sponsoring education, young people and sports. That's why we have been sponsoring a youth co-ordinator at the club since 2014 with a donation of 12,000 euros yearly. We have also been supporting the Neckarsulm Sport Union's youth camp since 2016 with a yearly donation of 1,500 euros. The contract, which initially ran to 2018, has been extended. Moreover, we also sponsor regional sporting events that Bechtle employees participate in. Since 2005, we have been a silent sponsor of the Trollinger Marathon with a yearly contribution of 2,500 euros. In 2018 we contributed 5,300 euros to the STIMME company run.

## ACTIVITIES SPONSORED BY BECHTLE GROUP COMPANIES.

In addition to Bechtle AG, the individual subsidiaries also make charitable donations. It is the responsibility of each subsidiary's managing director to determine if and to what extent charitable donations are made, as long as the decision lies within a reasonable framework and is in line with the policy as defined by the parent company (see above). The individual subsidiaries can also augment the commitments of the parent company. In total, the social commitments of the subsidiaries outweigh those of the parent company by a considerable margin. As a group, Bechtle donated over 252,000 euros to charities and community projects and 283,000 in sponsoring in 2018.

## NON-FINANCIAL COMMITMENT.



kingorickc.org

Doing something for the common good does not always mean donating money. Many of our employees volunteer and are involved personally in various community projects. Above and beyond the legal provisions for granting a leave of absence for volunteer work, Bechtle supports these efforts wherever possible. A good example of this is the education project that Bechtle co-founder Gerhard Schick and his family founded in north east Tanzania: The Community Knowledge Center (CKC) in King'Orick is a community educational facility with a total of three locations. In 2012, the CKC was inaugurated by Bechtle's principal shareholder Karin Schick together with the aid organisation World Vision. Today, the Schick foundation is the sole sponsor of the CKC, whose goal is to establish itself in the medium term as an independent institution. Since 2013, Bechtle employees have been seizing the opportunity to volunteer in Tanzania. They support the CKC in the implementation of IT for a duration of a few weeks. Bechtle grants these employees a leave of absence from their normal duties with pay for the entire duration of their volunteer work. In 2018, six employees took advantage of this opportunity.



## OUTLOOK.

Since 2018, Bechtle has been holding meetings with the management of Heilbronn Experimenta Science Centre with the aim of making the organisation our next sponsor project. Experimenta is Germany's largest science centre—a unique world of learning and experiences that attracts visitors from all over the country. Some 25,000 square metres offer children and adults alike a world of learning and experiences featuring 275 interactive exhibits, four creative studios and nine laboratories in addition to an observatory and a science dome that puts on science shows. Moreover, because of its excellent technology and good relationship with Bechtle as its long-term IT provider, we have a fantastic opportunity to position ourselves as the science centre's strong IT partner for its future-oriented project. Experimenta's concept and aims match with two of our focus points—children and education and also fulfils our criteria of a local organisation. The fact that Bechtle provides a significant proportion of its IT hardware is yet another reason in favour of the potential partnership. Bechtle is set to start sponsoring Experimenta from 1st April 2019.



[experimenta.science](https://experimenta.science)

# CREATIVE COMMITMENT FOR LIFE-SAVERS.

**DOING GOOD  
CAN BE  
EXCITING AND  
FUN.**



**A wealth of ideas and employees' personal motivation enriches Bechtle's social commitment. A good example of this is the creative fundraising initiatives dreamed up by employees at Bechtle direct Ltd., Chippenham, England.**

Lightsabres at the ready! Luke Skywalker, Obi-Wan Kenobi, Darth Maul and Mace Windu welcome visitors to the reception of the Chippenham branch of Bechtle direct UK, located in Wiltshire in the South of England. But there's no fighting happening here. On the contrary, everybody's having a great time. Carnival? No chance—it's celebrated in summer in the UK! Behind the Star Wars masks are colleagues doing their bit to raise money for charity using humour and fun—something that's not unusual at this branch of Bechtle. A look back reveals more of Bechtle Chippenham's charity work: everyone donning the "wrong trousers" for the Wallace and Gromit inspired Grand Appeal to raise funds for the Bristol Children's Hospital, and Christmas Jumper Day in aid of Save the Children.



[grandappeal.org.uk](http://grandappeal.org.uk)  
[christmasjumperday.org](http://christmasjumperday.org)

## **RELIABLE PARTNER.**

Bechtle direct UK strives to be a reliable partner, not just for its customers, but also in its social commitment. Instead of thinking up lots of little one-off events, as in the past, in summer 2017 the British Bechtle decided to choose a charity project to support over the course of 12 months—and something close to home. They collected ideas and held a vote, with the winner being the life-saving charity, Wiltshire Air Ambulance, financed almost exclusively by donations. Bechtle direct UK's charity year began on 1 July 2017 and was an absolute success. £2,536.42 (approx. €2,800) was raised over the 12 months, running until 30 June 2018.



[wiltshireairambulance.co.uk](http://wiltshireairambulance.co.uk)

"Bechtle UK are proud to support such a worthy, local cause. The Wiltshire Air Ambulance do a phenomenal job day to day in our community and provide a life-saving service, they are there for everybody. The team at Bechtle UK have really got behind this cause, raising a large sum of money. We believe that this is not only due to the great work that the Wiltshire Air Ambulance do, but also the fact that they were chosen as our charity of the year via a company-wide vote," says James Napp, Managing Director, Bechtle UK. And because the charity year was such a success, it's being done a second time. "We are extremely proud of the achievements of the first 12 months of fundraising and are excited for another year of fun," he continues.

## CONNECTED.

Charity bake sales are very popular. So far there have been “ghoulishly tasty” muffins for Halloween and a “Bake-off for Lift Off” week in September 2018. Every day, employees baked various cakes and brought them in to the office to sell. But involvement with the charity isn’t just one-sided. “They are the unsung heroes, who I would trust with my life or those of my loved ones without a second thought. They want and need our support to raise the funds. They don’t just give you a charity box to put money in. They have shown us around their base and helped to organise charity nights—you are not left on your own. If you need the Wiltshire Air Ambulance to help with ideas, they are always willing to contribute. They have visited our office and seen what we do and regularly thank us for the help we are providing them. They have also joined in with some of the fun activities we have done,” says Chris Lockwood, responsible for controlling at Bechtel direct UK.

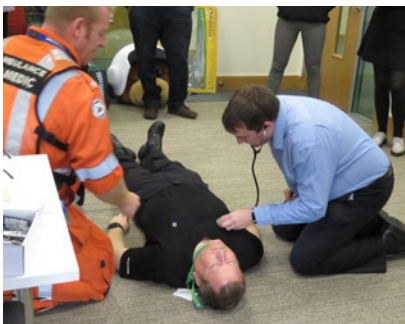
### **“I LOVE THE FACT THAT BECHTLE UK SUPPORTS THE WILTSHIRE AIR AMBULANCE.”**

Many charity events took place with the support of other organisations, including customers who went without Christmas freebies and donated to the Wiltshire Air Ambulance instead while vendors and local companies donated prizes to an Easter Eggstravaganza and Christmas Balloon Room tombolas. And Wincanton, the air ambulance’s neighbour on the Methuen Park industrial estate helped organise a joint football tournament and a quiz night to strengthen ties.

Beth Tomlins is the marketing assistant who manages all contact to the Wiltshire Air Ambulance and coordinates the initiatives: “I love the fact that Bechtel UK supports the Wiltshire Air Ambulance. It makes sense to support them, they provide a priceless service and can be the difference between life and death.”

In just the first half of the second charity year, £3,000 (approx. €3,340) was raised for the Wiltshire Air Ambulance from July to December 2018.

"IT MAKES SENSE TO  
SUPPORT THEM, THEY  
PROVIDE A PRICELESS  
SERVICE AND CAN  
BE THE DIFFERENCE  
BETWEEN LIFE AND  
DEATH."





## BECHTLE AG NON-FINANCIAL REPORT 2018.

### BECHTLE'S BUSINESS MODEL.



For the business model,  
see chapter Business  
Activity in the  
Annual Report 2018

Bechtle is the largest IT systems integrator in Germany. Founded in 1983, the IT company combines the strength and integrity of a financially solid, multinational group with the proximity, personal support and flexibility of a regional service provider. Our philosophy of pursuing a widespread network with a strong, shared administrative backbone is a key factor of our success. That's why we concentrate all back office dealings and central service units under the roof of Bechtle's holding company. The advantage: customers benefit from this structure because it frees up our customer-facing units—IT systems integrators, Bechtle Managed Services, Competence Centres, our broad range of specialists and e-commerce subsidiaries—to focus on their core job, which is offering local assistance. Bechtle makes it a priority to be close to our customers, with 70 systems integrators in Germany, Austria and Switzerland as well as e-commerce companies in 14 European countries. The combination of IT products and extensive systems integration services makes Bechtle a strong, future-oriented IT partner for medium-sized businesses, large corporations and public-sector organisations—locally, throughout Europe, and globally through IT alliance partnerships on all continents. Backed by extensive experience and expertise in future-proof IT architecture, we are just as well versed in traditional infrastructures as current trends like digitalisation, cloud computing, mobility, security and IT-as-a-Service.

We offer over 70,000 hardware and software products through our online shops, customer-specific e-procurement platforms and over the phone. We're also a certified partner of all major IT vendors. In addition, specialists at our 47 group-wide Competence Centres dedicate themselves to providing expert support for a broad range of complex topics. We also offer our customers different options for simplified and efficient cloud service management while Bechtle's Cloud Platform and Bechtle Financial Services AG offers individual financing options tailored to the customer's requirements. Bechtle also offers complete IT lifecycle management, which means that our professional IT remarketing services take care of used equipment.

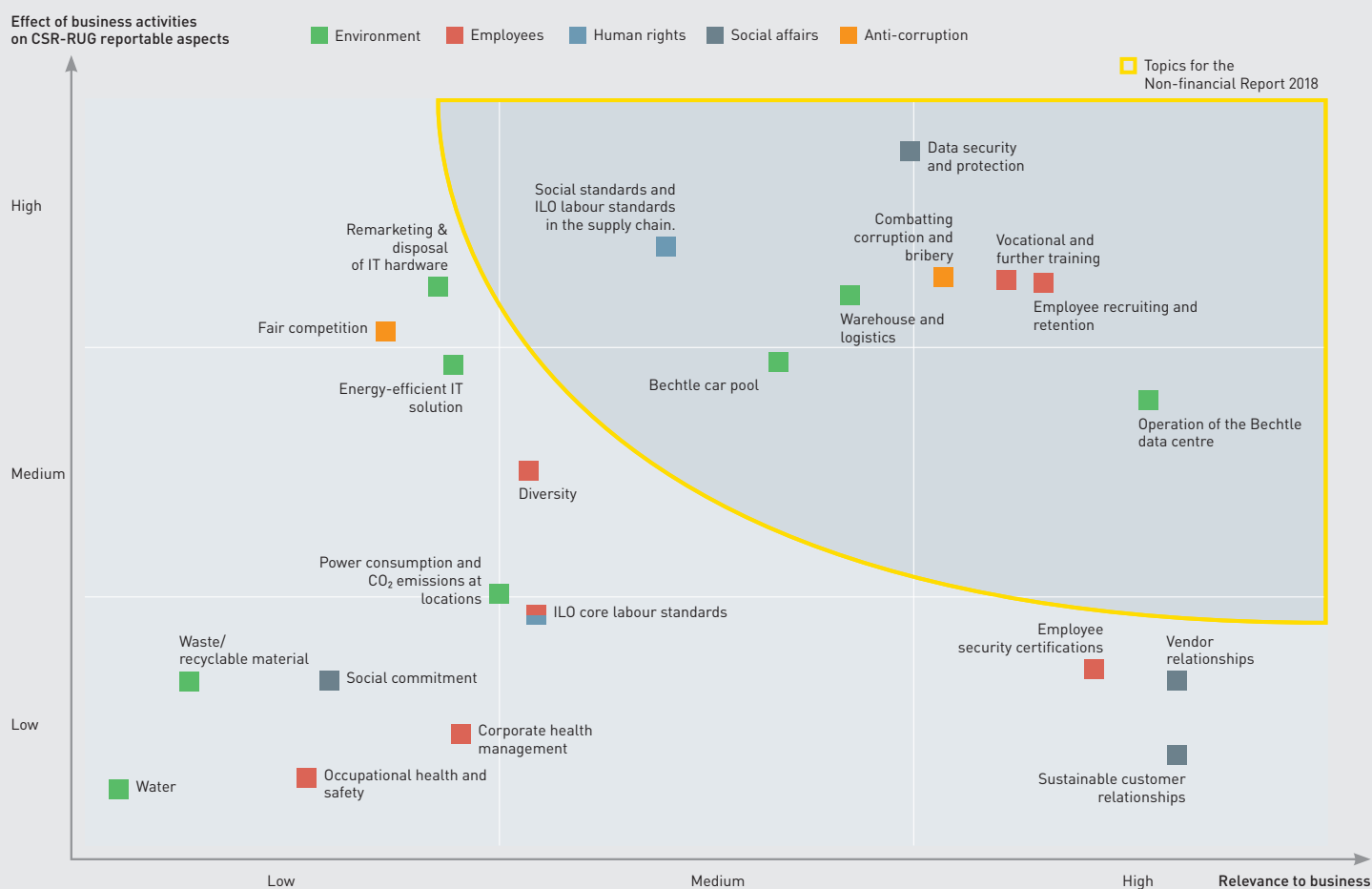
### MATERIALITY ANALYSIS.

The materiality analysis conducted for the 2017 Non-financial Report is valid for at least 3 years and is reviewed annually to check that it is up to date. The essential topics were determined based on their significance to our business activity, as well as the effects the business activity has on the aspects to be reported (environmental concerns, social concerns, employee concerns, issues related to human rights protection and anti-corruption and anti-bribery measures). The materiality analysis

was conducted by an interdisciplinary team of all members of the sustainability project group and experts from relevant fields. Together, they represent the departments of Quality Management, Human Resources, Personnel Development and Academy, Legal and Compliance, Logistics Management, Environmental Management, Product Management, Corporate Communications and Investor Relations, the Public Sector business unit and the CIO organisation of the Bechtle Group. In conclusion, a series of workshops with the responsible members from the relevant departments took place to determine the materiality. The results were then presented to the CEO and discussed before being validated by him.

The Bechtle sustainability project group and the Bechtle AG Executive Board have checked whether the individual points of the current Non-financial Report are up-to-date and adapted some areas where necessary. This has, however, no effect on the key topics to be reported for the Non-financial Report 2018, which are shown in the chart in the segment with a yellow border in the top right:

#### BECHTLE MATERIALITY MATRIX.



The Bechtle AG 2018 Non-financial Report thus contains the following aspects according to the CSR Directive Implementation Act (CSR-RUG):

- Environment: sales and company car pool, operation of the Bechtle data centre, warehousing and logistics.
- Employees: vocational training and further education, as well as recruitment and employee retention.
- Human rights: social and ILO work standards in the supply chain.
- Social affairs: data security and protection.
- Anti-corruption: combatting corruption and bribery.

## **REPORTING STANDARDS.**

No reporting standard was used in the creation of the Non-financial Report 2018. From reporting year 2019, the Bechtle Sustainability Report, including the Non-financial Report, will be written according to the standards of the Global Report Initiative (GRI standards).

## **ESSENTIAL NON-FINANCIAL RISKS.**

Bechtle's risk management officer conducted a risk assessment for all essential topics in accordance with the CSR-RUG. It was examined whether or not essential risks to aspects to be reported pursuant to Section 315 of the German Commercial Code (HGB) in conjunction with Section 289c paragraph 2 HGB arise out of our business activities or in connection with our business relationships, products or services. The assessment also accounted for the probability and the extent of any negative consequences to the aspects in question. No reportable risks were identified. The classification was conducted within the framework of our group-wide risk management assessment in financial year 2018.



## ENVIRONMENT:

### Company car pool, operation of Bechtle's data centres, warehousing and logistics.

**Reducing the CO<sub>2</sub> emissions of Bechtle's car pool.** Proximity to our customers and on-site customer support are essential elements of our business model. Mobility is therefore paramount to our sales representatives and specialists. In addition, Bechtle's decentralised structure often makes business trips from regional offices to the Group's headquarters necessary. This is an area where we see potential for significantly reducing our CO<sub>2</sub> footprint through specific measures. Since 2014, our car pool strategy has incorporated sustainability efforts to lower petrol and diesel consumption, thereby reducing the resulting CO<sub>2</sub> emissions. These efforts are based on a dual strategy of avoiding unnecessary travel and increasing the number of electric and hybrid vehicles in our car pool.

Bechtle's goal is to gradually increase the percentage of electric and hybrid cars in its pool, which is currently at about 4 per cent (approximately 90 vehicles). We were unable in 2018 to reach the original target of 10 per cent, set in 2016, due to manufacturers' limited supply availability. Nevertheless, we will continue to pursue this target, although it is unlikely that we will be able to reach it by late 2019 (our original deadline), as there are simply not enough vehicles available. This target is laid down in our hybrid strategy, which is entitled "inEmotion" and is included as part of the company car pool strategy. As an incentive, employees opting for an electric or hybrid vehicle will receive an additional monthly bonus. Bechtle is also continuing to invest in charging infrastructure (see the 2017 Non-financial Group Report, p. 51). Four new charging points in Würzburg and Dortmund were added during the reporting year, bringing the total number of charging options to 87 by the end of 2018, compared with 83 at the end of 2017.



See P.26ff.

Founded in 2017, Hamburg-based Bechtle Mobility GmbH is a service company within the Bechtle Group dedicated exclusively to managing the car pool. In 2018, Bechtle Mobility managed 3,305 vehicles in Germany and Austria, compared with 2017. A project was drawn up in 2018 to gradually offer the subsidiary's services to Belgian, Dutch and Swiss locations as well. We also laid the foundation for reliably determining the CO<sub>2</sub> emissions of our car pool in the coming years.

In their 2019 investment plans, all Bechtle locations indicated which vehicles should be purchased. During the planning process, the Group's controlling department compared these requirements with personnel planning figures to verify plausibility. Planning records were created in the system for vehicles to be replaced in 2019 as well as for new vehicles to be purchased. Without such a record, any order would require special approval by the Executive Board. This procedure was discussed with the managing directors and the Executive Board during the planning phase and subsequently approved as an investment plan. Projected usage is taken into consideration each time an order is placed: if the annual mileage is less than 20,000 km, a hybrid vehicle is recommended.

Our goal to reduce travel by using collaboration platforms for web and video conferences has remained unchanged. In 2018, Bechtel employees took part in 13,443 web conferences—2,861 more than in the previous year. We expect a further moderate increase in 2019.

In addition to virtual meetings, Bechtel also intends to further expand its e-learning platform, iLEARN, used for in-house training by the Bechtel Academy. This will reduce long travel distances from the various local offices to company headquarters in Neckarsulm. Employees who live a long way from the Bechtel Academy can attend training courses at customer training centres or through local external providers.

**Energy-efficient IT in Bechtel's data centres.** Power consumption in Bechtel's data centres is the result of operating servers and network components, and of providing the necessary infrastructure, including the required cooling. This causes relatively high CO<sub>2</sub> emissions. Key strategies for reducing power consumption include boosting the virtualisation of data processing and storage, and using energy-efficient cooling technologies.

To reduce our power consumption, we aim to increase our degree of virtualisation from 75 per cent (at the end of 2018) to 85 per cent in the next four to six years. This will cut not only energy consumption, but also Bechtel's costs.

As required by the ISO 14001 certification of the Environmental Management System (EMS), a mandatory EMS management review (MMR) is compiled or updated every year. This guarantees a high level of awareness among executive management as the responsible Executive Board member is personally involved in both the compilation of the MMR and several EMS audits. ISO 14001 certification applies exclusively to the areas under Bechtel AG as well as Bechtel ÖA direct (Bechtel's public-sector e-commerce subsidiary) at the Neckarsulm site, including the data centre located there. Bechtel's data centres in Frankfurt and Rüsselsheim are with an external provider (e-Shelter), which for many years has met the requirements of DIN EN ISO 50001 certification. The migration of Bechtel IT infrastructure to the data centre sites in Frankfurt and Rüsselsheim was completed in 2018. As a result, we are now able to take advantage of the benefits offered by e-Shelter (energy-efficient cooling via hot/cold aisle enclosures, optimised workloads), reducing our energy consumption. Leveraging the modern collaboration platforms (phone/video conferencing and WebEx) facilitated by Bechtel's IT infrastructure continues to help us maximise our energy-savings potential group-wide.

In recent years, the number of virtual systems and the degree of virtualisation has increased gradually, while the number of physical systems has increased at a much slower pace. Due to the relocation of internal IT to the data centre in Frankfurt and the resulting short-term parallel system operation, the number of physical servers in 2018 is not representative.

#### DEGREE OF VIRTUALISATION.

	2015	2016	2017	2018
Number of physical servers	400	374	396	574
Number of virtual servers	699	815	981	1,706
Total number of servers	1,099	1,189	1,377	2,280
Degree of virtualisation	in %	64	69	71

#### USE OF WEBEX COLLABORATION PLATFORM.

	2015	2016	2017	2018
Activated users	5,000	7,205	8,417	8,388
Total number of meetings	8,427	7,951	10,582	13,443
Total number of meeting hours	11,342	15,629	21,450	32,725
Total number of participants	16,640	22,177	30,465	49,818

**Optimised packaging within warehouse and distribution logistics.** In the past few years, Bechtel Logistik & Service has implemented various measures, in particular at its logistics centre in Neckarsulm, to reduce energy consumption and CO<sub>2</sub> emissions throughout the entire supply chain, from its suppliers to end-customers. Compared with the quantity of goods handled, it was able to cut the amount of packaging and reduce the volumes of outgoing shipments as well as the total number of shipments. We expect this not only to reduce the environmental impact of our business activities, but also to increase customer satisfaction and retention and to optimise overall costs. In future, we will continue to identify, analyse, evaluate and implement further savings opportunities where possible and useful.

One of the goals of our sustainability reporting is to integrate other Bechtel warehouses than the one in Neckarsulm into our reporting, for which the necessary processes will be initiated in 2019.

In the packaging area of our logistics centre, the products ordered by customers are individually packed by employees in a way that effectively protects the items while using as little packaging material as possible. High quality standards are ensured through regular training—some of which is conducted in cooperation with our transport service providers—on how to properly package and load goods.

In addition, Bechtel is continually working to optimise shipments. For example, one cardboard box size has been eliminated entirely through the use of bubble mailers. This not only lowers costs and reduces the volume of the item to be shipped, it also uses less raw material.

## USE OF PACKAGING MATERIAL.

Bought packaging (by material) in kilogrammes and CO<sub>2</sub> equivalents\* from 2015 to 2018 in Bechtle's logistics centre in Neckarsulm.

	2015	2016	2017	2018
<b>Cardboard</b>				
Total kg	147,394	158,790	155,327	175,627
Share %	56.94	58.07	47.61	51.87
CO <sub>2</sub> eq/kg	118,800	127,985	125,194	141,556
<b>Paper</b>				
Total kg	50,415	49,755	52,071	59,165
Share %	19.48	18.20	15.96	17.47
CO <sub>2</sub> eq/kg	1,754	1,731	1,812	2,059
<b>Plastic (without film)</b>				
Total kg	1,448	1,241	414	414
Share %	0.56	0.45	0.13	0.12
CO <sub>2</sub> eq/kg	4,169	3,574	1,191	1,191
<b>Film</b>				
Total kg	15,214	10,142	27,156	18,619
Share %	5.88	3.71	8.32	5.50
CO <sub>2</sub> eq/kg	39,709	26,470	70,876	48,595
<b>Wood</b>				
Total kg	44,370	53,519	91,275	84,777
Share %	17.14	19.57	27.98	25.04
CO <sub>2</sub> eq/kg	528	637	1,086	1,009
<b>Total</b>				
Total kg	258,841	273,446	326,242	338,602
Share %	100	100	100	100
CO <sub>2</sub> eq/kg	164,960	160,396	200,159	194,409

\* CO<sub>2</sub> equivalents are calculated based on the process-oriented basis data for environmental management systems (ProBas), provided by the German Environment Agency and available at [probas.umweltbundesamt.de](http://probas.umweltbundesamt.de) (German only).

Between 2015 and 2018, the number of packages shipped increased by 67 per cent. By contrast, the emissions caused by packaging increased by only 18 per cent—a much slower rate. We were also able to reduce the volume of cardboard boxes per package by using bubble mailers, increasing the use of film packaging instead of cardboard and sending more products in their original packaging.

## TRENDS IN LARGE AND SMALL PARTS PACKAGING.

Development of CO<sub>2</sub> equivalents\* in the packaging of large parts (LP) on pallets and small parts (SP) from 2015 to 2018 in Bechtle's logistics centre in Neckarsulm.

	2015	2016	2017	2018
CO <sub>2</sub> eq/kg	164,960	160,396	200,159	194,409
Total packages	1,817,689	2,182,551	2,760,814	3,043,003
Packages on pallets (LP)	866,037	1,188,642	1,690,439	1,837,407
Pallets	50,619	54,428	64,336	67,793
CO <sub>2</sub> eq/kg LP	36,620	21,880	62,038	39,085
Single packages (SP)	920,915	962,446	1,047,866	1,172,019
CO <sub>2</sub> eq/kg SP	128,340	138,516	138,121	155,324
Other packages	30,737	31,463	22,509	33,577

\* CO<sub>2</sub> equivalents are calculated based on the process-oriented basis data for environmental management systems (ProBas), provided by the German Environment Agency and available at [probas.umweltbundesamt.de](http://probas.umweltbundesamt.de) (German only).

**Customer-specific solutions and shipment optimisation.** Upon customer request, our logistics centre in Neckarsulm consolidates shipments if this is beneficial from an economic standpoint. To do so, the shipping process is adapted to collect multiple orders from the same customer for a set period of time. In the future, the process for consolidated shipments will also be embedded into and supported by our systems. The system will then guide the grouping, picking and shipping of orders in such a way as to optimise shipments. Our hope is that this will save packaging material while also reducing shipping volume and shipping costs. Initial pilot projects were started in 2018.

The Bechtle Box®, which was developed in collaboration with one of our suppliers, is a highly resource-friendly, flexible and customer-oriented solution. With this box, we are able to send IT products such as scanners or notebooks in a reusable transport box, eliminating the need for cardboard boxes.



See P.16

Another model for optimising our packaging is to ship IT products in biodegradable bags, which we do for the roughly 150 individual orders delivered daily to a major customer located 55 miles from Bechtle's logistics centre in Neckarsulm. These IT products are packed into customer-specific, biodegradable plastic bags in our warehouse and given an address label. Barcodes enable the customer to record incoming goods securely and efficiently in its own system. By using these biodegradable plastic bags in conjunction with the Bechtle Box®, we were able to reduce the shipping volume to a mere third of what it would be with conventional packaging. This in turn eliminated the need for a second daily shipment to the customer.

The following table shows the CO<sub>2</sub> savings made possible by optimising our packaging and shipments:

**USE OF FILM PACKAGING VS CONVENTIONAL CARDBOARD, AUGUST 2018.**

		Cardboard	COEX film packaging
Total packaging volume	m <sup>3</sup>	1,935	0,566
Packaging weight	kg	19,351	0,298
Total weight (Material + packaging)	kg	219,351	200,298
CO <sub>2</sub> -EQ packaging (Packaging weight x CO <sub>2</sub> factor)	kg	15,597	0,777
CO <sub>2</sub> -EQ transport (CO <sub>2</sub> calculator for transport)	kg	4,421	3,119
Total CO <sub>2</sub> emissions	kg	20,018	3,896

■ Distance: 55 km ■ Average no. of packaged goods: 150 ■ Average weight: 200 kg

In 2019, we will focus on a feasibility study for custom-sized packaging to reduce packaging materials and transport volumes. The idea is to use a machine to create custom-sized packaging based on product master data such as item weight and volume per order. The goal, once again, is to further reduce packaging materials and shipping volume.

**Returns Management.** Bechtle's Returns Management department is responsible for key tasks relating to return logistics, which entail planning, controlling and verifying the flow of goods, money and information between the customer making the return and the product's supplier.

The department focuses on providing customer-oriented, effective services that flow in the opposite direction to the usual supply chain. Its goal is to retain customers for the long term by providing fast, unbureaucratic assistance. In order to reduce or avoid returns altogether, priority is assigned to measures carried out before or after an order is placed.

These include:

- Careful selection of our suppliers and vendors as well as regular supplier assessments
- Regular customer surveys to rate our services and response to new requirements
- Monthly analysis of returns data, which the Product Management department uses to manage product portfolios
- Efficient processes for handling returns and, where necessary, reintroducing returned items into the product cycle
- Products in their original packaging are reintroduced into Bechtle's sales process
- Opened products are offered at a special, discounted price
- Replacing goods directly at the customer's site reduces the flow of goods on the road or by air freight
- Low-priced returned items are not reintroduced into the product cycle

Bechtle Remarketing GmbH, a specialised and certified Group subsidiary, is one option through which Bechtle handles the disposal of hardware, spare parts and consumables. This aspect of our business is aimed at continually improving economic and environmental framework conditions while also boosting time and cost efficiency.

#### RETURNS.

		2015	2016	2017	2018
Return rate	in %	0.44	0.77	0.74	0.70
Returns		33,025	36,917	39,404	40,143
Value of returns (average)	€	176	304	329	344

To obtain a more complete picture of returns, Bechtle Logistik & Service will in future analyse all return types using supplier and customer return rates. This new KPI structure will especially improve process control across departments.



## EMPLOYEES:

### Vocational training and further education, as well as recruitment and employee retention.

**Bechtle records all-time high in trainee numbers.** Bechtle offers professional newcomers a wide range of vocational training in 15 professions and study paths. In the 2018 academic year in Germany alone, over 200 young people began vocational training or integrated degrees at Bechtle. This brings the number of budding professionals up to 648—more than ever before. In total, Bechtle employed a total of 80 trainees and students outside of Germany in the reporting year.

Almost half embarked on a vocational training path in a commercial field, followed by 82 university students pursuing different technical and business degrees. We support our trainees and integrated degree students with comprehensive, tailored seminars and targeted exam preparation courses, in conjunction with internal and external experts.

And every new trainee receives an extensive induction to help them get accustomed to their new work environment. In the first weeks after beginning their training, we also appoint an experienced colleague as a mentor for each trainee and new Bechtle employee, who helps them find their way in the company. Bechtle offers a so-called Azubi-Mikado, a two-day orientation seminar at the company headquarters offering information on company history, the Bechtle corporate culture, business model, and more. Other target-group-specific seminars are also offered, like the week-long Bechtle Azubi-Camp that facilitates networking across different Bechtle locations and provides invaluable information for life at the company.

As part of the international exchange programme, in 2018, six integrated degree students of International Trade gained their first experience of working in another country in Thailand, Singapore, and Spain with our partners, and at our Belgian branch.

To attract the next generation of professionals, Bechtle offers numerous ways to get in touch. On various social media platforms and a Bechtle website, Bechtle AZUBITs—ambassadors for the Bechtle training programme—report on current topics and share fascinating insights into their practical and theoretical training experiences. We consider training as an investment in the future for the purpose of actively forestalling a shortage of qualified staff. That's why our CEO is regularly involved in monthly meetings on the subject of training.

Bechtle has a very high retention rate. After successful completion of the traineeship/integrated degree programme, we are able to offer almost all trainees and students permanent employment contracts, which helps us ensure the sustainable growth of the company.

#### KEY FIGURES FOR VOCATIONAL TRAINING AND INTEGRATED DEGREES.

	2015	2016	2017	2018
Number of professions requiring training	14	15	15	15
Training ratio (Germany) in %	7.5	7.3	7.5	7.7
Total number of trainees and integrated degree students	473	500	553	648

#### DISTRUBUTION OF TRAINING AND DEGREE PROGRAMMES.

	2015	2016	2017	2018
Commercial trainees	190	185	212	240
Technical trainees	203	231	262	326
Commercial integrated degree students	38	46	41	47
Technical integrated degree students	42	38	38	35

**Success through further education.** We place great importance on our employees' continued personal and professional growth. True to our corporate aim of "we want our employees to be the best in the business," we would like to be able to meet ever growing demand for professionals and management from our own ranks. This includes the many seminars, e-learning courses, and varied personal development programmes offered by Bechtle People Development and the Academy.

The Bechtle Junior Management Programme (JuMP) is aimed at employees who demonstrate leadership potential. No previous management experience is required. It helps participants develop the skills they need for current or future management roles. These skills will also prepare participants to assume more executive responsibility.

The General Management programme prepares candidates to take on leadership and management positions. It is run every two years.

The IT Business Architects Programme (ITBA) offers employees who show outstanding professional skills attractive development options. At the same time, it meets our customers' growing need for IT consultation and strategic support.

#### BECHTLE FURTHER EDUCATION PROGRAMMES PARTICIPANT FIGURES.

	2016/2017	2017/2018	2018/2019
Bechtle Junior Management Programme	19	22	36
Bechtle General Management Programme	13	16	10
IT Business Architects Programme	12	15	20

The Bechtle IT Solutions Architects Programme is a new addition that launched in April 2018. It is organised by Bechtle's Munich/Regensburg IT Systems Integrators, where, in the reporting year, its Virtualisation Competence Centre trained 74 employees from 17 branches across Germany and Austria in two courses of various levels. This six months of intensive training teaches employees with at least six years' technical experience to become IT solutions architects with specialised knowledge and certifications in cloud computing. IT business architects, sales managers and other sales employees complete modules of their choice on this training programme. From 2019, this programme will also be available to employees in Switzerland.

#### IT SOLUTIONS ARCHITECTS PROGRAMME PARTICIPANT FIGURES.

		2018
System engineers	Comprehensive	18
IT business architects	Modules	9
Sales managers	Modules	20
Sales	Modules	27
Total		74

The Bechtle Academy supports our employees in continually expanding their knowledge and their skills with numerous seminars and e-learning courses. In the reporting year, 6,904 employees took part in 523 in-class seminars over a span of 10,848 training days at the Bechtle Academy.

The number of courses passed on the iLEARN e-learning platform also rose. Courses are available in up to ten languages for 14 European countries. Since October 2016, every Bechtle employee has access to the iLEARN e-learning portal and can even access course material from mobile devices. In this way, we support our employees in integrating efficient learning methods into their everyday work life. In 2018, a total of 10,118 employees completed 140 iLEARN courses.

In addition to the offering from People Development and the Academy, the range is complemented by our 23 training centres throughout Germany, which offer our employees an extensive portfolio of training and certification opportunities. On top of all this, there are also external training and certification options.

What's important to us is that the quality remains the same across all of our offerings, and it's for this reason that the processes of updating existing concepts and incorporating new content are recorded and certified in accordance with ISO 9001.

**Recruiting for Bechtle.** Demographic development and the growing demand for qualified workers greatly influences how future-proof an employer is in the current labour market. In order to position ourselves as an attractive employer, Bechtle doesn't just lay store on its image, but on its quality as an employer. That's why we want to attract talented candidates to Bechtle. A transparent and quick application process, fast decisions, and a personal contact are of particular importance to us.

We support young people in choosing a career and give them the chance to get to know the IT labour market. In 2018, a total of 91 students completed study placements in Bechtle's Neckarsulm headquarters alone.

With the Girls' Day project, we actively contribute to hiring and supporting girls and young women in Germany, and informing them about their options as to careers, training and studies in companies. Additional measures taken include applicant training for school pupils, information events at Bechtle subsidiaries, class visits and talks held at schools to initiate early personal contact.

To help graduates get accustomed to their new working environment, we offer them various attractive entry level and qualification measures as part of the Bechtle trainee programme in which trainees are prepared to take over a specialist position in the space of nine months. The programme is made up in equal parts of theoretical and practical training for the subsequent role. The programme, currently rated by German entry-level job site Absolventa as “fair and career-boosting”, currently offers three different areas of focus: “Sales (industry),” “Sales (public sector),” and “IT systems engineering/IT consulting.”

#### TRAINEE PROGRAMME PARTICIPANT FIGURES.

	2016	2017	2018
Trainee programmes	14	11	11

Bechtle’s headcount has been growing consistently for years in line with its economic success. In 2018, Bechtle hired a total of 2,367 new employees, 570 of which were female and 1,797 male.

At the end of 2018, Bechtle employed a total of 10,005 employees, which, YOY, is an increase of 19,8%.

#### BECHTLE GROUP EMPLOYEES.

	2015	2016	2017	2018
Full time (Full and part-time 2015–2016)*	7,205	7,667	7,464	8,978
Part time			889	1,027
Total	7,205	7,667	8,353	10,005

\* The number of employees is only broken down into full-time and part-time from the 2017 reporting year on. In 2015–2016, we reported the total number of employees.

#### NEW HIRES – BY GENDER.

	2016	2017	2018
Female	351	431	570
Male	1,015	1,263	1,797

#### NEW HIRES – BY AGE GROUP.

	2016	2017	2018
< 30 years	611	764	1,073
30–50 years	624	753	1,019
> 50 years	131	177	275

**Retaining employees by building personal relationships.** Employee satisfaction and their retention and connection to the company is an important success factor for Bechtle. A regular and valuable exchange between management and their team is an important foundation for this. The foundation for our leadership culture is our carefully cultivated management principles that are designed to ensure fair and professional interaction between managers and their teams. In addition, we support our leaders with the Bechtle Leadership Toolbox. It encompasses numerous aids for common leadership solutions such as the annual employee performance review.

After beginning employment at Bechtle, everyone is assigned a personal mentor, who helps in the onboarding process and adjusting to the new work environment, including employee orientation which stretches over multiple weeks. Not only are topics specific to the employee's new responsibilities covered, but networking across the entire Bechtle Group is emphasised and facilitated.

Employee satisfaction surveys are conducted at each subsidiary or directly by management personnel in direct conversations with the employee, which usually take place at least once, and if necessary, multiple times a year.

Employee turnover rate in 2018 was 10%, coming in at 1.6 percentage points over the previous year's figure.

As part of the Farewell Feedback review, Bechtle uses the opportunity to gather the views of employees leaving the Group on work climate, leadership style, and general satisfaction. The feedback gained forms an important foundation for discovering room for improvement.

#### BECHTLE GROUP TURNOVER RATE.

	2015	2016	2017	2018
Employee turnover rate in %	8.1	9.3	8.4	10.0

The average period of employment for Bechtle employees in 2018 was 5.8 years.

## DIVERSITY.

The variety and diversity of our employees forms the basis of our sustainable corporate success. We encourage our employees to bring their wide-ranging experiences, skills, and potential to the Group. This cultural diversity helps us to break down barriers and promote a respectful and mutually appreciative working environment. Group-wide, a total of 10,005 employees from 80 countries were represented at Bechtle on 31.12.2018.

Forming teams consisting of members of different ages also requires special attention when formulating measures. One of the keys to employee retention lies in embracing diversity and dealing with it constructively. Showing appreciation and enabling employee development are essential. Bechtle accepts each individual on the basis of a trusting personal relationship between the immediate superior and the employees.

Additionally, integration and recruitment of refugees plays an important role on our journey to greater social responsibility. In 2018, ten Bechtle companies across Germany employed refugees from five countries—Syria, Afghanistan, Iraq, Iran, and Ghana. Their positions range from work placements, job training and vocational training to permanent employment. In 2018, Bechtle recruited four refugees in permanent positions and five as trainees.

### EMPLOYEE AGE STRUCTURE.

	2016	2017	2018
< 30 years	2,053	2,229	2,681
30–50 years	4,217	4,525	5,349
> 50 years	1,390	1,599	1,975

In 2018, Bechtle employed 2,716 women. A percentage of 27.1. The percentage of women on the Supervisory Board was 33 per cent in the reporting year. On the Executive Board and in higher levels of management, women are still under-represented. Overall, the percentage of women in management is 13.1. The largest representation of women, 49.7 per cent, was in central areas, followed by 39.5 per cent in the IT E-commerce segment, while in the IT Systems Integrator and Managed Services segment, 20.1 per cent of the employees are women. 24.2 cent of trainees are women. In the short and middle term, we're pursuing the goal of increasing the proportion of women at Bechtle and in management in particular.



## BECHTLE OCCUPATIONAL HEALTH AND SAFETY.

To provide our employees with a safe and productive work environment and to avoid work-related injuries and sickness, in our German branches we go above and beyond the legal requirements—our appointed safety officers ensure that all appropriate actions are taken. They are also supported by external specialists and company doctors for workplace health and safety.

Bechtle's facilities are planned and fitted with the appropriate equipment in compliance with the current applicable workplace ordinance, we conduct regular workplace inspections to check the conditions on site, and, if necessary, initiate an immediate course of action to ensure that legal requirements and our own standards are met. We also encourage safe driving training to avoid traffic accidents. In 2018, there were 16 reported work-related accidents at Bechtle in Germany and 12 commuting accidents.

This corresponds to a rate of 3.8 accidents per 1,000 employees and is far below the number of 4.1 in the previous year. In the annual survey conducted by the German accident prevention and insurance association, this was rated as better than average.

### REPORTABLE ACCIDENTS WHILE AT WORK OR COMMUTING.

	2017	2018
Work accidents	27	16
Commuting accidents	8	12
Accidents per 1,000 employees	4.1	3.8

All of our branches in Germany have first aid and fire protection assistants who receive regular state-of-the-art training and are therefore very well prepared for emergencies. We also provide training on how to extinguish fire.

**HUMAN RIGHTS:****Social and ILO work standards in the supply chain.**

A central criterion in the awarding of contracts—in particular among public-sector customers and increasingly also among customers from industry—is compliance with basic labour and social standards in the manufacturing of supplied goods, as stipulated by international law—namely the International Labour Organisation (ILO) convention—or the respective applicable national law of the country of origin.

Even though it is very challenging in the IT industry to fully comply with social and labour standards along the entire supply chain and to provide verification thereof, Bechtle nonetheless believes it has a duty to uphold human rights. Therefore, we pledge to protect human rights and do our part to ensure compliance with applicable standards within our sphere of influence.

As a long-time partner of the public sector, Bechtle has extensive experience not only in meeting public-sector requirements and expectations, but also in managing, monitoring and auditing suppliers. On this basis, we apply a range of measures to motivate suppliers to continuously improve labour and social standards.

Bechtle's key preventive measure is a special code of conduct for suppliers of goods and services, developed in 2014. The Bechtle Supplier Code contains the principles and minimum requirements of the ILO convention, in particular its core labour standards. As at 31 October 2018, 60 distributors (54 in 2017) and 45 vendors (number unchanged) have signed the Bechtle Supplier Code. As in 2017, five distributors and 18 vendors have presented their own policies, which overlap with our own code in all essential respects. These suppliers make up 91.9 per cent of our purchasing volume (88 per cent in 2017). When negotiating with our suppliers, we aim to solidify or even increase the Bechtle Supplier Code's already high acceptance rate. In addition, Bechtle plans to present the Bechtle Supplier Code to our suppliers for the in-house ARTICONA brand (launched in September 2018).

To monitor our suppliers' compliance with social and labour standards, Bechtle focuses on examining audit results on a project-related basis, for example reviewing supplier-provided audit, inspection and sustainability reports.

To obtain first-hand knowledge of production conditions, Bechtle also conducts on-site inspections of our suppliers' production facilities. After inspecting Epson production sites in Asia in 2017, we visited HP's production site in Pardubice, Czech Republic, in 2018.

In keeping with our customers' expectations, we also reach out to suppliers with a view to establishing supply-chain audit programmes that include compliance with ILO standards. In addition, Bechtle employees in May 2018 attended training on sustainability policies and management systems, provided by HP during a supplier visit to Palo Alto, California. These employees were certified following the training, enabling them to speak meaningfully about HP's sustainability strategy, goals and successes. A further measure we are working towards is membership in organisations such as the Responsible Business Alliance (RBA). For example, while partnering on a contract with our vendor partner Fujitsu, Bechtle was able to help initiate membership in the RBA.

Bechtle also maintains regular contact with representatives of the supply chain and NGOs. We are also active in specialised work groups, such as the delegation of Bitkom negotiators working with the procurement agency of the German Federal Ministry of the Interior to revise its declaration of social sustainability. Another example is our contribution to the SME Practitioner Days. In 2018, we joined the German network of the UN Global Compact, which will open up additional opportunities to participate in work groups.

Bechtle's sustainability reporting also helps us to maximise our compliance with social and labour standards in the manufacturing of IT products. In doing so we have established the necessary requirements for continuing to improve compliance with fundamental social and labour standards in the future.

## **SOCIAL AFFAIRS:**

### **Information security and protection.**

Information security, data protection and confidentiality are among the most important aspects of Bechtle's business. Since information security and data protection cover many of the same issues or at least overlap in several areas, these are consolidated. For Bechtle, compliance with legal requirements (data protection regulations) and the high risk to our reputation in the event of a security breach are of utmost importance, as they affect topics that are at the heart of the Bechtle business model as any breach would significantly damage our reputation.

In the area of information security, our focus is on our main facilities for data processing, information flow, mail traffic, customer data and Bechtle data, which are the central Bechtle data centre operated by our CIO department, with locations in Frankfurt, Rüsselsheim and Neckarsulm, and the local data centre of Bechtle Hosting & Operations GmbH with locations in Frankfurt, Rüsselsheim and Friedrichshafen. The data centres at these locations focus on the data traffic of the Group and are certified in the framework of a matrix certification together with Bechtle Hosting & Operations GmbH in Neckarsulm and Friedrichshafen, Bechtle AG in Neckarsulm and Bechtle IT Systems Integrator Neckarsulm including its Neckarsulm and Künzelsau branches by the internationally recognised ISO 27001 standard for information security.

In the area of data protection, we concentrate primarily on compliance with the standards of the EU General Data Protection Regulation (GDPR). Its objectives are to protect the fundamental rights and freedoms of natural persons, and in particular their right to the protection of personal data and the continued free but secure transmission of personal data. Bechtle therefore strictly adheres to the following principles:

- Lawfulness
- Good faith
- Transparency
- Purpose limitation
- Data minimisation
- Accuracy
- Storage limitation
- Integrity and confidentiality
- Accountability

Bechtle's declared goal, in addition to adhering to compliance requirements (see also anti-corruption section), is to increase the overall level of security. Numerous documented guidelines and other information also support this intention. Group-wide applicable documentation also contributes to raising awareness among all Bechtle employees of the principles of data protection, information security, confidentiality and other important regulations, as well as ensuring compliance with legal requirements. Relevant documents include the Bechtle Code of Conduct that comprises binding rules of conduct for all employees, general training documentation on data protection regulations and data protection guidelines.

Documents relevant to information security, the validity of which is limited to the scope of the ISO 27001 certification, and thus to high-security areas of the Group, include the central information security guideline, the central IT compliance guideline and the information security guideline for employees.

As part of the certification of the Information Security Management System (ISMS) according to ISO 27001, the yearly compilation and update of the ISMS review (ISMSR), which is required by the standard, increases awareness of the subject, as the respective board member is personally involved in the compilation of the ISMS review and the ISMS audit. Due to the great importance placed on the topic of data protection/EU GDPR, the entire Executive Board is informed at regular intervals about the progress of implementation in meetings.

In order to ensure group-wide compliance with the requirements of the EU GDPR, our data protection officer conducts data security analyses on its requirements at all Bechtle subsidiaries to identify open points and formulate suitable measures. As in previous years, employees in Germany continue to complete training on data security via our iLEARN internet platform. The training courses are regularly updated to reflect current requirements and include a final exam to ensure that the essential principles were properly understood. By the end of 2018, more than 40 per cent of our employees had participated in data protection training courses. In 2017 the proportion was over 25 per cent. For 2019, a new GDPR training course will be offered for all internal Bechtle Group employees.

All employees, who work within the scope of ISO 27001 certification and are thus subject to special requirements relevant to information security, shall be required to attend additional training once a year in classroom courses or via video conference on the subject of information security management. As in the previous year, in 2018 the proportion of employees taking part was 80 per cent, while in 2016 it was 90 per cent. This tuition will continue in 2019. As in previous years, more training was conducted in 2018 for employees that had not taken part before.

In 2017, a gradual extension of the ISO 27001 certifications to other infrastructures (locations and applications) was planned, with the IT systems integrator in Neckarsulm being the first branch to be certified in accordance with ISO 27001 in October 2018. Further branches will be checked in 2019.

Regular security tests within the framework of ISO 27001 certification of the certified data centres is part of the necessary measures that will continue to be taken and that includes penetration tests (PEN tests). Penetration tests check the security of as many system components, network or software system applications as possible using means and methods that could be used by a hacker to penetrate a system without authorisation. The penetration tests thus determine the sensitivity of the system to attacks. Bechtle has also implemented reporting processes in the event of any incidents concerning information security and data protection.

**ANTI-CORRUPTION:****Combatting corruption and bribery.**

Bechtle's approach to corruption and its prevention is of central importance in almost all tenders and, in particular, for public-sector contracts. Failures and violations in this context would not only lead to a loss of orders and hefty fines for the affected Bechtle company, but would also cause considerable damage to the reputation of the Bechtle Group. The topic is thus enshrined in relevant internal tendering processes and absolutely binding for Bechtle employees in charge of processing public tenders in their daily business.

Combatting corruption is embedded in the existing Bechtle compliance system, which encompasses all subsidiaries of the Bechtle Group as well as Bechtle AG's central departments. Introduced in 2010, the Bechtle Code of Conduct is an integral component of compliance at Bechtle and its general guidelines to uphold integrity are binding for all Bechtle employees. With regard to corruption, the Bechtle Code of Conduct prohibits Bechtle employees from giving gifts of any kind to business partners, their employees or other third parties in exchange for preferential treatment. In the context of all business activities, Bechtle employees are absolutely prohibited from offering, guaranteeing, demanding or accepting money, nor may any official in Germany or abroad be offered personal gain of any kind. These general compliance provisions have been and will continue to be reviewed with respect to different scenarios and specialist departments, in order to adapt them to specific contexts and provide more concrete detail. For instance, a binding company-wide policy for dealing with incentives from business partners has been in place since 2011. In addition to this, there is an easy-to-use decision-making aid for employees on how to appropriately handle and behave when receiving and giving gifts—with special consideration for the specific situation of public-sector customers.

Employees can always access the latest versions of the guidelines on the Bechtle intranet. Moreover, every new employee receives a physical copy of the Bechtle Code of Conduct as an integral component of the onboarding process. During the year, the Bechtle Compliance Board, which consists of the entire Executive Board of Bechtle AG and a permanent representative of the central legal department, sends out special e-mail notifications on a case-by-case basis to potentially affected employees and to the managing directors of Bechtle units. The sole purpose of these e-mails is to provide specific information about real incidents and to increase employee awareness of compliance issues.

Employees can contact the Compliance Board both to ask compliance-related questions and to report relevant compliance breaches via a dedicated hotline or by sending an e-mail to a dedicated e-mail address.



To ensure the effectiveness of the Bechtle compliance system, the managing directors of the group subsidiaries and the heads of the central departments are required to report relevant incidents, i.e. identified violations of the Code of Conduct or applicable law, to the Compliance Board in the form of an annual compliance report. Subsequently, the Compliance Board prepares a consolidated overall compliance report and submits it to the Supervisory Board of Bechtle AG.

Regarding the combatting of corruption and bribery, the essential objective of the processes and measures integrated in the compliance system is full compliance with the Bechtle Code of Conduct, including its specific guidelines and compliance instruments, as well as compliance with all relevant legal regulations and provisions. This of course is a purely qualitative goal. Although the Compliance Board internally documents figures, such as the number of violations or reported incidents, and reports these to the respective committees, they are by nature confidential and cannot therefore be published.

The following details if and how the measures set out in the 2017 Sustainability Report were implemented during the 2018 reporting year to achieve the stated goals. Additional agreed measures are also listed:

- A physical copy of the Bechtle Code of Conduct in its updated version is to be given to every new employee as part of the onboarding process. In line with the decentralised structure of the Bechtle Group, all Bechtle leaders are responsible for ensuring that the employees working under them are handed a personal copy of the Bechtle Code of Conduct, and that they read it and comply with its content. The measures outlined above were already initiated with the creation of the Bechtle Code of Conduct and were therefore implemented in the year under review. This practice will continue unchanged. The Bechtle Code of Conduct is currently being revised and an updated edition will be published in 2019. A sufficient number of copies of the new edition will be printed and provided to Bechtle Group companies for distribution to all employees.
- The relevant employee groups are to be informed and made aware of corruption and bribery issues on an ongoing, timely and case-by-case basis through awareness e-mails. Starting in 2018, these awareness e-mails were to be sent not only to managing directors in their capacity as compliance officers, but also to the employees potentially affected or at risk. No such communication took place during the year under review as no pertinent, exemplary incidents involving corruption or bribery occurred. Nevertheless we will retain and, as needed, implement the agreed measure to send awareness e-mails to a broader group of recipients.
- All employees in the Public Sector (PS) business unit are to be made aware of corruption and bribery issues through targeted compliance training. The training, which was agreed in the 2017 reporting year, was developed in the spring of 2018 and conducted during the annual PS skills-building event on 14 June 2018. A presentation was held outlining the general state of corruption, defining relevant terminology in general terms and illustrating typical corruption cases affecting the different stages of a public call for tenders. A total of 156 employees attended the presentation at the PS skills-building event. In addition, the presentation's contents were posted on the appropriate PS platforms for employees to access.

- Additionally, appropriate compliance training is to be developed and offered to other employees throughout the Bechtle Group who handle public sector business. The necessary preparatory meetings were conducted with local managers, and the project has been well-received. Implementation of the measures thus agreed is planned for 2019. It is to be based on the material used for the PS skills-building event mentioned above.
- Other departments within the Bechtle Group, such as Purchasing or Product Management, are also to be assessed to identify possible corruption risks that might affect Bechtle's reputation. Where necessary, topic-specific compliance training is to be developed for these relevant employee groups. This risk-minimising measure, agreed in the 2017 reporting year, is still in the assessment phase. We plan to consult selected units of the Sales and Purchasing departments during 2019 in order to validate relevant topics and develop specific content, and also to agree on how the training should be designed for maximum impact.

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