

1. Introduction

This Modern Slavery Act Statement (the “**Statement**”), relating to the year ending 30 September 2021 for The Sage Group plc. (“**Sage**”) (the “**Company**”), is made pursuant to section 54(1) of the Modern Slavery Act 2015 (“**MSA**”) and outlines the steps we have taken to assess our operations and supply chain and mitigate the risks of slavery and human trafficking. It is also made on behalf of all subsidiaries (including Sage (UK) Ltd, incorporated in the UK) within the Sage group of companies (the “**Sage Group**”) who may be required to make a statement pursuant to the MSA. This Statement was approved by the Board on [15] November 2021.

At Sage we are passionate about doing business the right way, and always staying true to our overarching core Company value – We Do the Right Thing. We take a zero-tolerance approach to slavery and human trafficking and are strongly committed to ensuring that all Sage colleagues, as well as the people who work on our behalf, are protected. We are driven by our purpose which is knocking down barriers so everyone can thrive. For us, this is the right way to do business. In section two and three below, we describe how we make a positive, tangible difference to the communities in which we operate.

As a software company, our business model does not carry with it a high level of slavery risk compared to businesses operating in other sectors. Nevertheless, this Statement covers those areas within our business supply chain which we have identified as presenting a potential slavery risk. We continue to focus on these areas to ensure we mitigate any associated risks to a reasonable level. In section 4, below, we describe the work we have undertaken to mitigate our potential supply chain risks.

There were no instances of slavery or human trafficking concerns raised to us during the financial year ending 30 September 2021 and no enhanced risk identified due to the Coronavirus pandemic.

2. Organisational Structure and Background

Sage is born and bred in the North East 40 years ago and is now a global market leader for technology that provides small and medium businesses with the visibility, flexibility and efficiency to manage finances, operations and people. With our partners, Sage is trusted by millions of customers worldwide to deliver the best cloud technology and support.

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. The largest part of Sage’s operations in terms of total organic revenue generation are currently concentrated in three main regions: the United States, Northern Europe and France. A list of all the countries in which we operate can be found in our annual report [here](#).

As a FTSE 100 business, we are active in supporting our local communities and invest in making a real difference. Building on our work through the Sage Foundation, we are committed to dedicating our technology, time and experience to knocking down the barriers to make the future fairer for everyone. We are committed to do this by tackling digital and economic

inequality, and by powering sustainable business model. In turn we believe we can back and build a new generation of diverse businesses, fueling their confidence to thrive.

3. Our colleagues, process and governance

Sage operates a rigorous recruitment selection process for all hiring decisions. It includes obtaining documented proof of the individual's right to work in the country in which they will be employed, where this is permissible by local laws and recruitment policy. We always pay colleagues at least the minimum wage rate applicable in the geography in which they work.

Our relationship with our colleagues starts at the hiring stage and we are committed to our people; energising everyone to make a difference. We ensure that we are inclusive and treat everyone fairly and with empathy throughout their time at Sage, including all the rights and benefits that colleagues are entitled to by law, enhanced by our competitive benefit and wellbeing offerings. Our Diversity, Equity and Inclusion Policy ensures that we foster an engaged, equitable and inclusive culture where differences are respected, and discrimination is eliminated.

Our colleagues are at the heart of our business. They not only create and deliver our products, deliver operational excellence and best serve our customers, but also act as ambassadors for Sage both at work and in their communities, amongst the businesses we serve. We therefore place great importance on investing in our colleagues' development, and this includes providing them with the knowledge and tools they need in order for them to do business the right way. We expect our colleagues to demonstrate the highest ethics.

Our Code of Conduct (the "**Code**") provides unambiguous guidance for all colleagues on how we do the right thing and sets clear expectations across Sage for compliance with ethical standards including in relation to modern slavery concerns. The Code is overseen by the General Counsel & Company Secretary and we take compliance with our Code extremely seriously. Our Code sets out how Sage: (i) promotes ethical business practices and conducts business in accordance with applicable laws and regulations; (ii) behaves fairly with colleagues, customers, partners and suppliers; and (iii) provides a safe route for colleagues to raise concerns, either through internal reporting or via an independent and anonymous helpline which is available 24 hours a day, 7 days a week. Calls made to the helpline are monitored by our General Counsel & Company Secretary and investigated by our Risk or People teams. Reports on concerns raised through the helpline are made available to the Board on a regular basis. We measure mandatory training compliance on key policies on a regular basis too and report on this as part of our wider risk-reporting processes to the Global Risk Committee and the Board.

Sage has a full suite of global governance policies which are accessible to colleagues 24/7 via Sage's intranet, and applicable to all colleagues in all countries. The global policies are also translated into local languages where the need is identified. All global policies are reviewed and refreshed at least annually by our Policy Approval Committee which consists of our Chief Financial Officer, Chief People Officer, General Counsel & Company Secretary, Chief Strategy and Development Officer and EVP Chief Risk Officer, to ensure that they accurately reflect current legislation and best practice. There is a policy governance framework

in place to administer the review process and operationalise any policy changes across the relevant business processes and procedures. Regular training and awareness activities form a core part of our program to embed Sage policies across all parts of our business.

At Sage, one of the many ways in which our colleagues can live the Sage values is through volunteering with Sage Foundation. In 2021, Sage Foundation celebrated five years of making a difference in our communities and during that time:

- Sage colleagues have spent 110,000 days volunteering
- the value of Sage Foundation's volunteer hours reached £14 million
- 600 grants were awarded to not-for-profits
- 2,000 non-profits benefited from a Sage Business Cloud product discount

Whilst the activities of Sage Foundation do not directly address modern slavery, by empowering these vulnerable groups and providing work and education opportunities we can help towards creating an environment in which slavery risks are reduced.

4. Our Supply Chain & Risks

In FY21, we spent approximately £555m with third parties. 71% of this spend took place in the UK, USA and Canada. All our spend commitments are made using written contracts and we do not pay cash for services. Our major suppliers are large multinational companies who have their own ethical standards of behaviour in place. Cushman & Wakefield, a global property consultancy firm, have provided all our facilities management services including cleaning and building security where Sage is the only building occupant, since 2016. Our contract with them specifies that they must comply with the MSA. We believe that this arrangement mitigates in great part the most significant slavery and human trafficking risks identified in our supply chain.

We believe the risk of modern slavery in our supply chain is low compared to other business sectors and we have not identified any instances of modern slavery occurring in our supply chain. However, we recognise that there is no room for complacency, and we continue to work to enhance our policies and procedures and measure awareness within our business.

The Supplier Code of Conduct (the "**Supplier Code**") sets out clearly the standards of behaviour we expect from all our suppliers across a range of issues and specifically addresses fair treatment of their employees and slavery and human trafficking in their own supply chains. The Supplier Code complements our Supplier Order Terms and Conditions (both of which can be found [here](#)) and both documents have been translated into six languages. The Supplier Code sets out clearly how suppliers can raise concerns to us, with escalation up to the EVP Property & Procurement and the General Counsel & Company Secretary. Suppliers can also report concerns using our whistleblowing hotline, with any incoming reports reviewed by the General Counsel & Company Secretary, investigated by the Risk team and reported to the Board.

All new suppliers must agree to sign up to our Supplier Code, giving us comfort that they understand the importance we place on these issues right from the start of our relationship with them. Their agreement is confirmed through an automated process which operates

across Sage, and if they do not confirm their agreement, they are unable to pass through to the final state of the onboarding process. The only country where this remains a manual process is Poland, where supplier onboarding is managed by an outsourced partner and monitored by the Procurement team.

Our standard form procurement contracts include language requiring suppliers to comply with our Supplier Code, anti-slavery and human trafficking legislation (including the MSA where applicable) and we continue to roll these out more broadly across the business where existing contracts come up for renewal. In this financial year, approximately 43% of new contracts by value were on Sage's standard terms. Our procurement sign-off process includes a control to ensure that negotiated contracts include a requirement for suppliers and their sub-contractors to adhere to our Supplier Code.

5. Actions taken during 2021

We have taken the following steps to improve awareness of issues around slavery and human trafficking this year and to measure the effectiveness of our policies and procedures.

- We collected data on the number of new and existing supplier contracts which included our standard terms and conditions and anti-slavery clauses;
- We implemented enhanced supplier due diligence processes (including adverse media), expanding this to cover more high risk and high value suppliers. We achieved this by procuring a new technological solution which has enabled us to perform adverse media searches on both the legal corporate entities we contract with and also their beneficial owners of significant shareholdings;
- We expanded our automated process for onboarding new suppliers to all Sage countries, with the exception of Poland where the process remains manual. This process contains an automatic control which requires all new suppliers to formally sign up to the Supplier Code; and
- We have extended the questions contained in our sourcing templates to request more detailed information on potential suppliers' policies regarding modern slavery so we can more easily and effectively identify potential risk of modern slavery.

Impact of the Coronavirus pandemic

We are cognisant of the challenges presented by the Coronavirus pandemic and have continued to monitor our risks during this period. Our assessment is that our risks as regards modern slavery have not increased during this period, given the nature of our supply chain, the geographical location of majority of our suppliers and the measures we have taken to diligence our suppliers.

6. Effectiveness

Plans for the next financial year

We shall continue to focus on activities which build upon our current policies, processes and

procedures and shall continue monitoring our supply chain in the countries in which we operate. We shall also seek to meet our reporting obligations globally in a simple, consistent and transparent manner.

Our Modern Slavery Act Statement 2021 is available on our website on [Sage.com/investors](https://www.sage.com/investors) and on the Modern Slavery Act Statement registry at www.gov.uk.

A handwritten signature in black ink, appearing to be "SH", written over a horizontal line.

Steve Hare
CEO
The Sage Group plc.
Date: 15 November 2021