INTRODUCTION

Integrity and transparency constitute a cornerstone for the way in which SAP does business. SAP expects you, as a Partner, to do business in the same manner. The following guidelines set forth the framework of acceptable conduct SAP expects from its Partners.

These guidelines are based on SAP’s commitment to integrity and sustainability as expressed in our internal Code of Business Conduct mandatory for all our employees. All business transactions through a member of the SAP ecosystem must not only be in full compliance with this SAP Partner Code of Conduct and all applicable laws, rules, regulations and policies but also go beyond pure legal requirements; SAP is depending on Partners with a reputation as serious business professionals who behave fairly, ethically, and correctly in all business activities. For Partners who have employees contracted to work directly on SAP products and projects, these guidelines must be reviewed with all employees and subcontractors working on SAP matters.

We expect our employees and our Partners to conduct themselves in a safe manner, to refrain from any action that may be considered a conflict of interest, and to treat others with respect and fairness while working on behalf of SAP. We regard our Partner 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.

DEFINITIONS

The term “Partner” as used in the following policy document comprises all Technology-, Solution-, Service- (i.e., Consulting, Implementation, System Integration, Hosting, Education), Channel- (Value Added Reseller, Distributor & other Reseller) and all other Partners

- collaborating with SAP and
- being part of any Partner program of SAP after
  - having been offered global or local partnership by SAP in any strategic business area or for any customer need in all market segments and
  - then being nominated as Partner by SAP.

The term Partner does also include employees of the Partner.

Third parties who deliver goods and services to SAP (‘vendors’) are not subject to this SAP Partner Code of Conduct, but to the SAP Supplier Code of Conduct.

The term “SAP” as used in the following policy document refers to SAP SE and all international SAP subsidiaries who act as local contracting party for agreements with Partners.
Policy Content

1. Compliance with Laws, Rules, and Regulations

a. General

As a Partner, 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 Partner. 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, Partners are expected to, at a minimum, comply with the Code. If local laws are more restrictive than this Code, Partners are expected to, at a minimum, comply with applicable local laws.

b. Anti-Corruption Laws

Partners 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 where there is reason to believe that it will be passed on to a government official or the decision maker at a private sector customer or potential customer for this purpose.

Accordingly, it is prohibited to invite Public Sector customers which includes government officials, public sector employees, employees of state owned enterprises, employees of a department or agency of the government (military, public schools, scientific research bodies established by the government), representatives of political parties, etc. to hospitality events. For reference, hospitality events do not have an agenda that is principally business focused.

Partners are required to comply with the German Criminal Code, the U.S. Foreign Corrupt Practices Act, the UK Bribery Act and all applicable local anti-bribery laws.

c. Offering/Accepting Business Courtesies

Partners should use discretion and care to ensure that any expenditure (i.e., gifts or meals) offered to or received by any SAP employee or third party is in the ordinary and proper course of business and could not reasonably be construed as a bribe or improper inducement. Business courtesies 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 courtesy is appropriate is whether public disclosure would be embarrassing to Partner or SAP. Employees of Partner are permitted to offer and accept meals and other business entertainment from third parties in connection with SAP business only where accepting such business courtesy:

- Serves a bona fide business purpose, and
- Does not inappropriately influence, or appear to influence, any business decision, and
- Is not offered during any pending bidding or negotiation process, and
• Is given openly and transparently, and
• 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 must be reasonable, appropriate and consistent with
applicable local laws; SAP recommends that they should not exceed 50 euros per person. However,
the Partner shall take into account local rules and habits which may lead to a stricter limit as
recommended above.

d. 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 and competition laws of all nations or organizations, and SAP expects its Partners
to comply with all applicable antitrust and 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.

An agreement with a customer, vendor, competitor, or other partner of the Partner not to conduct
business with, or not to deliver goods or provide services to any other customer, vendor, competitor,
partner, or service provider (boycott) is unlawful.

All forms of price-fixing among market participants are forbidden. Generally, price fixing is defined as a
verbal or written agreement between participants on the same (supplying) side in a market to buy or
sell a product, service, or commodity only at a fixed price, or maintain the market conditions such that
the price is maintained at a given level by controlling supply and demand.

Partners must not accept, read, or use information about products and plans of market participants
which is identified or identifiable as confidential information unless the Partner is authorized by the
other market participant to do so.

Also, Partners must not talk with market participants about SAP internal matters, such as pricing and
conditions of sale, costs, overviews of the market, organizational processes, or other confidential
information, from which other market participants could draw competitive advantage over SAP.

e. Export Laws
Certain exports require prior authorization and/or licenses from the export control authorities or may be
prohibited at all. Authorization and license requirements are dependent upon:

• a product’s technical characteristics (the product is classified as Dual Use good or has
  military specific functionalities),
• the destination (the country of destination is subject to trade sanctions),
• the end-user (end-user is subject to trade restrictions (“black-listed”), and
• the end-use (the software is intended for a military end-use in a crisis area)

An export is a delivery of goods across borders, regardless of the method used for the transfer. E.g.,
software can be shipped on DVDs, hand-carried on a memory stick, e-mailed or uploaded to or
downloaded from an Internet site. In each case, the transaction is considered an export in the legal sense.

SAP requires Partners to comply fully with these laws. Failure to comply could result in criminal fines for the involved persons or corporate bodies and administrative fines for the company as well as the loss or restriction of export privileges.

f. Securities and Insider Trading Laws

Partners 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. Partners that possess or have access to material, non-public 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. The Management and/or the Directors of the Partner shall ensure that its employees do 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; and/or gain or loss of a substantial customer or Partner.

g. Valid Due Diligence Status

SAP Partners are expected to comply fully with any information requests required by SAP to carry out due diligence checks when joining any SAP partner program and any subsequent due diligence renewal requests. Failure to supply information or not meeting due diligence requirements may lead to application rejection, delays or inability for SAP to accept sales leads, process related orders and payments or contract termination depending on the partner status. Partners are also requested to complete any compliance training available based on their partner type.

2. BUSINESS CONDUCT

SAP expects Partners to compete fairly and ethically for all business opportunities. Partners’ 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.

a. Financial Integrity

Accurate and reliable financial and business records are of critical importance in meeting SAP's financial, legal, and business obligations. Partners should not have any false or inaccurate entries in the accounting books or records related to SAP for any reason. Partners' business records must be retained in accordance with record retention policies and all applicable laws and regulations.

b. Conflicts of Interest
The term “conflict of interest” describes any circumstance that could cast doubt on the Partner’s ability to act with total objectivity regarding the supply of products and services to SAP. SAP wants its Partners’ services to come easily and free from any conflicting interests.

A conflict of interest also exists where there is a choice between acting in a personal interest (financial or otherwise) or in the interest of SAP. While engaged in SAP-related work, you must exercise reasonable care and diligence to avoid any actions or situations that could result in a conflict of interest. SAP expects Partners to prevent or immediately disclose a conflict of interest or the appearance of a conflict of interest as soon as possible to the SAP Legal Compliance and Integrity Office.

3. HUMAN RIGHTS AND LABOR STANDARDS

Partners should respect human rights understood as the principles expressed in the International Bill of Human Rights and in the eight International Labor Organization core conventions. This means Partners should not only respect their employees’ fundamental rights at work, but they should also uphold their duty in all business activities with SAP, such as:

- Freely Chosen Employment
- Child Labor Avoidance
- Compliance with local Working Hours requirements
- Compliance with local Wages and Benefits requirements
- Humane Treatment
- Non-Discrimination
- Freedom of Association

4. HEALTH & SAFETY/ENVIRONMENTAL

Partners recognize that quality of products and services, consistency of production and workers’ morale are enhanced by a safe and healthy work environment, and shall prevent workers’ exposure to potential safety hazards. Partners 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 and registrations are to be obtained, maintained and kept current and their operational and reporting requirements are to be followed.

5. COMPLIANCE MANAGEMENT SYSTEM

Partners shall adopt or establish a management system whose scope is related to the content of this Code. Partners agree to provide information and evidence tied to their Compliance Management Systems to SAP, whenever requested as part of our diligence processes or Partner Audits. The management system shall be designed to ensure:

- Compliance with applicable laws, regulations and customer requirements related to the Partner’s operations and products;
Conformance with this Code;
Identification and mitigation of operational risks related to this Code; and
Documentation of the Compliance Management System for auditing purposes.

6. RESPONSIBILITY FOR COMPANY RESOURCES

Partners 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.

a. Confidential Information

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

Partners are expected to safeguard confidential information by not reproducing copyrighted software, documentation, or other materials without permission, and not transferring, publishing, using or disclosing it other than as necessary in the ordinary course of business or as directed or authorized. SAP may require Partners to sign Non-Disclosure Agreements for specific and confidential projects.

b. Trademarks

Partners are expected to respect SAP’s trademarks (i.e., if Partner is granted permission to use the SAP logo, the Partner must use such SAP logo exclusively in SAP’s interest, that is to say, only to identify SAP products and in advertising such products). Partners are not permitted to grant sublicenses.

c. Data Privacy

Partners should observe applicable data privacy standards. Materials that contain confidential information or which 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 Partner and SAP will govern confidentiality terms between the parties.

d. Communication

Partners must not commit SAP to future functionality toward third parties.
Outside the scope of the relevant SAP Partner program, Partners should not provide SAP-related statements or speak and act on behalf of SAP toward third parties unless specifically and explicitly authorized by SAP to do so.

This does also include the obligation of the Partner to protect SAP’s reputation and to avoid unauthorized communication by its employees on behalf of the Partner with reference to SAP.

e. Monitoring

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.

7. REPORTING CONCERNS AND RAISING QUESTIONS

The standards of conduct described in this SAP Partner Code of Conduct are critical to the ongoing success of SAP’s relationship with its Partners. If you have questions or concerns about compliance or ethics issues or want to report illegal or unethical activities:

- Leave a message on the Ethics Help Line, 1-877-587-8605 (toll-free in the United States, no caller identification feature) or +49 6227 7 40022 (in Germany) or

- Send an email 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, non-retaliatory 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.
Version History:
Updated V2 to V3, May 18, 2018
Inclusion of due diligence and compliance clauses (1g), clarification of some terms and clearer vocabulary. Copyright updated

Updated V1 to V2, October 26 2016:
PartnerEdge removed from cover page; ‘AG’ replaced with ‘SE’; ‘Global Compliance Office’ replaced with ‘Legal Compliance and Integrity Office’;
Germany Legal Compliance and Integrity Office contact information inserted on page; Americas ‘fax’ line removed; Copyright updated