



**2018/9**

## **Modern Slavery Statement**

SAP (UK) Limited and SAP SE are committed to ensuring that it understands the issues addressed by the Modern Slavery Act 2015 (“**MSA 2015**”) and takes appropriate measures to stay compliant with the MSA 2015, ensuring that no modern slavery exists within SAP or its supply chains.

This statement is made pursuant to s.54 of the MSA 2015 and sets out the steps that SAP UK has taken and is continuing to take to ensure that modern slavery and human trafficking are not taking place within our business or supply chain.

### **SAP Business Structure**

SAP SE is a European multinational software and services corporation and the market leader in enterprise application software used by our customers to manage business operations and customer relations. We are headquartered in Walldorf, Baden-Württemberg, Germany with regional offices in 180 countries. The company has over 378,000 customers worldwide making us right at the centre of today’s business and technological revolution.

The Company operates through two segments: Applications, Technology & Services segment, and the SAP Business Network segment. The Applications, Technology & Services segment is engaged in the sale of software licenses, subscriptions to its cloud applications, and related services (primarily support services and various professional and implementation services of its software products and education services on the use of its products). The SAP Business Network segment includes its cloud-based collaborative business networks and services relating to the SAP Business Network (including cloud applications, professional services and education services). Within the SAP Business Network segment, the Company markets and sells the cloud offerings developed by SAP Ariba, Fieldglass Concur, Hybris and Gigya.

The Company serves lines of business, including asset management, commerce, human resources, manufacturing, marketing, sourcing and procurement, supply chain, sales, and research and development (R&D)/engineering.

The Company's industry portfolio includes various sectors, such as consumer, discrete manufacturing, energy and natural resources, financial services, public services and other sectors. Its offerings in the consumer sector include SAP for Consumer Products, SAP for Life Sciences, SAP for Retail and SAP for Wholesale Distribution. Its offerings in the discrete manufacturing sector include SAP for Aerospace and



Defense, SAP for Automotive, and SAP for Industrial Machinery and Components. The Company's offerings in the energy and natural resources sectors include SAP for Chemicals, SAP for Mill Products, SAP for Mining, SAP for Oil and Gas, and SAP for Utilities. The Company's offerings in the financial services sector include SAP for Banking and SAP for Insurance. Its offerings in the public services sector include SAP for Defense and Security, SAP for Healthcare, SAP for Higher Education and Research, and SAP for Public Sector. Its offerings in the services sector include SAP for Engineering, Construction and Operations; SAP for Media; SAP for Professional Services; SAP for Sports and Entertainment; SAP for Telecommunications, and SAP for Travel and Transportation. The Company also offers human capital management (HCM) offerings, including SAP SuccessFactors solutions. SAP SuccessFactors HCM Suite addresses a range of human resources needs and encompasses Core Human Resources and Talent Management.

## **Risk Assessment**

[SAP's Global Human Rights Commitment Statement](#) applies to all our operations and subsidiaries globally and is reviewed on a regular basis. SAP regularly reviews its performance in relation to human rights, this includes considering external benchmarks, performance ratings, audit results, and stakeholder feedback. In addition, since 2012, we conduct regular internal audits to verify that our subsidiaries adhere to our standards and to check internal compliance with this policy. In 2016, we conducted a labour audit at our SAP India and SAP Labs India locations in Bangalore. There were no material findings within the audit.

## **Modern Slavery and Human Rights Policy**

At SAP, we believe that we have a responsibility to respect human rights throughout all our business operations. SAP is a signatory of the United Nations Global Compact. This is a voluntary undertaking to align our strategies and operations with universal principles on human rights, labour, the environment, and anticorruption.

By integrating human rights considerations into our standard business practices, we also support the values of the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work. To ensure that our commitment to human rights translates into practice, we take guidance from the United Nations "Protect, Respect and Remedy" framework.

The Human Rights Commitment Statement details our response to the international standards mentioned above and is based on and forms part of the [SAP Group Code of Business Conduct](#), that has been approved by our Executive Board. The statement focuses on three main areas: our employees, our ecosystem of partners and suppliers, and our solutions.



At SAP, we strive for constructive labour relations across the world, working within each country's requirements. We currently have works councils in place in Belgium, Germany, Ireland, Italy, the Netherlands, Slovenia, Spain, and the United Kingdom. In addition, we have a European works council that represents employees from all SAP subsidiaries in Europe.

These works councils consist of both elected union members and non-union members, and are consulted by SAP management on topics that define the work environment and work processes. These include HR initiatives, payment and benefits, equal opportunities, changes in work or IT processes, and health and safety protection.

We expect all of our business partners to respect human rights and to avoid complicity in human rights abuses. Our [codes of conduct for suppliers](#) and partners require them to uphold labour rights and to provide a safe and healthy work environment for all employees.

We work collaboratively with our suppliers and partners on the implementation of these codes. In addition, we may carry out on-site audits to assess performance. As a business software company, we are committed to respecting and protecting human rights throughout the lifecycle of our products – from design through development to use. We develop innovative solutions that help customers embed human rights standards into their business and supply chain strategies.

## **SAP Policies and Code of Business Conduct**

SAP's Code of Business Conduct outlines our continued commitment to ethical business practices and legal compliance. Approved by the Executive Board at SAP, the code sets the standard for our employees in their dealings with customers, partners, competitors, and vendors. It is adapted locally and translated into local languages.

We have developed a compliance management system for enforcing ethical business conduct. This includes detailed policies and procedures to ensure that SAP does business the right way. Audited regularly, the system encompasses all aspects of compliance management. From the analysis of compliance risks and defining objectives to running compliance programs as well as ongoing monitoring, this comprehensive framework enables us to be a responsible compliance organisation.

Every employee is made aware of the Code that applies to him or her and is under obligation to comply. SAP's Corporate Audit department monitor both the Code of Business Conduct and compliance.



## **Our suppliers**

SAP operates a strict supplier policy and maintains a preferred suppliers list, which is regionally approved and then vetted again by our Global Vendor Master Team. We conduct strict due diligence measures to ensure that our suppliers are not guilty or participating in any offenses relating to modern slavery or human trafficking.

In addition to the above, we have a policy of requiring our suppliers to confirm:

1. They have policies ensuring compliance with the MSA 2015 and any other applicable laws, statues, regulations and codes in respect of anti-slavery (Anti-Slavery Legislation).
2. They have taken steps to ensure that there is no slavery within their business.
3. Their own suppliers are also required to comply with the Supplier's modern slavery policies or similar policies.
4. The Supplier has due diligence procedures that it follows for its suppliers, subcontractors and other participants in its supply chain, to ensure that there is no slavery or human trafficking in its supply chain.
5. The Supplier shall maintain appropriate records to trace the supply chain of all goods and services provided to SAP.

## **Training**

A code of business conduct is only effective if everyone knows about it. That is why we strive to make sure all of our employees receive full training on the standards that we expect. In 2016, we introduced mandatory online training for all employees worldwide. In total, more than 79,200 employees (93% of SAP staff) have received this training.

## **Performance indicators**

Following our due diligence and auditing procedures no reports have been received by SAP from employees, the public, our suppliers, or law enforcement agencies to indicate that any modern slavery practices have been identified.

## **Improving Sustainability Through Innovation**

In 2017, the [SAP Ariba Supplier Risk solution](#) went live. It enables the procurement departments of our customers as well as our Global Procurement Office to identify, manage, and mitigate sustainability risks within our supply chain. These risks include, for example, unethical practice, workplace discrimination, workplace safety neglect,



the use of child labor, human trafficking, and environmental disasters such as oil spills and radioactive contamination.

In addition, this innovative solution helps SAP measure due diligence activity and report on information-sharing programs across the supply chain. By providing insights into supplier risk, the solution enables us to detect early warning signals, minimize costly disruptions, and proactively monitor risk factors for each supplier. In this way, SAP can prioritize its corporate responsibilities, quantify the impact it wants its business to have, and identify the critical issues affecting the supply chain. SAP also works closely with suppliers to find new ways to make our supply chain more sustainable. We have a number of ongoing projects that minimize our impact on the environment in areas such as enterprise mobility, catering, office supplies, and SAP events. Our chief procurement officer and chief sustainability officer meet each quarter to discuss progress and challenges related to embedding sustainability in our procurement practices.

## Key Links

[SAP Group Code of Business Conduct](#)

[SAP Global Human Rights Commitment Statement](#)

[SAP Standards Across The Supply Chain](#)

[SAP Human Rights and Labour Standards](#)

[SAP Supplier Code Of Conduct](#)

[SAP Integrated Report 2017](#)

**SAP (UK) Limited**

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