



Excelencia en Soluciones Informáticas

# **Global Compact COP Sustainability Report**

# **2019**

## Contents

**03** Letter from the CEO

**04** About us

**07** Progress with the 10 Principles of the Global

**18** Sustainable development goals (SDGs)

## Letter from the CEO



**Ernesto Galindez**

President and Co-Founder of TGV

Since our start in 1992, we have been driven by a strong and non-negotiable sense of commitment in pursuit of the sustainable development of our business and our community.

In 2018, we ratified our calling to be actors of change, supporting and developing actions that contribute to the ten principles of the United Nations Global Compact, implementing best practices aligned with the Sustainable Development Goals (SDGs). We remain committed to making the Global Compact and its principles part of our company's culture, daily actions and overall strategy.

On behalf of TGV – Excelencia en Soluciones Informáticas, I am pleased to reaffirm our support for the ten principles of the U.N. Global Compact in the areas of human rights, labor, the environment, and anti-corruption.

In 2019, we undertook an exhaustive analysis of our processes and our governance procedures,

which provides us with an internal diagnostic, which highlighted the challenges moving forward. Our goal for 2020 is to continue to pave the way that drives us to become better every day. We will work even harder to ensure that everyone in our company is given an opportunity to participate in the commitment TGV made when first founded.

We must continue to grow sustainably, making every effort to promote balance in our workplace, from an economic, social and environmental perspective. We are convinced that we can attain these ambitious goals by nourishing ourselves with a variety of experiences, by promoting the development of the people and organizations we work with: from the professionals that give life to this company to our most valued clients.

## About us

We are technological partners of the digital transformation of our clients.

We are experts in the development and implementation of custom software, and the implementation and extension of world-class packages, such as SAP and JD Edwards.

TGV has more than 25 years of experience providing solution for the biggest IT projects deployed in Argentina, Latin America, the United States, Europe, Asia, and Africa.

We offer knowledge and mastery of technologies, as we accompany our clients in the adoption of timely and appropriate digital solutions for each business.

We have forged lasting relationships with our clients with the support of our multidisciplinary team of more than 300 trained professionals. From leading private companies to government entities, our clients have come to expect quality, innovation, and TGV's adaptability to their needs.

## Mission

To be our clients' main technological partner, offering knowledge and innovation in the digital transformation of their business processes.

## Vision

To be recognized by global markets as a world-class IT consultancy.

## Values

- **Associative approach toward the client:** Being technological partners allows us to work in partnership with our clients, offering them command over the most advanced technology that addresses the needs of their projects.
- **Creativity and innovation:** Our deep understanding of business processes in various industries allows us to face each challenge successfully.
- **Teamwork:** We have a professional, talented and multidisciplinary team, which guarantees our commitment to ensuring the highest level of quality for all of the products we deliver.

## Services



### WEB/MOBILE DEVELOPMENT

We develop apps focused on their ease of use, transparently integrating multiple technical platforms and simplifying extreme technological complexity. We simplify the complex.



### LEGACY SYSTEMS

We provide solutions adapted to the performance and reliability requirements of the financial industry.



### JD EDWARDS CONSULTING

Our vast experience with JD Edwards allows us to make the necessary functional and technical adaptations to fit our clients' processes.



### SAP CONSULTING

We help our clients to maximize their use of the full range of SAP products.

## Alliances and Certifications



**Microsoft**

**ORACLE**



**cessi**  
ArgenTina



## Our Offices

Florida  
**USA**

Monterrey  
**Mexico**

San Francisco  
**Argentina**

Buenos Aires  
**Argentina**

## Our Clients

**+80**  
companies in  
**16** countries

**10**  
Fortune Global  
500 companies

**6** of the **10**  
largest food  
companies in  
the world

**3** of the  
world's leading  
financial  
institutions

## Progress with the 10 Principles of the Global

The Global Compact's ten principles-which are derived from United Nations' declarations on human rights, labor, the environment and anti-corruption-enjoy universal consensus. The data analyzed correspond to a self-evaluation regarding the company's progress with respect to these principles.

### Human Rights

- **Principle 1:** Companies should support and respect the protection of internationally proclaimed human rights within their sphere of influence.

| No | Concept evaluated   | Score | Average | Score as a percentage |
|----|---|-------|---------|-----------------------|
| 1  | Mechanisms are periodically applied in the company with the purpose of evaluating and monitoring that workers' human rights are respected.                  | 4     | 3       | 65%                   |
| 2  | Mechanisms for the dissemination of human rights are periodically applied with company personnel, the community, suppliers and other interested parties.    | 1     |         |                       |
| 3  | Mechanisms are in place to assess whether decisions made by the company have a positive or negative impact on the human rights of workers and stakeholders. | 1     |         |                       |
| 4  | The company has established the means and channels to address claims of human rights violations in the company.   | 4     |         |                       |
| 5  | Mechanisms are in place to improve compliance and respect for the human rights of workers and stakeholders.   | 3     |         |                       |

Color Range for % of Principles    Percentage greater than 80%    Percentage between 50% and 80%    Percent lower than 50%

- **Principle 2:** Companies must ensure that they are not complicit in human rights abuses.

| No | Concept evaluated   | Score | Average | Score as a percentage |
|----|---|-------|---------|-----------------------|
| 6  | There are mechanisms in place to determine and monitor that no actions in violation of human rights are carried out directly in the company.  | 3     | 3       | 67%                   |
| 7  | Mechanisms are in place in to determine and monitor that the company does not purchase goods or contract services from suppliers who carrying out actions in violation of human rights (beneficial complicity). | 3     |         |                       |
| 8  | There are mechanisms in place in the company to determine and monitor that no actions in violation of human rights are carried out directly in the company's local community (silent complicity).               | 2     |         |                       |

Color Range for % of Principles

Percentage greater than 80%

Percentage between 50% and 80%

Percent lower than 50%



## Labor Rights

- **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

| No | Concept evaluated  | Score | Average | Score as a percentage |
|----|--|-------|---------|-----------------------|
| 9  | Are there mechanisms in the company (policies, programs, administration systems, etc.) that protect the freedom of association and the right to form and join trade unions independent of local legislation? | 4     | 3       | 75%                   |
| 10 | Do you have the mechanisms to show that workers have the freedom to form and join the trade union of their choice without fear of intimidation or retaliation?   | 4     |         |                       |
| 11 | Is the role of trade unions or workers' representatives recognized in joint collective bargaining negotiations related to working conditions and goals?  | 1     |         |                       |
| 12 | Are collective labor agreements or contracts used as a means of information on labor terms and conditions, as well as to strengthen relations between contractors and employees?                             | 4     |         |                       |
| 13 | Are there mechanisms to determine the effectiveness of the actions established in this principle?  | 2     |         |                       |

- **Principle 4:** Businesses should uphold the elimination of all forms of forced and compulsory labor.

| No | Concept evaluated   | Score | Average | Score as a percentage |
|----|---|-------|---------|-----------------------|
| 14 | Has the company established information mechanisms on policies against any type of forced or compulsory labor?  | 1     | 3       | 85%                   |
| 15 | Do employees know the terms and conditions of the service for which they were hired, and aware of the voluntary nature of the work and their freedom to leave their jobs, in accordance with the appropriate procedures for this purpose? | 4     |         |                       |
| 16 | Are there mechanisms for any worker to report conditions of forced or compulsory labor (e.g., threats of dismissal, requests for deposits or guarantees to perform work, inadequate working conditions that jeopardize their integrity)?  | 4     |         |                       |
| 17 | Are there mechanisms to verify that the salary awarded falls within the limits established in labor regulations?  | 4     |         |                       |
| 18 | Are there mechanisms to monitor working conditions, the analysis of information obtained and the implementation of corrective, preventive or improvement actions with the purpose of improving compliance with this principle?            | 4     |         |                       |

• **Principle 5:** Businesses should uphold the abolition of child labor.

| No | Concept evaluated   | Score | Average | Score as a percentage |
|----|---|-------|---------|-----------------------|
| 19 | Are mechanisms and policies in place in the company to ensure that only children with the minimum age to work under national laws and regulations are hired?                            | 4     | 3       | <b>81%</b>            |
| 20 | If so, are mechanisms in place for children to work only for the hours established under national laws and regulations?   | 4     |         |                       |
| 21 | Does the company have programs or support mechanisms in place for children to continue their studies, receive training or advice (including, if necessary, for the children's parents)? | 4     |         |                       |
| 22 | Does the company have training and/or auditing programs for the company's suppliers so they can uphold the elimination of child labor?  | 1     |         |                       |

- **Principle 6:** Businesses should uphold the elimination of discrimination in respect of employment and occupation.

| No | Concept evaluated  | Score | Average | Score as a percentage |
|----|--|-------|---------|-----------------------|
| 23 | Does the company's personnel management processes include mechanisms to prevent discrimination, supervise and monitor it, in order to avoid it in all its forms. | 4     | 4       | 92%                   |
| 24 | The company's recruitment and hiring processes avoids discrimination based on age, religion, race, gender, political opinion, nationality, etc.                  | 4     |         |                       |
| 25 | Administrative processes related to salaries and personnel promotions adhere to an equal opportunity policy based on competencies.                               | 4     |         |                       |
| 26 | In the training and staff development programs, equal opportunities are maintained based on competences.   | 4     |         |                       |
| 27 | There are periodic review mechanisms that ensure non-discrimination of personnel in any form.  | 3     |         |                       |
| 28 | There are indicators that show equal opportunities in aspects of gender, age, etc.   | 3     |         |                       |

## Environment

- **Principle 7:** Businesses should support a precautionary approach to environmental challenges.

| No | Concept evaluated   | Score | Average | Score as a percentage |
|----|---|-------|---------|-----------------------|
| 29 | There is a policy of prevention of environmental impact.  | 1     | 2,2     | <b>55%</b>            |
| 30 | Projects or activities likely to have an impact on the environment are subject to the corresponding periodic evaluation system. | 3     |         |                       |
| 31 | Measures are taken to prevent excessive energy and water expenditure in the development of its activities.                      | 3     |         |                       |
| 32 | Critical areas and processes in environmental impact matters have been identified; preventive measures are in place.            | 3     |         |                       |
| 33 | Preventive measures include a system of indicators to periodically monitor compliance.  | 1     |         |                       |

• **Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility.

| No | Concept evaluated  | Score | Average | Score as a percentage |
|----|--|-------|---------|-----------------------|
| 34 | In product management and processes, health, safety and environmental aspects are managed responsibly and ethically. | 3     | 4       | 91%                   |
| 35 | The company adheres to a recycling policy for the materials used in its processes.                                   | 4     |         |                       |
| 36 | The environmental approach includes raising environmental awareness among its staff.                                 | 4     |         |                       |
| 37 | A description of the environmental impacts of their main products or services is available.                          | 3     |         |                       |
| 38 | Control of gas emissions and harmful substances prevent any environmental impact.                                    | 4     |         |                       |
| 39 | Clean handling in supply chains is guaranteed.   | 4     |         |                       |
| 40 | Corrective measures are applied when any nonconformity in their critical environmental impact processes is detected. | 3     |         |                       |
| 41 | Records of accident and fines are maintained for non-compliance with existing laws and regulations.                  | 4     |         |                       |

|                                 |                             |                                |                        |
|---------------------------------|-----------------------------|--------------------------------|------------------------|
| Color Range for % of Principles | Percentage greater than 80% | Percentage between 50% and 80% | Percent lower than 50% |
|---------------------------------|-----------------------------|--------------------------------|------------------------|

- **Principle 9:** Businesses should encourage the development and diffusion of environmentally friendly technologies.

| No | Concept evaluated  | Score | Average | Score as a percentage |
|----|--|-------|---------|-----------------------|
| 42 | The company is aware of the advances in environmental technology so it can implement it according to the possibilities of the company. | 3     | 4       | <b>88%</b>            |
| 43 | As part of its future plans, the company intends to change manufacturing processes or techniques in favor of greener technology.       | 3     |         |                       |
| 44 | Biodegradable materials and those with reduced levels of toxicity are used.  | 4     |         |                       |
| 45 | Materials are reused: Separating, handling and recovering waste and useful materials.  | 4     |         |                       |

## Anticorruption

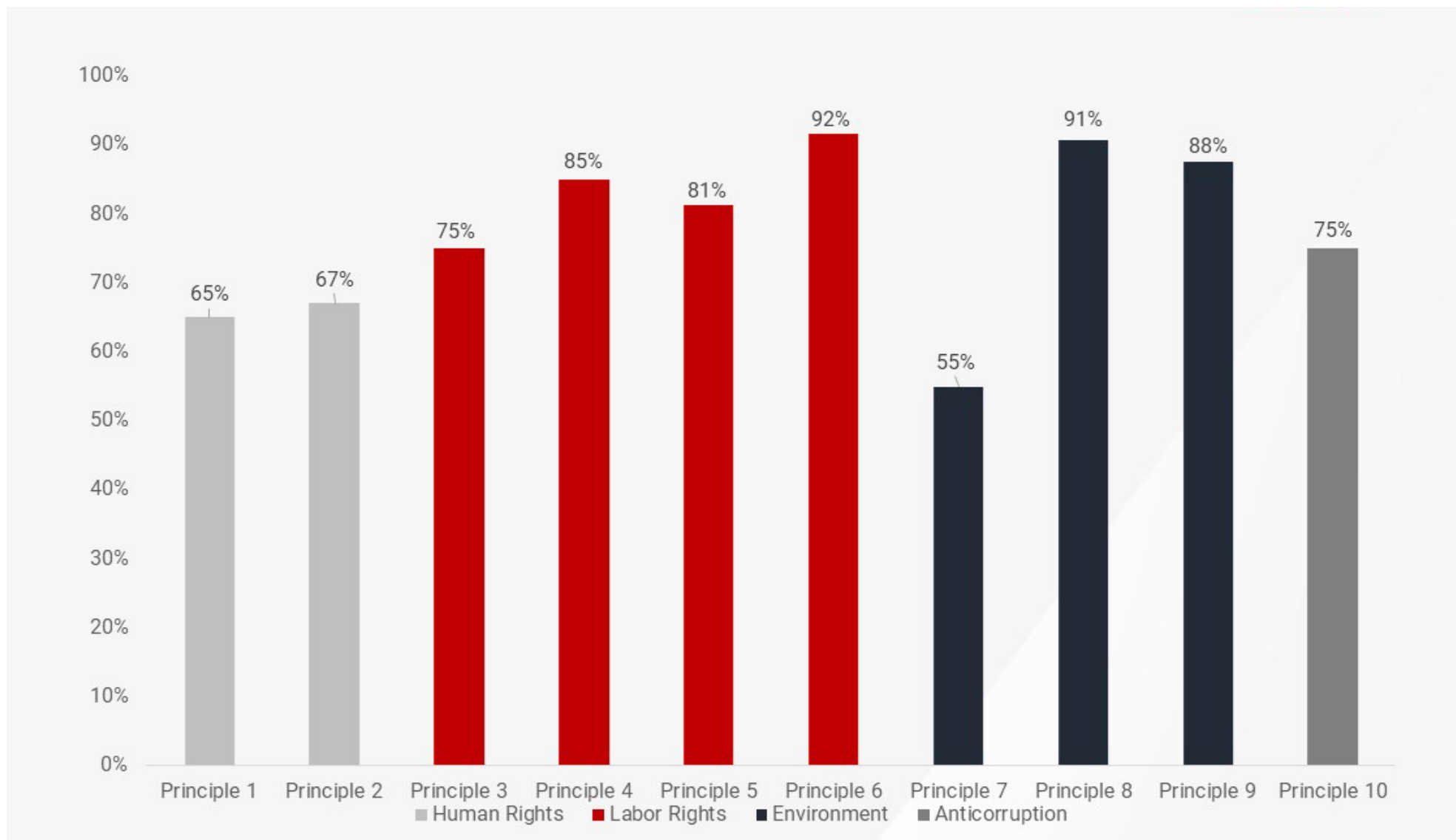
- **Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

| No | Concept evaluated   | Score | Average | Score as a percentage |
|----|---|-------|---------|-----------------------|
| 46 | Processes susceptible to corruption and bribery have been identified.   |       | 3       | 75%                   |
| 47 | Processes include safeguards to avoid bribery.  |       |         |                       |
| 48 | There is a policy that prevents acts of corruption and personnel is trained against corruption and bribery.     | 2     |         |                       |
| 49 | Internal review mechanisms are in place to identify acts of corruption and bribery of staff on a regular basis. | 2     |         |                       |
| 50 | The necessary measures are taken to correct acts of corruption identified in the review process.                | 3     |         |                       |

|                                 |                             |                                |                        |
|---------------------------------|-----------------------------|--------------------------------|------------------------|
| Color Range for % of Principles | Percentage greater than 80% | Percentage between 50% and 80% | Percent lower than 50% |
|---------------------------------|-----------------------------|--------------------------------|------------------------|



## Consolidated data



## Sustainable Development Goals (SDGs)

On September 25, 2015, the U.N. approved the 2030 Agenda on Sustainable Development to eradicate poverty, protect the planet and ensure prosperity for all. This agenda brings together 17 Sustainable Development Goals (SDGs), including the elimination of poverty, the fight against climate change, education, women's equality, the defense of the environment, and the design of our cities.



## SDGs aligned with our business



This goal seeks to ensure a healthy life and promote well-being for all at all ages, through initiatives that help eradicate a wide range of diseases and address numerous and varied persistent and emerging health issues.



This goal seeks to ensure inclusive and equitable quality education and promote life-long learning opportunities for all. Education is the basis for improving our lives and sustainable development. In addition to improving people's quality of life, access to inclusive and equitable education can help provide the local population with the tools necessary to develop innovative solutions to the world's greatest problems.



This goal promotes sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. In order to achieve sustainable economic development, societies must create the conditions necessary for people to have access to quality jobs, stimulating the economy without harming the environment. There will also have to be job opportunities for the entire population of working age, with decent working conditions.



This goal seeks to reduce inequality in and between countries. The international community has made great strides to pull people from poverty. The most vulnerable nations, least developed countries, landlocked developing countries and small developing island states continue to make progress in the area of poverty reduction. However, there are still inequalities and large disparities regarding the access to health and education services and other productive assets.



This goal encourages urgent action to combat climate change and its impacts. Climate change affects all countries on all continents, producing a negative impact on their economies, people's lives and communities.



This goal is aimed at revitalizing the Global Alliance for Sustainable Development. A successful sustainable development program requires alliances between governments, the private sector and civil society. These alliances, which must be constructed based on principles and values, a shared vision, and shared goals, that prioritize people and the planet, are necessary at global, regional, national and local levels.

## Our SDG-aligned actions

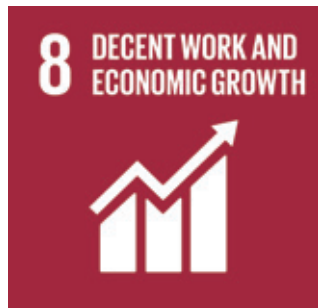
The U.N. Global Compact fosters responsible business practices that generate powerful changes in markets and societies, and at TGV we have decided to accept this challenge by committing ourselves to embracing these principles, and contributing to the co-construction of a more sustainable and inclusive global economy.



Year after year, CADAS (Círculo de Amigos de la Donación Altruista de Sangre de la Fundación Garrahan) [Circle of Friends for the Altruistic Blood Donation to the Garrahan Foundation) carries out blood drives to help treat pediatric patients with conditions of high and medium complexity. The hospital performs more than 18,500 hospitalizations and receives 240,000 medical consultations on average per year. In addition, in 2019, we organized in our offices an external voluntary blood drive for the not-for-profit Fundación Hemocentro Buenos Aires. We also organized a campaign, in partnership with vaccine clinic Previvax, to provide all our employees with free flu shots.



TGV has been implementing an educational proposal called “Escuelita” for many years, which aims to offer young people in the last year of high school or recent graduates access to educational practices focused on the different technological platforms that are part of our business. In the last year, these young people received support and training from our team of professionals, which has also given them an opportunity for job placement. Likewise, we are committed to the professional development of our team. We offer middle managers continuous training, providing them with tools and opportunities to strengthen their knowledge in their area of expertise. The company offers all employees free English classes, discounts at different leading educational centers.



The company has an ethics and conduct policy that protects workers from workplace harassment, including physical, verbal, sexual or psychological harassment, abuse or threats. We recognize the right that workers have to form or join the trade organizations of their choice. We provide each worker with safe, cleaning suitable job facilities, in addition to ensuring that our clients ensure the same optimal working conditions for our team when working in their offices. Likewise, we ensure that workers are paid salaries and/or bonuses in a timely and regular manner, guaranteeing a sufficient salary to meet their basic needs and those of their dependents closest to them.



Aligned with our corporate values, we ensure that decisions regarding hiring, salaries and compensation, promotion, training, discipline, retirement and termination are based exclusively on impartial criteria and not on discriminatory characteristics of any aspect (race, gender, age, religion, culture, etc.). As a result, our team of more than 300 highly trained professionals enjoy equal opportunities for development and job growth.



We accompany the Garrahan Foundation in its paper and plastic recycling initiatives, working to secure the necessary financial resources to support the Garrahan Hospital and the protection of the environment, among other activities. We have boxes and collection points for papers and plastic bottle caps throughout the company, which we send to the foundation to be recycled.



In recent years, we have worked with not-for-profit organizations (Garrahan - Hemocentro Buenos Aires), the private sector (Previvax) and programs spearheaded by the national government (Elbow to Elbow - Learn Working) to carry out initiatives and activities focused on a shared vision and common goals. Likewise, by focusing on establishing our quality methods, we have achieved Capacity Level 3 and Maturity Level 2 of the CMMI (Capability Maturity Model Integration) model, for the improvement and evaluation of processes for the development, maintenance and operation of software systems. This allows us to detect and prevent acts susceptible to corruption and bribery, aligned with principle 10 of the Global Compact.

The exercise of drafting this COP allowed us to draw a clear picture of where we are in 2019 and where we are going, outlining the challenges ahead of us, as we strive to be better every day, in our journey down a path toward a more sustainable world. In 2020, we are renewing our commitment to the sustainable development of our business and our community. To ensure our success, we are calling on all the members of the company to participate, and are establishing overall company objectives that contribute to achieving the goals set forth in the sustainable development agenda.