SAP Supplier Code of Conduct
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Introduction

The ethics of the SAP Global Procurement Organization are based upon the SAP Supplier Code of Conduct and SAP’s commitment to the United Nations Global Compact, the Universal Declaration of Human Rights, and the International Labor Organization.

The following guidelines set forth the framework of acceptable conduct SAP expects from its contractors, consultants, suppliers, vendors, and all other third-party companies that comprise SAP’s supply chain (“Suppliers”). These guidelines are based on SAP’s commitment to integrity.

All work performed for SAP must be in full compliance with this SAP Supplier Code of Conduct and all applicable laws, rules, regulations, and policies. For suppliers who have employees contracted to work directly for SAP, these guidelines must be reviewed with all employees and subcontractors working on SAP matters.

We expect our employees and our contractors, consultants, and agents to conduct themselves in a safe and professional manner, to refrain from any action that may be considered a conflict of interest, and to treat others with respect, fairness, and dignity while working on behalf of SAP. We regard our supplier base as a critical and necessary extension of our operations and future success, and we thank you for continuing to make compliance and integrity a top priority as you work with SAP.

Failure to accept the SAP Supplier Code of Conduct and to comply with it during the course of business with SAP leads to your disqualification as an accepted supplier and eliminates you from consideration of new business with SAP.

You also commit to the obligation of reporting to SAP any violation of this policy, as you become aware of it, by sending an e-mail to global-compliance-office@sap.com or compliance.americas@sap.com.

We expect our suppliers to confirm that all subcontractors are equally compliant with our policies and the SAP Supplier Code of Conduct.

SAP has the right to conduct a risk-based due diligence on any supplier at any time, which may include requesting information about the supplier, requesting copies of its compliance policies and programs, and gathering anti-bribery certifications. In addition, SAP may request Supplier to conduct annual anti-bribery trainings or interviews with relevant personnel and SAP may require Supplier to include any specific anti-bribery provisions in the applicable contract with SAP.

Any change in Supplier’s ownership, senior management, corporate structure, business lines or model, key personnel, subcontractors or any other factor that might reasonably affect SAP’s risk evaluation must be communicated promptly.

All work performed for SAP must be in full compliance with this SAP Supplier Code of Conduct and all applicable laws, rules, regulations, and policies
Compliance with Laws, Rules, and Regulations

GENERAL
As a Supplier, you agree to abide by the terms of this Code and acknowledge that compliance with this Code is required to maintain your status as an SAP Supplier. You agree that all business conducted on behalf of SAP shall be accomplished in full compliance with applicable laws, rules, regulations, and policies. If local laws are less restrictive than the principles set forth in this Code, Suppliers are expected to, at a minimum, comply with the Code. If local laws are more restrictive than this Code, Suppliers are expected to, at a minimum, comply with applicable local laws.

ANTICORRUPTION LAWS
Suppliers shall not make, authorize, or offer any bribes, kickbacks, or payments of money or anything of value to anyone, including officials, employees, or representatives of any government or public or international organization, or to any other third party (public or private sector) for the purpose of obtaining or retaining business, or influencing any other favorable business decision, that is related in any way to SAP. This includes giving money or anything of value to anyone when there is reason to believe that it will be passed on to a government official or the decision maker at a customer or potential customer company for this purpose. Suppliers are required to comply with the German Criminal Code, the U.S. Foreign Corrupt Practices Act, the UK Bribery Act, and all applicable local antibribery laws.

ANTITRUST AND COMPETITION LAWS
Antitrust and competition laws are designed to protect consumers and competitors against unfair business practices and promote and protect healthy competition. SAP is committed to observing the applicable antitrust or competition laws of all nations or organizations, and SAP expects its Suppliers to comply with all applicable antitrust or competition laws as well. Antitrust or competition laws vary from country to country, but generally such laws prohibit agreements or actions that unreasonably restrain trade, are deceptive or misleading, or unreasonably reduce competition without providing beneficial effects to consumers. Such agreements or actions are against the policy of SAP.

SECURITIES AND INSIDER TRADING LAWS
Suppliers are expected to comply with applicable insider trading and securities laws governing transactions in the securities of SAP. Securities include common stocks, bonds, options, futures, and other financial instruments. Suppliers that possess or have access to material, nonpublic information gained through their work with SAP may not use that information to trade in SAP securities or the securities of another company to which the information pertains. Employees of such Suppliers may not engage in any other action to take advantage of, or pass on to others, material information gained through work with SAP until a reasonable time after full public disclosure has occurred. These restrictions also apply to family members, friends, and associates. Material information includes any information that a reasonable investor would consider important in a decision to buy, hold, or sell securities. Such information may include financial and key business data; merger, acquisition, or divestiture discussions; award or information related to the cancellation of a major contract; changes in key management; forecasts of unanticipated financial results; significant litigation; or gain or loss of a substantial customer or supplier.
MODERN SLAVERY

Suppliers must comply with all applicable employment and related laws (including those aimed at eradicating modern slavery) and to meet in full their obligations under such laws. In addition, as a minimum, suppliers are expected by SAP to take all reasonably practicable steps to ensure that participants in their supply chains do not engage in conduct amounting to modern slavery.

EXPORT CONTROL & TRADE SANCTIONS COMPLIANCE

Destination Restrictions:
Based on SAP’s business decision and taking into account the overall risks, Suppliers shall not provide SAP with products or services that are manufactured in/provided from:

- Crimea Region / Sevastopol
- Cuba
- Iran
- North Korea
- Syria

End-User Restrictions:
Supplier shall ensure that the provisioning of products and services to SAP is not supported by entities and individuals with whom transactions are prohibited under applicable export control and sanctions laws, including those listed on any applicable sanctioned party lists (e.g., European Union Consolidated Sanctions List, U.S. Specially Designated National (SDN) lists, U.S. Denied Persons List, BIS Entity List, United Nations Security Council Sanctions).

COVERED TELECOMMUNICATIONS EQUIPMENT OR SERVICES

Supplier will not supply SAP with any “covered Telecommunications equipment or services” as more specifically described in the United States Federal Acquisition Regulation clause 52.204-25, “Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services of Equipment”.

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Labor Standards

Suppliers are committed to uphold the human rights of workers and to treat them with dignity and respect as understood by the international community.

FREELY CHOSEN EMPLOYMENT
Forced, bonded, or indentured labor or involuntary prison labor is not to be used. All work will be voluntary, and workers should be free to leave upon given reasonable notice and at their own will. Workers shall not be required to forfeit any documents related to travel, identification, and so on, including but not limited to government-issued identification, passports, or work permits, as a condition of employment.

CHILD LABOR AVOIDANCE
Child labor is not to be used in any stage of manufacturing. The term “child” refers to any person employed under the age of 15 (or 14 where the law of the country permits), under the age for completing compulsory education, or under the minimum age for employment in the country – whichever is greatest. The use of legitimate workplace apprenticeship programs, which comply with all laws and regulations, is supported. Workers under the age of 18 should not perform hazardous work and may be restricted from night shifts with consideration given to educational needs.

WORKING HOURS
Studies of business practices clearly link worker strain to reduced productivity, increased turnover, and increased injury and illness. Workweeks are not to exceed the maximum set by local law. Further, a workweek should not be more than 60 hours per week, including overtime, except in emergency or unusual situations. Workers shall be allowed at least one day off per seven-day week.
WAGES AND BENEFITS
SAP expects its suppliers to adhere to minimum wage laws. All benefits required by local laws need to be provided. Payments need to be made regularly and directly to the workers. Deductions from or withholding of payments need to be in alignment with local laws only, and the workers need to have full understanding of the actions taken. The same goes for advances and loans. Workers must receive information about hours worked, rates of pay, and the calculation of legal deductions. Workers must retain full and complete control over their earnings. Wage deductions as a disciplinary measure, or to keep workers tied to the employer or to their jobs, are not allowed. Holding workers in debt bondage, forcing them to work in order to pay off a debt, and deception in wage commitments, payment, advances, and loans are prohibited.

HUMANE TREATMENT
There is to be no harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, or verbal abuse of workers; nor is there to be the threat of any such treatment.

NONDISCRIMINATION
Suppliers should be committed to a workforce free of harassment and unlawful discrimination. Companies shall not engage in discrimination based on culture, race, color, age, gender, gender identity or expression, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership, or marital status in hiring and employment practices such as promotions, rewards, and access to training. In addition, workers or potential workers should not be subjected to medical tests that could be used in a discriminatory way.

FREEDOM OF ASSOCIATION
Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues. Suppliers are to respect the rights of workers to associate freely, join or not join labor unions, seek representation, or join workers’ councils in accordance with local laws. Workers shall be able to communicate openly with management regarding working conditions without fear of reprisal, intimidation, or harassment.

LAYOFF PRACTICES
There shall be no unlawful practice of laying off workers. This includes temporary layoffs to promote or increase the company revenue and turnover.

CONTRACTS OF EMPLOYMENT
Like any other workers, migrant workers shall also be provided with an employment contract in a language they understand, clearly indicating their rights and responsibilities with regard to wages, working hours, and other working and employment conditions prior to deployment. Any changes of the employment contract and the working conditions agreed upon must be in alignment with local laws and fully transparent to the migrant worker.

WORKPLACE EQUALITY
SAP expects that all workers, irrespective of their nationality, sex, gender identity, sexual orientation, age, religious beliefs, disabilities, legal status, or other relevant characteristics, are treated fairly and equally. All workers (including migrant workers and their family members) shall not be threatened with denunciation to authorities to coerce them into taking up or maintaining employment.
Health and Safety

Suppliers recognize that the quality of products and services, consistency of production, and workers’ morale are enhanced by a safe and healthy work environment. Suppliers also recognize that ongoing worker input and education are key to identifying and solving health and safety issues in the workplace.

Suppliers shall prevent worker exposure to potential safety hazards (for example, electrical and other energy sources, fire, vehicle, and fall hazards) and make sure they are to be controlled through proper design, engineering and administrative controls, preventive maintenance, and safe work procedures (including lockout-tagout). Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate personal protective equipment.

Workers shall not be disciplined for raising safety concerns. Suppliers identify and assess emergency situations and events and minimize their impact by implementing emergency plans and response procedures, including emergency reporting, employee notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, adequate exit facilities, and recovery plans.

Procedures and systems are to be in place to manage, track, and report occupational injury and illness, including provisions to encourage worker reporting, classify and record injury and illness cases, provide necessary medical treatment, investigate cases and implement corrective actions to eliminate their causes, and facilitate the return of workers to work.

Suppliers identify, evaluate, and control worker exposure to chemical, biological, and physical agents. When hazards cannot be adequately controlled by engineering and administrative means, workers are to be provided with appropriate personal protective equipment.

Suppliers identify, evaluate, and control worker exposure to physically demanding tasks, including manual material handling and heavy lifting, prolonged standing, and highly repetitive or forceful assembly tasks. Physical guards, interlocks, and barriers are to be provided and properly maintained for machinery used by workers.

Suppliers provide workers with clean toilet facilities, access to potable water, and sanitary food preparation and storage facilities. Worker dormitories provided by the Supplier or a labor agent are to be clean, safe, and provide emergency egress, adequate heat and ventilation, and reasonable personal space.

Suppliers recognize that the quality of products and services, consistency of production, and workers’ morale are enhanced by a safe and healthy work environment.
Diversity and Inclusion

Suppliers are encouraged to provide an inclusive, healthy, bias-free work environment to their employees. Suppliers should, if applicable, strive to foster:

- Gender intelligence by offering equal rights for males and females
- Cross-generational intelligence by having people of all ages and at every work and career stage
- Culture and identity by empowering many voices to help gain strength from people’s differences
- Opportunities for differently abled people by focusing on their unique abilities and providing a work environment that considers the special needs and skills of each employee

ACCESSIBILITY

Suppliers are encouraged to deliver goods and services that are accessible to everyone, including those with disabilities. If accessibility standards – for example, Web Content Accessibility Guidelines (WCAG) 2.0 Level AA, included in US Section 508, and the harmonized EN 301549 including WCAG 2.1 Level AA, and Germany’s Barrier-Free Information Technology regulation (BITV) – are applicable for the goods or services delivered, suppliers are strongly encouraged to take these standards into consideration and meet them.

Suppliers are encouraged to deliver goods and services that are accessible to everyone, including those with disabilities.
Environmental

Suppliers recognize that environmental responsibility is integral to producing world-class products. In manufacturing operations, adverse effects on the community, environment, and natural resources are to be minimized while safeguarding the health and safety of the public. All required environmental permits (for example, discharge monitoring) and registrations are to be obtained, maintained, and kept current, and their operational and reporting requirements are to be followed. Waste of all types, including water and energy, is to be reduced or eliminated at the source by practices such as modifying production, maintenance, and facility processes; materials substitution; conservation; recycling; and reusing materials. Chemical and other materials posing a hazard if released to the environment are to be identified and managed. Wastewater and solid waste generated from operations, industrial processes, and sanitation facilities are to be monitored, controlled, and treated. Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone-depleting chemicals, and combustion by-products generated from operations are to be characterized, monitored, controlled, and treated.

Suppliers are to adhere to all applicable laws and regulations regarding prohibition or restriction of specific substances, including labeling laws and regulations for recycling and disposal. Suppliers are also to adhere to processes to comply with each agreed-upon customer-specific restricted and hazardous materials list.

Suppliers are committed to become certified with international standards such as ISO 14001, if applicable.

Suppliers are expected to contribute to our environmental objectives stated in the SAP Global Environmental Policy and collaborate with us to improve the environmental performance of SAP and our purchased products and services. Suppliers acknowledge the SAP Global Environmental Policy by accepting the SAP Supplier Code of Conduct.

SUSTAINABLE PACKAGING

SAP strives to eliminate the consumption of single-use plastics. Therefore, suppliers should make every effort to replace plastic packaging materials with environmentally friendly materials such as recycled paperboard packaging and to avoid Styrofoam material. Suppliers are strongly recommended to deliver products and other items in appropriately sized boxes (package size should not exceed the product size by more than 20%). When possible, goods are not to be re-packaged; only original manufacturer packaging shall be used. Safe delivery to SAP has to be ensured.

Suppliers recognize that environmental responsibility is integral to producing world-class products.
Management System

Suppliers shall adopt or establish a management system whose scope is related to the content of this Code. The management system shall be designed to ensure compliance with applicable laws, regulations, and customer requirements related to Supplier operations and products; conformance with this Code; and identification and mitigation of operational risks related to this Code. It should also facilitate continual improvement. Suppliers commit to the statements on corporate social and environmental responsibility, affirming compliance and continual improvement. Suppliers hold clearly identified company representatives responsible for ensuring implementation and periodic review of the status of the management systems. Suppliers identify, monitor, and understand applicable laws, regulations, and customer requirements. Suppliers establish a process to identify the environmental, export control and trade sanctions, health, and safety and labor practice risks associated with Supplier operations.

Suppliers determine the relative significance for each risk and implementation of appropriate procedural and physical controls to ensure regulatory compliance to control the identified risks. Suppliers create and maintain written standards, performance objectives, targets, and implementation plans including a periodic assessment of Supplier performance against those objectives. Suppliers establish programs for training managers and workers to implement Supplier policies and procedures.

Suppliers establish and monitor ongoing processes to assess employees’ understanding of and obtain feedback on practices and conditions covered by this Code. Periodic self-evaluations shall be conducted by Suppliers to ensure conformity to legal and regulatory requirements, the content of the Code, and requirements related to social and environmental responsibility.

Suppliers establish a process for timely correction of deficiencies and creation of documents and records to ensure compliance and conformity, along with appropriate confidentiality to protect privacy.
Responsibility for Company Resources

Suppliers are expected to safeguard SAP resources, which include property, assets, intellectual property, company technology assets (network, phone, Internet, software applications, and e-mail systems), trade secrets, and other confidential, proprietary, or sensitive information while performing work for SAP. Use of SAP resources without proper approvals or for anything other than to perform SAP work activities is strictly prohibited. Intellectual property rights of SAP must be protected. SAP confidential or sensitive information must be protected.

Suppliers may only possess such information if they need to do so to perform work activities. Suppliers should not use this information for gain or advantage and should never share this information without appropriate SAP approval. All confidential or sensitive information obtained by a Supplier must have documented authorization in place. Inappropriate use of SAP Internet or e-mail is strictly prohibited.

Suppliers are expected to safeguard confidential information by not reproducing copyrighted software, documentation, or other materials without permission and by not transferring, publishing, using, or disclosing it other than as necessary in the ordinary course of business or as directed or authorized. Suppliers should observe applicable data privacy standards.

Materials that contain confidential information or that are protected by privacy standards should be stored securely and should be shared only internally with those employees with a “need to know.” For example, SAP confidential information may include, but is not limited to, software and other inventions or developments (regardless of the stage of development) developed or licensed by or for SAP, marketing and sales plans, competitive analyses, product development plans, pricing, potential contracts or acquisitions, business and financial plans or forecasts, and prospect, customer, and employee information. However, the terms of any confidentiality provision in the agreement between Supplier and SAP will govern confidentiality terms between the parties.

SAP retains the right to monitor its assets and work environments in compliance with applicable federal, state, and local law. We monitor to promote safety, prevent criminal activity, investigate alleged misconduct and security violations, manage information systems, and for other business reasons.

Suppliers are expected to safeguard SAP resources while performing work for SAP.
Business Conduct

SAP expects Suppliers to compete fairly and ethically for all business opportunities. Suppliers’ employees involved in the sale or licensing of products and services and the negotiation of agreements and contracts to SAP must ensure that all statements, communications, and representations to SAP are accurate and truthful.

FINANCIAL INTEGRITY
Accurate and reliable financial and business records are of critical importance in meeting SAP’s financial, legal, and business obligations. Suppliers should not have any false or inaccurate entries in the accounting books or records related to SAP for any reason. Suppliers’ business records must be retained in accordance with record retention policies and all applicable laws and regulations. Suppliers should not knowingly shift an expense to a different accounting period.

CONFLICTS OF INTEREST
The term “conflict of interest” describes any circumstance that affects or appears to affect a Suppliers’ ability to act with total objectivity with regard to the supply of products and services to SAP and/or when there is a choice between acting in a personal interest (financial or otherwise) or in the interest of SAP. SAP wants its Suppliers’ services to come easily and be free from any conflicting interests.

While engaged in SAP-related work, Supplier must exercise reasonable care and diligence to avoid any actions or situations that could result in a conflict of interest or the appearance thereof. This includes not accepting other outside activity that creates a conflict of interest with SAP or in any way compromises the work Supplier is to perform for SAP.

Suppliers shall not encourage or influence current or former SAP employees in any manner which would cause them to disclose or provide any confidential, proprietary, or other restricted information obtained while employed by SAP so as to influence SAP’s existing or proposed commercial transactions for the purpose of gaining a commercial advantage.

In order to avoid any conflict of interest or appearance thereof, SAP may at its sole discretion decide whether current or former SAP employees (for a period of twelve (12) months following the end of their employment at SAP) who are engaged by a supplier, may act on behalf of the supplier in SAP discussions or be part of the service delivered by the supplier to SAP. Suppliers are expected to cooperate with SAP investigations and to provide reasonable assistance as requested.

SAP expects Suppliers to prevent or immediately disclose in writing a conflict of interest or the appearance of a conflict of interest as soon as possible to the SAP Global Compliance Office. SAP may require the supplier to correct any actual or perceived conflict of interest at any time during the agreement.
OFFERING AND ACCEPTING BUSINESS COURTSEIES

Suppliers should use discretion and care to ensure that any expenditure offered to or received by any SAP employee is in the ordinary and proper course of business and could not reasonably be construed as a bribe or improper inducement. Business courtseies cannot be designed or appear to be designed to influence the recipient and secure unfair preferential treatment.

A general guideline for evaluating whether a business courtseiy is appropriate is whether public disclosure would be embarrassing to the Supplier or SAP. Employees of the Supplier are permitted to offer and accept meals and other business entertainment from third parties in connection with SAP business only when accepting such business courtseiy:

• Serves a bona fide business purpose
• Does not inappropriately influence, or appear to influence, any business decision
• Is not offered during any pending bidding or negotiation process
• Is given openly and transparently
• Is not unlawful or contrary to ethical business principles, local business customs, or the customer, vendor, competitor, or partner’s company policy

Generally, meals or business entertainment should not exceed €100 per person.

Gifts in kind, payment, loan, vacation, or other privilege from current or prospective customers, vendors, competitors, or partners to SAP employees and their relations, life companions, and other people with whom they have a close personal connection should not be given where:

• The gift, etc., is worth more than the financial threshold described in SAP’s local Code of Business Conduct;
• Accepting the gift, etc., would prejudice SAP’s business interests; or
• Accepting the gift, etc., would create a payback obligation, or
• The gift, etc., is given during negotiation or bidding, directly or indirectly by a party to that negotiation or bidding, or

• Accepting the gift, etc., would allow an impression of unjust advantage to arise, or
• The gift, etc., is unlawful or contrary to ethical principles, or
• The gift, etc. is associated with earlier gifts.

This rule does not apply to promotional gifts of low value of a customary kind or to payments that are not related to working with SAP and that would not be different were the recipient not part of SAP. A payment by a bank relating to a private transaction is one example.

Discounts and other privileges offered to an employee of SAP in the U.S. as part of private transactions with customers, vendors, competitors, and partners of SAP may only be accepted if these are granted to all SAP employees in the U.S.
Reporting Concerns

The standards of conduct described in these guidelines are critical to the ongoing success of SAP’s relationship with its Suppliers. If you have questions or concerns about compliance or ethics issues while working for SAP or want to report illegal or unethical activities:

- Leave a message on the Ethics Help Line at 1-877-587-8605 (toll-free in the United States, no caller identification feature) or at +49 6227 7 40022 (in Germany).
- Fax a communication to the Ethics Fax Line at 1-610-661-0783. This toll-free fax line does not have transmittal identification, and faxes are transmitted directly to the SAP Global Compliance Office.
- Send an e-mail to global-compliance-office@sap.com or compliance.americas@sap.com. Your message will be routed to the appropriate representative for assistance or guidance as necessary.

All matters raised in good faith through these reporting lines will be handled on a confidential nonretaliatory basis. All information will be maintained as confidentially as practical in light of the need to conduct an investigation and implement remedial measures. Anonymity will be granted upon request by the reporting person.