

Modern Slavery Statement FY24

Introduction

This Statement has been prepared for The Sage Group plc. (“Sage”), in accordance with section 54(1) of the Modern Slavery Act 2015 (“MSA”) in respect of financial year ending 30 September 2024 (“FY24”). It sets out the steps taken by Sage during FY24 to assess and mitigate the potential risk of modern slavery within our operations and supply chain. This Statement is made on behalf of all subsidiaries within the Sage group of companies and was approved by the Board on [18th] November 2024.

This is Sage’s tenth MSA Statement, previous statements can be accessed from the [Sage Group website](#).

Like all businesses we run the risk of modern slavery within our direct operations and supply chain. As a software business, our sector carries a limited risk of modern slavery compared to other industries. However, we recognise our responsibility in managing our business and supply chains responsibly, to mitigate and where necessary remediate, the risks of modern slavery.

There were no concerns or instances relating to modern slavery raised to us through our due diligence processes, including our whistleblowing hotline, during FY24.

Our business and supply chain

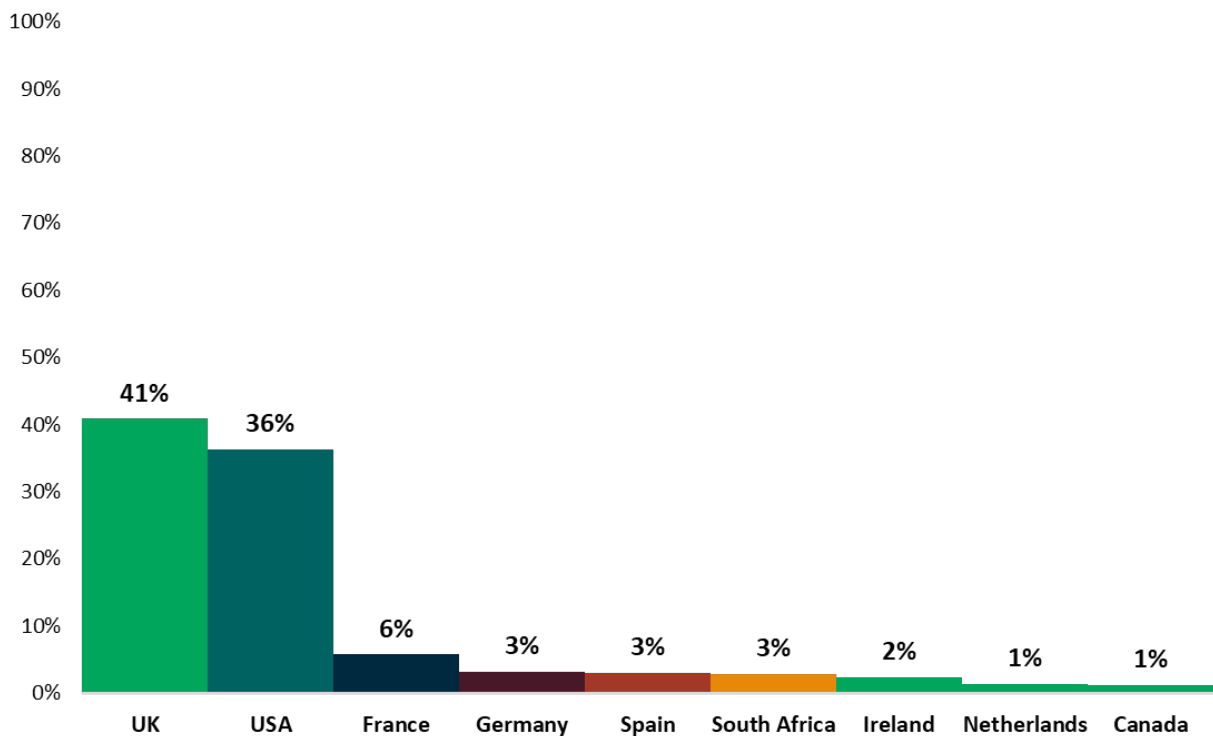
Sage was born in the North-East of England over 40 years ago and is now a leader in accounting, financial, HR and payroll technology for small and medium businesses (“SMBs”). Customers trust our finance, HR and payroll software to make work and money flow. By digitising business processes and relationships with customers, suppliers, colleagues and governments, our digital network connects SMBs, removing friction and delivering insights. Our ambition is creating the world’s most trusted, thriving network for SMBs, powered by Sage Copilot.

Our years of experience mean that our colleagues and partners understand how to serve our customers and communities through the good, and more challenging times. Sage serves millions of customers around the world across North America, Northern Europe and other regions including France, Iberia, Central Europe, Africa and APAC. A list of all the countries in which we operate can be found in our annual report.

In FY24, we spent approximately £610m with third parties. Of this figure, £438m was with third party suppliers, 77% of which was with suppliers based in the UK and the US, the remainder being located across geographies where Sage operates (see Figure 1). All our spend commitments are made using written contracts or purchase orders and we do not pay cash for services.

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Figure 1: Our top 10 supplier countries by % of spend



Sustainable Supply Chain Strategy

Sage’s Sustainable Supply Chain Strategy helps address potential human rights and modern slavery risks. We partner with EcoVadis and engage with our top suppliers by emissions to complete the EcoVadis sustainability assessment. This assessment covers ESG performance including environment, labour and human rights, business ethics and sustainable procurement. In addition, EcoVadis allows our Procurement team to see a range of supplier performance KPIs covering a huge amount of key information, including for example, whether the vendor has a Modern Slavery Statement and/or an Anti-Bribery & Corruption Policy.

In FY24, thirteen of our Top 100 suppliers engaged with the EcoVadis assessment process for the first time. At the end of FY24, 68% of our Top 100 suppliers by emissions had engaged in the EcoVadis assessment process.

Our policies and governance

Sage’s policies outline our commitment to addressing modern slavery and human rights risks, setting clear expectations for our colleagues and suppliers.

These policies are supported and approved by the Policy Governance Forum (“PGF”) which comprises several senior colleagues, including our General Counsel and Company Secretary, Chief Risk Officer, Head of Sustainability and Foundation, and Chief Corporate Affairs Officer. PGF oversee the policy governance framework which is in place

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to administer the review process and ensure effectiveness of policies and to ensure they reflect applicable legislation, best practice and Sage operations.

Our policies are accessible to colleagues via Sage's intranet and all global policies are translated into French and German, as well as additional local languages where the need is identified. Policies that support our approach to human rights and modern slavery include:

Our Code of Conduct Our Code of Conduct ("Code") applies to all Sage colleagues and sets out clear expectations on how Sage promotes ethical business practices, conducts business in accordance with applicable laws and regulations (such as anti-bribery and sanctions), and behaves fairly towards colleagues, customers, partners and suppliers. Our Code outlines Sage's commitment to respect and promote the most fundamental human rights across its value chain, including no child labour, no forced labour or modern slavery and the freedom of association. It also provides a safe route for colleagues to raise concerns.

In FY24, we updated our Code, expanding the Modern Slavery section to reflect Sage's broader commitment to human rights. It details the areas where Sage and our sector can have potentially higher impact through: respecting privacy and protecting data, developing inclusive and accessible products, responsible development and use of Artificial Intelligence (AI), and protection from modern slavery and promoting sustainable supply chain practices.

Human Rights Charter

Following a human rights saliency assessment, during FY24 Sage developed and published its first Human Rights Charter ("Charter"). The Charter is guided by The Universal Declaration of Human Rights (UDHR), The International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and is aligned to the UN Guiding Principles on Business and Human Rights. Our Charter outlines Sage's overarching approach to managing respect for human rights, including modern slavery.

Supplier Code

The [Supplier Code](#) outlines Sage's expectations for responsible purchasing practices and the fair treatment of workers across the supply chain, including but not limited to: a zero-tolerance towards modern slavery, child labour and human trafficking, and a commitment to anti-discrimination and fair working hours and payment. It also provides a safe route for suppliers to raise concerns.

In the event that we became aware of a supplier's failure to adhere to the Code we would engage with the supplier to seek corrective action or remediation; contract termination would be considered as a last resort.

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Whistleblowing

Sage colleagues and people across our value chain are encouraged to speak up about any potential or suspected wrongdoing, either through internal reporting or via an independent and anonymous helpline which is available 24 hours a day, seven days a week. The helpline is accessible online via email as well as by telephone. Reports made to the helpline are monitored by our General Counsel and Company Secretary and our Chief Risk Officer. Reports on concerns raised through the helpline are made available to the Board on a regular basis. No concerns regarding suspected modern slavery were raised via the whistleblowing process in FY24.

Colleague training and awareness

Sage policies are supported by E-learning and awareness activities to ensure Sage remains a safe, compliant and competitive workplace. We invest over 25,000 hours in core policy education every two years. Our Code is supported by mandatory training that contains a section on Sage's zero tolerance approach to modern slavery and human trafficking, with re-certification every two years. 99% of colleagues having completed the Code training in this two-year cycle. In FY24, colleagues in Sage's Procurement function completed the Chartered Institute of Procurement & Supply (CIPS) Ethical Procurement and Supply e-Learning.

Case study – Colleague training on Sage's Zero tolerance stance on Modern Slavery and human trafficking

Sage's zero tolerance approach to modern slavery and human trafficking is outlined in our Code mandatory training. The training equips colleagues with the knowledge to understand and identify the signs of modern slavery and human trafficking and how to report concerns. To ensure effectiveness, colleagues take a series of tests to assess their ability to spot red flags in workplace scenarios

Figure 2: Our Code modern slavery and human trafficking training screenshot



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Understanding risk

Sage understands that the risks of modern slavery in its value chain are relatively low compared to other industries. In FY24, Sage conducted a human rights saliency assessment in collaboration with BSR, a sustainable business consultancy with expertise in human rights and the technology sector, that confirmed that despite the risk being low, there is still potential risk within our supply chain.

The risks were assessed by considering all areas of Sage's products, services, and business operations. BSR analysed internal resources, industry trends and conducted interviews with internal stakeholders. The assessment outlined areas in the supply chain where there is potential risk of modern slavery, due to the nature of goods and services being procured. This included potential for forced labour with the sourcing of merchandise, facilities management, events, and labour outsourcing, and the potential low risk for child labour in the procurement of merchandise, such as textiles and technology products. Although the assessment did not find migrant or temporary labour as a potential risk for Sage, we acknowledge that migrant labour is at higher risk of modern slavery, particularly in the context of [geopolitical uncertainty and conflict](#).

The assessment identified broader human rights considerations across our value chain which were used to form our Human Rights Charter, including data privacy, developing inclusive and accessible products, and responsible development and use of Artificial Intelligence.

Despite the low risk, we recognise our responsibility to respect human rights across our business and are committed to the ongoing strengthening of our due diligence processes around modern slavery in high-risk procurement categories.

Environmental, Social and Governance (ESG) due diligence processes

Sage conducts Environmental, Social and Governance ("ESG") screening of new suppliers with anticipated spend exceeding £25,000 (or local currency equivalent) as part of our supplier onboarding process. This screening is carried out via a Dun & Bradstreet risk analytics tool which includes scores for human rights abuses and labour relations. It should be noted that as the data in the tool is drawn from publicly available sources, scoring of these criteria is not available for suppliers in all geographies.

At the 'Request for Proposal' ("RFP") stage we ask specific questions around labour and human rights policies, monitoring and training. We have also embedded sustainability clauses in our standard procurement contracts for both new contracts and renewals. These are in addition to provisions requiring suppliers to comply with anti-slavery and human trafficking legislation (including the MSA where applicable) which have been included in our supplier contracts for a number of years. Negotiated contracts include a




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requirement for suppliers and their sub-contractors to adhere to our [Supplier Code](#) (or demonstrate equivalent standards in their own code of conduct) and agree to our modern slavery clauses.

We run ESG Due Diligence on the businesses that we acquire, ensuring that our due diligence process assesses potential human rights (including Modern Slavery) risks and labour considerations including employment contract status of the workforce (contracted, direct employment). This assessment determines whether further action is required in order to meet Sage’s human rights commitments. In some circumstances, we commission third party experts to support with this review.

FY24 Progress and effectiveness

We continue to review policies and practices to ensure our response to modern slavery remains effective, recognising this is a process of continuous improvement.

Objective	Performance	Status
Review modern slavery and broader human rights impacts across Sage’s value chain	Sage performed a human rights saliency assessment with BSR to review, map and understand its actual and potential human rights risks, including modern slavery, across its value chain Please refer to pages 5-6 for information on our human rights Saliency assessment.	
Assess Sage’s human rights commitment to ensure policies and procedures remain effective	Sage continued to review its policy suite to align with its human rights commitments. Sage further integrated human rights into its Code and developed a Human Rights Charter Please refer to pages 2-4 for information on our policy commitments.	
Strengthen due diligence processes in relation to our vendor relationships	Continued screening of new suppliers via Dun & Bradstreet risk analytics tool which includes scores for human rights abuses and labour relations. We are committed to continuous improvement, and next year we are adapting our approach to high-risk categories, identified via the saliency assessment. Please refer to pages 5-6 for information on our supplier due diligence.	

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During FY25 we are committed to:

- Evolve supplier due diligence to an approach based on high-risk procurement categories identified in the human rights saliency assessment, such as merchandise and facilities management.
- Implement a human rights risk register, including modern slavery and assign appropriate risk owners from across the business.
- Develop and deliver training on human rights for colleagues.

Our Modern Slavery Statement 2024 is available on our website on Sage.com/investors and on the Modern Slavery Act Statement registry at www.gov.uk.



Steve Hare

CEO 18 November 2024