

# **CORPORATE SOCIAL RESPONSIBILITY REPORT 2017**

SNP Schneider-Neureither & Partner SE

**SNP** | The Transformation Company





## Foreword by the CEO

As a global leader of transformation software and services, SNP supports companies in adapting their business models and using new technologies.

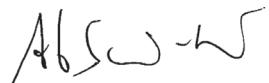
We aim to advance as a company both in terms of our entrepreneurialism and as people. In recent years, the SNP Group has experienced significant growth and major changes as a result. Not only, but particularly in times of change, a company and its employees<sup>1</sup> must adhere to the principles of integrity, ethics and personal responsibility. The ethical requirements of a company operating globally and across cultures and sectors of society are demanding.

In a complex environment of laws, guidelines, social beliefs and our entrepreneurial goals, it is vital that we constantly question our actions and address any possible consequences arising as a result.

That also applies to our relationship with our employees. They are our most important resource and the foundation of our success. For that reason, we are dedicated to providing a sound training and education program to be able to utilize their knowledge effectively. In addition, we aim to provide our employees with the best possible working environment. In particular, we invest in their health and support them in achieving a work-life balance.

We also foster an open and fair relationship with our business partners, which is particularly important in a market segment as complex as ours. When working with our customers, we strictly adhere to current laws and universal moral and ethical values.

With this report, our aim is to set out SNP's commitment to sustainable actions with which we want to meet tomorrow's challenges, today.



Dr. Andreas Schneider-Neureither  
CEO, SNP SE

<sup>1</sup> As individuals of both genders are always referred to equally, the plural form is used for improved readability going forward.

# CSR Reporting Principles

This SNP SE 2017 Corporate Social Responsibility Report covers the calendar year 2017 (January 1 to December 31, 2017). SNP SE prepares an annual Corporate Social Responsibility (CSR) Report, which primarily covers operations in Germany. Where other organizational units are affected, they are referred to in the text accordingly. One of SNP's key objectives is to extend the report to encompass all of the company's sites worldwide. Since this is the first report published by SNP, no comments regarding changes or revisions to previous reports will be made.

## Laws and Initiatives

CSR reporting is based on the requirements established by the Global Reporting Initiative (GRI) and outlined in the G4 guidelines [1, 2]. The German Federal Ministry of Labor and Social Affairs (BMAS) has explicitly recognized meeting these requirements as a means of fulfilling the statutory reporting obligations pursuant to Section 289a of the German Commercial Code (HGB) [8]. The European Directive 2014/95/EU to expand non-financial reporting by large companies has been transposed into law under the directive on disclosure of non-financial information (also known as the CSR Directive). With this report, SNP is fulfilling its obligation to provide information on key strategies, measures and progress in the areas of the economy, environment and society.

As SNP's primary activities include software development and consulting services, the industry-specific requirements [3] are not applicable. You can find a list of the individual points of the G4 with their respective links in the appendix of this document.

In addition to the recognized standards of the G4 and the German Sustainability Code (DNK), there are a number of other standards and recommendations, which all have their own merits. Of these, the Ten Principles of the UN Global Compact are highlighted in particular. Due to their more normative requirements, these principles represent a further pillar of SNP's commitment to socially and ethically responsible conduct.

SNP also supports the general principles set out in the "OECD Guidelines for Multinational Enterprises" [13].

## Scope of Reporting

As a provider of services and software, SNP focuses its CSR reporting on the social and economic aspects of its activities. However, this does not mean that other aspects such as environmental protection are neglected.

Within this context, specific areas have been defined that are usually of particular importance for reporting by companies in the services sector:

Environmental protection	Working conditions
Energy consumption and greenhouse gases	Employee health & safety
Materials, chemicals and waste	Careers and professional development
Sustainable consumption	Working conditions
	Discrimination
Business practices	Supply chain
Corruption and bribery	Suppliers and the environment
Fair competition	Sozialstandards der Lieferanten
Responsible marketing	Supplier social responsibility standards

*CSR areas of reporting*

These areas make up the focus of the SNP Group's sustainability efforts. The principles and objectives of each of these areas will be explained in more detail on the following pages. The report is based on the categories and aspects outlined in the G4 Guidelines (see. [1], page 9, Table 1: Categories and Aspects in the Guidelines).

First, an iterative selection process was used to prepare an informal collection of topics – irrespective of their significance – for selecting and establishing the weighting of the aspects. Wherever possible, these were aligned with the above-mentioned aspects of the G4 Guidelines. However, as this was not possible in all cases, there are still isolated topics that are not covered by the G4 aspects.

## Further Information

This report was prepared using the above-mentioned G4 Guidelines "in accordance" with the procedures as outlined therein. The GRI content index can be found in the appendix of this document.

In addition, further information on non-financial reporting can be found in SNP's Corporate Governance Report [9] in particular. In places where information in the Corporate Governance Report could be of added value, reference is made directly to this.

This report is subject to an external audit by a public auditor. Wherever "main business locations" are mentioned in the report, this refers to the four regions in which the company operates. Out of 1,341 total global employees<sup>2</sup>, Germany has 504 employees, Poland 292, Latin America 175 and the USA 90. SNP (or one of its subsidiaries) has several regional offices in each of these areas.



*SNP SE's main business locations*

<sup>2</sup> As individuals of both genders are always referred to equally, the plural form is used for improved readability going forward.

## Inclusiveness of Interest Groups

### **SNP SE Stakeholders**

Since 1994, SNP has offered its customers products and services for the transformation of IT systems. Our operations extend globally with a strong focus on expansion into new markets.

### **Company Profile**

SNP SE supports organizations in adapting their business models and using new technologies. SNP software and services facilitate the implementation of business or technical modifications to business applications.

Together, CrystalBridge® and SNP Transformation Backbone® with SAP® LT constitute the world's leading software suite for data transformations that automatically analyzes, implements and tracks changes to IT systems. As a result, they offer clear qualitative advantages, while significantly reducing the time and expense involved in transformation projects. The SNP Group currently has over 1,350 employees worldwide.

Headquartered in Heidelberg, SNP generated Group revenue of € 121.9 million and a marginally negative operating result of € -0.5 million in the 2017 fiscal year. SNP's customers are global corporations from all industries. SNP was founded in 1994 and has been publicly traded since 2000. As of August 2014, the company is listed on the Prime Standard segment of the Frankfurt Stock Exchange (ISIN DE0007203705). Since 2017, the company has operated as a European stock corporation (Societas Europaea/SE).

The dividend per share amounted to € 0.24. Further information on the company's key figures can be found in our 2017 Annual Report under point [4].

Most of SNP's customers can be categorized in the following industries:

Mechanical engineering	Energy	Insurance
Health care	Government agencies	Banks
Automotive manufacturing	Chemicals	Communications
IT	Retail	Real estate

*Key industries of SNP customers*

SNP SE is comprised of several subsidiaries located in 13 countries. These companies are listed in the consolidated financial statements published in the SNP Annual Report ([4], see section "Notes").

This also contains an overview of the Group structure included in the annual balance sheet. No subsidiaries or second-tier subsidiaries were excluded from this list in the 2017 Annual Report.

The term stakeholder refers to all groups of people with a vital interest in the activities of the SNP Group. Accurate knowledge of these groups and their needs assists us in positioning ourselves in the market as well as in understanding the demands and requirements of markets, communities and interest groups.

In order to identify stakeholders, we looked at both internal and external views of possible groups. The internal view was obtained through an internal company survey aimed primarily at those individuals active in the business. The external view was gained by analyzing (local) press coverage and information on SNP available on the internet.

Although SNP is not able to initiate direct communication with all stakeholder groups, inquiries from individual groups are very welcome and we would be happy to address them. Please contact our CSR department in this regard as well as for any other questions related to this report at [csr@snpgroup.com](mailto:csr@snpgroup.com).

## Stakeholder Groups

The analysis described above allowed us to determine a first draft of an extensive list of groups with a genuine interest in SNP. Here we differentiate the groups by direct and indirect dependency on the company, whereby direct dependency is influenced by the economic success of SNP. However, stakeholder groups that are indirectly affected by the company should also certainly be taken into account.

### Employees

This includes permanent full-time employees of SNP SE and its subsidiaries as well as all temporary and part-time employees. Particular focus must be placed on temporary and part-time employees as their interests are underrepresented in legislation.

### Customers

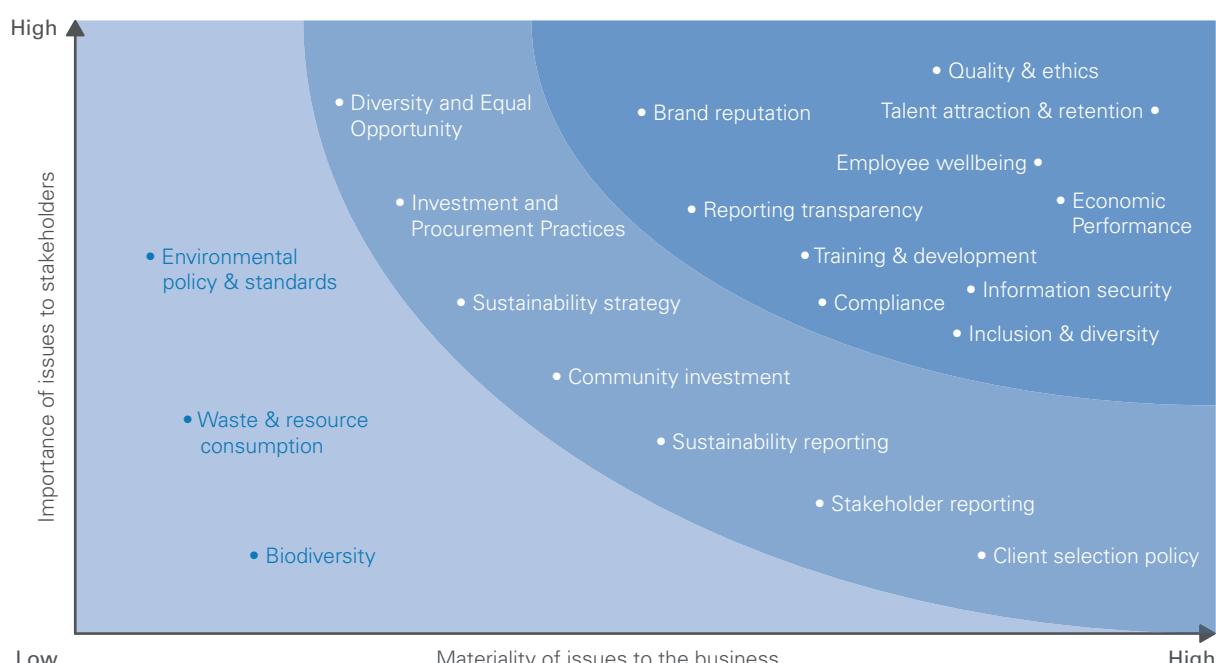
Our partnership with our customers spans over decades. As some of our most important stakeholders, we are always listening to the needs of our customers. As they are a key driver of innovation at SNP, we are in constant dialog with our customers.

### Investors

As a listed company, we are heavily integrated in the capital market. SNP therefore fulfills its obligation to inform its shareholders and prospective investors in a number of ways.

### Communities

SNP maintains a global network of subsidiaries and branches. SNP is not only an employer in these regions, but is also an active participant in these areas and communities.



*SNP Group Materiality Matrix*

## Government Agencies

Our activities run smoothly through constructive collaboration with government agencies in all areas of administration related to our activities.

## Industry Associations

Industry associations play a key role as initiators of ideas and inspiration and provide an excellent platform for networking. By doing so, they are a key element of SNP's activities.

## Suppliers

As a company operating in the IT industry, the goods we obtain from external suppliers mainly consist of software and IT services. We do, however, produce a small amount of tangible goods.

## Interested Parties

A great deal of our marketing activity is aimed at attracting new customers. For many of the people targeted, this is their first direct contact with SNP.

## Analysts and the Press

Reporting on the business activities of SNP by third parties plays a significant role in building SNP's reputation. This is especially critical for SNP's position in the market and in creating an objective assessment of SNP.

## Academic Institutions

In order to maintain our status as an innovative company, we recruit a large number of our new employees directly from universities, where a great exchange of ideas and innovative thinking occurs.

For all of these groups, both how the company is portrayed to the public and the subjective perception of SNP are an important indicator for the indirect assessment of the quality and work delivered by SNP.

## Sustainability Goals

Taking a closer look at the stakeholder profile allows sustainability efforts to be classified into different categories and priorities. These aspects are often presented in a "materiality matrix." This does not show all aspects, but rather examines the actual materiality of each aspect. For SNP, such a matrix was developed based on the different assessment of the material aspects relative to the stakeholders.

Weighting is therefore primarily based on subjective criteria. It was only possible to identify and evaluate objective characteristics in individual cases. This applies in particular to the supply chain and investors, where a well-founded base for prioritizing objectives either already exists or can be derived from information relevant to the capital market that must be provided and from legal requirements. It is important in this context to obtain both an internal and an external view. Although these partially overlap, there are of course certain focus areas that enable clear assignment to one of the two views.

The employee stakeholder group defines the aspects that have a significant influence on the internal view of SNP:

### ■ Labor practices and decent work

- Employment
- Labor/management relations
- Occupational health and safety
- Training and education
- Diversity and equal opportunity
- Equal remuneration for women and men

### ■ Society

- Local communities

### ■ Environmental

- Energy
- Emissions
- Effluents and waste
- Products and services
- Compliance

The following aspects are considered material for an external view:

**■ Economic**

- Economic performance
- Market presence
- Business continuity management

**■ Society**

- Anti-competitive behavior
- Compliance
- Supplier assessment regarding impacts on society
- Promotion of new talent

**■ Product responsibility**

- Marketing
- Customer privacy
- Data security
- Compliance
- Support

## Relevant Topics

Over time, using the research sample, certain concerns and topics were identified as major themes for the interested parties. These major themes were established due to extensive coverage in the media or a high number of inquiries on this subject matter.

These topics have thus also become the focus of SNP's sustainability efforts. Initially, this focus was primarily influenced by the considerable attention paid to these topics by stakeholders in the past. The following points in particular should be emphasized, which are considered independently within the SNP Group:

- Flexibility**
- Work-family balance**
- Training and education**
- Shareholder Value**
- Marketing**
- Data security**

Today, the approach to handling these aspects by individual employees – or specially appointed teams – at SNP is continuously reviewed and systematically enhanced. Furthermore, there are a number of other groups working on particular focus areas, some of whom are organized as short-term projects.

Our approach to stakeholder engagement includes both purely reacting to the request for information through the respective channels as well as diverse opportunities for active stakeholder participation in the form of meetings, communication on social platforms or at events organized by SNP or another organization. The target groups are actively prioritized for external communication. Responses are recorded by our communication experts and passed on to those who evaluate them and at the same time identify and implement measures.

The scope and boundaries of the aspects mentioned above have been compiled for the first time in the consolidated wording presented in this report. This does not, of course, mean that this is the first time that these topics have been dealt with, but merely that documentation had not previously been made available externally in this format.

# Corporate Culture

## Principles and Values

SNP's strong growth over the years has brought with it a delightful diversity of cultures among our employees. It is important here to be able to rely on a common framework of values. Only through this common approach will SNP grow into a global community that deals with its employees, customers and suppliers in a respectful, honest and reliable manner.

## Ethics and Guidelines

All SNP employees undertake to comply with the Company's Code of Conduct (CoC), which outlines our convictions and inherent values. It provides a framework that each SNP employee can refer to detailing the company's principles and conduct procedures. The pillars of our Code of Conduct are:

- Compliance with applicable laws
- Integrity and esteem
- Maintaining our ethical standards
- Protection of people and the environment

In addition to the individual rules of conduct outlined in the CoC, SNP, acting as a whole, also follows the strict guidelines set out in the German Corporate Governance Code (the "Code"). Our Corporate Governance Report published annually, which explains in detail how SNP handles the commitments set out in the Code, can be viewed by all interested parties under [9].

## Employee Participation

The basis for our success is the fair and open interaction between all SNP employees. We have a culture of direct and open dialog about our daily work and the conditions under which it is carried out. Open doors and a regular exchange of ideas on issues and all other important concerns SNP employees may have are firmly established on several levels of cooperation.

In addition, employees can provide feedback in various ways through a monitored process that collects input. There are several ways of ensuring the desired confidentiality and a sustainable method for handling feedback, including through the human resources department, quality management processes and in meetings with management.

## Transparency

We scrutinize our actions continually and always have an open ear for all types of stakeholder feedback. SNP events, which are held regularly, serve as an important forum for receiving feedback from our stakeholders. These events have been designed to showcase the company externally as well as to engage in conversation with customers and investors.

The Transformation Days and Transformation World events are held to elicit direct feedback from customers. Transformation Days are held several times a year at our main sites in Europe, Asia and America. Transformation World is a yearly event held in Heidelberg. A common element of both events is that we offer several series of lectures held by our customers, business partners or our own employees.



SNP Transformation World 2017

Specific events for our investors and capital market analysts include investor teleconferences, visits to various capital market events and the Annual General Meeting.

In order to interact with interested parties from various sectors, SNP regularly has a booth at major trade shows organized by third parties. These trade shows target a general professional audience and therefore have a larger target group.

In the individual regions, there is a strong focus on the various opportunities to engage with SNP at career, graduate and university fairs. Other sport and social events, which SNP sponsors, also offer frequent opportunities for communication with SNP.

## Environmental Protection

SNP is committed to protecting the environment in many ways. Our main focus is on energy emissions from vehicles and buildings, waste prevention and recycling<sup>3</sup>.

Environmental protection issues are firmly rooted in our company as set out in our environmental guidelines [11]. However, there is no other system for prevention and environmental protection. SNP has not had to pay any fines or sanctions in the past for violations of environmental laws or regulations.

To determine emissions, the fuel consumption of all company vehicles and building emissions are measured in the organization in Germany.

### Building Management

External energy reviews of individual office buildings are also conducted at random intervals. These reviews enable SNP to identify inefficiencies and, in turn, realize savings potential. All of the buildings we use are consistently operated at a high level of efficiency. In 2017, all branches in Germany consumed a combined total of approximately 420,000 kWh of electricity. This translates to per capita indirect emissions of the greenhouse gas, CO<sub>2</sub>, of 219.8 tons per year in Germany.

### Vehicle Emissions and Air Travel

Our vehicle fleet in Germany consists exclusively of vehicles that meet at least the high level Euro 5 emission standard. Our guidelines call for the preferential procurement of environmentally friendly vehicles. All our vehicles, including their fuel consumption, are managed in our internally developed software and the fuel consumption evaluated. In 2017, a total of 363,544 liters of fuel were consumed (this translates to approximately 4.93 million kilometers traveled).

In 2017, SNP employees traveled a total of 314,958 km within Germany by airplane in order to be able to work at our customers' premises. Another 3.05 million km of air travel was attributable to international flights to and from Germany. This translates to a flight distance of 6,676.5 km per capita per year.

### Precautionary Approach

At SNP, we are of the firm conviction that people must be at the center of all of our business efforts. In order to be successful in the long-term in these efforts, we need to safeguard both sustainability and environmental protection. For this reason, we support all our employees' proposals and initiatives to help protect the environment. This applies both to the impact of our activities on the customer or the environment and to the technical side of our work..

### Products and Services

We continuously review and optimize the impact of our operations on the environment. For example, by optimizing runtimes early on, in the concept phase, our products are designed so that their use consumes as little energy and storage space as possible. We do not distribute our software using physical media so that we save on transport costs and waste; all products can be downloaded via a portal. At the end of their use, our software products can be almost completely uninstalled, allowing all resources that had been in use to be released.

Wherever possible – and at the customer's request – we provide our consulting services remotely. This approach saves resources and makes a positive contribution to environmental protection.

<sup>3</sup> The cost of waste treatment and disposal across the Group is less than 25,000 €/annum.

# Employees

SNP SE takes numerous measures to maintain its reputation as a reliable and fair employer. These measures encompass the entire employment life cycle of each employee and are designed to ensure a harmonious working relationship. These efforts begin with a fair and transparent recruiting process and continue with regular communication between employees and their line managers. We plan to introduce a software-based employee survey for an even more efficient evaluation of employee sentiment to create an optimal working environment and improved employment conditions.

SNP places the highest priority on the well-being of its employees, which is firmly embedded in the processes and key performance indicators of the human resources department. Internal quality targets are derived from the analysis each year to support efforts such as keeping turnover low at SNP.

Our processes are clearly communicated and the human resources department acts as both a mediator and the contact for all our employees' concerns. There were no known incidents of discrimination in 2017, nor have there been any reports of discrimination or harassment in the workplace. No complaints were made during the reporting period via the formal grievance mechanism either. Likewise, no complaints were resolved that were received before the reporting period.

Working in a demanding and highly dynamic work environment such as ours naturally requires a high level of commitment from employees. In return, we aim to offer the most optimal support to ensure all employees are best prepared for their tasks. To this end, we support them in their continuous development and offer all our employees the following:

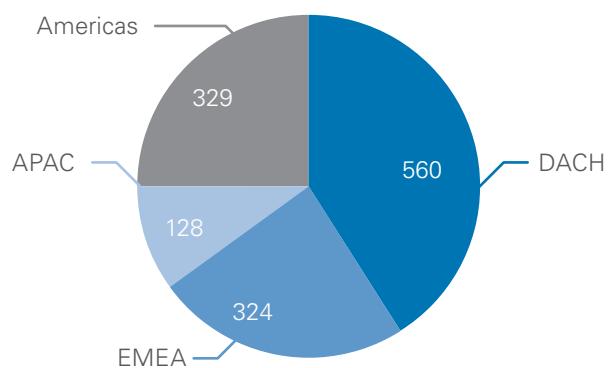
- A successful working environment in a positive corporate environment
- Clearly defined goals
- The opportunity to advance personally and further their careers
- Above-average compensation
- Excellent advancement opportunities
- Flexible working hours and a work-family balance
- The opportunity to assume responsibility early on

## Workforce

As of the reporting date December 31, 2017, SNP had 1,341 employees (see figure 4). Thereof 371 (27.7%) were female. Compared with the same period of the previous year, the number of employees almost doubled (2016: 712).

No employees were covered by collective bargaining agreements in 2017.

In 2017, 60 new employees were hired in total across all of our sites (+8.4%, DACH: 58 / +12.5%). 569 employees were added to the workforce through acquisitions (+79.9%).



*Distribution of employees (worldwide)*

## Turnover

The IT consulting and services industry is typically characterized by a very high level of turnover. This varies by region between 5 and 20 percent.

	2017
Turnover (absolute)	74
Turnover (percent)	14%
<b>By age</b>	
Under 30 years old	25
30–50 years old	40
Over 50 years old	9
<b>By gender</b>	
Female	28
Male	46

### *Turnover of employees in the DACH region*

SNP's declared target is to achieve an employee turnover that is significantly lower than the industry average. There are various measures in place that SNP carries out under its Employer Branding Program to retain its employees in the long term. In 2017, SNP reported a global turnaround rate of approximately 14%.

## Training and Education

The high standards of the software and consulting industry require SNP employees to have a high level of education. This of course applies far beyond base-level education, especially in the current environment of radical technological change. Furthermore, it is in the employees' own interests to improve their own work by expanding their knowledge. For this reason, there has been a positive response to the training programs on offer.

SNP therefore devotes significant resources to training and education. On average, each employee undertakes at least 24.7 hours of training per year. SNP has training centers in Heidelberg, Magdeburg, Berlin and Dallas.

### **SNP Training Academy**

Internal education starts with the SNP trainee program, which all new consultants complete with the SNP Training Academy. This is where all trainee consultants become acquainted with the fundamental techniques of enterprise transformation in a program spanning several months. During this time, the trainees are released from all other duties so that they are able to devote all their efforts to their education.

SNP also offers a multi-faceted training program, which covers both technical and non-technical subject areas. Training is delivered primarily in a classroom setting, online as e-learning or as supervised individual training sessions. There is also a training provider in the region at the SAP training center in Walldorf offering courses on the main business areas in which SNP operates.

In 2017, more than 11.6% of SNP employees took advantage of these training opportunities.

## Strategic Career Development

In the German-speaking organization, all employees receive performance reviews, irrespective of their career level. The aim is to systematically enhance the skill sets of employees by setting individual targets. These targets may be freely chosen or can include attending training, for example. The skills and knowledge of the employees are recorded so that their specific training needs can be established.

## Benefits

SNP offers its employees a host of fringe benefits.

In Germany these include:

- Company pension
- The opportunity to take parental leave
- Maternity leave
- (Group) accident insurance
- Continued remuneration in the case of illness

In addition, the majority of employees have the opportunity to use a company vehicle. At the Heidelberg location, there is also an allowance for fitness courses that all permanent employees can apply for.

In the U.S., employees have had the opportunity to build up a pension through a 401(k) plan since 2016.

No fringe benefits are offered at both of the other main sites, South America and Poland.

Likewise, SNP does not offer defined benefit plans as is customary in Germany.

SNP does not offer transitional assistance programs to facilitate continued employability or to manage career endings as a result of retirement or termination of employment.

## Commitment to Employees and Society

In order for employees to carry out their work with consistently high quality, SNP provides excellent working conditions. This includes not only an environment of team spirit and fair working conditions, but also exciting challenges and excellent prospects for promotion. Salaries at SNP are above the industry average, which also applies to starting salaries at the main business locations.

Major business decisions such as restructuring or the like are communicated promptly. However, no specific notification periods have been contractually agreed. In this respect, the impact of such decisions on employees at SNP is too small. There have also not been any requests submitted by employees in this regard. SNP respects the right to exercise freedom of association and collective bargaining. Violations of this can be reported by all employees (also anonymously).

78% of leadership positions at SNP's foreign sites are filled by employees<sup>4</sup> hired locally. Leadership positions include all managing directors and heads of departments.

## Diversity and Equal Opportunity

By promoting diversity in the workforce, SNP benefits from genuine competitive advantage. There are no barriers pertaining to heritage or other personal aspects. Our teams are extremely heterogeneous in terms of age, gender and background.

Dr. Andreas Schneider-Neureither (Chairman), Dr. Michael Drill (Deputy Chairman), Gerhard Burkhardt and Rainer Zinow make up SNP's governance body, the Board of Directors.

## Health and Safety

SNP promotes a healthy diet. Free drinks and snacks or fruit are available to all employees at each site. As part of our "Sugar Free Company" campaign, the snacks we have offered have not contained any sweets or food items with processed sugar for several years.

In addition to the opportunity to receive an allowance to engage in fitness activities, employees are offered a variety of options for fitness training directly at the workplace. This includes regularly held events such as conditioning exercises or fascia training.

Work at SNP is mainly conducted sitting in an office; in this environment, there is not a high risk of occupational disease. There are therefore no formal joint management-worker committees that monitor occupational health and safety programs.

SNP compiles accident statistics based on the "Code of Practice on Recording and Notification of Occupational Accidents and Diseases" [12]. In this context, no accidents were reported at SNP in 2017. Nevertheless, there is no obligation to report minor injuries, which is why the simple application of first-aid does not appear in the injury statistics. No statistical surveys are carried out for commuting accidents either as they occur outside of SNP's sphere of influence.

<sup>4</sup> In this context, "local" means possessing citizenship of the country in question.

## Work-family balance

These days, having a balance between family, private life and work is considered a matter of course. SNP supports this as a fundamental aspect to which every employee is entitled. For this reason, SNP invests in both the health and careers of its employees.

Consistent and conscious time management is considered a key factor for achieving a balance between work and private life. A variety of tools are available to all employees to support this including accurate time recording, clearly communicated expectations and avoiding commute times through our work-from-home policy.

### Parental Leave

In the organization in Germany, all 504 employees have a statutory right to parental leave. This is of course granted to all employees. In 2017, 25 employees took advantage of parental leave (10 females, 15 male). The return to work rate was 100%. All employees who returned to work after parental leave were still employed at SNP twelve months after their return to work (retention rate: 100%).

## Social Commitment

Our social responsibility increases with our entrepreneurial success. SNP is committed to this responsibility by advocating for animal welfare and supporting projects in the areas of education, research, arts and intercultural affairs. We also promote sports by acting as sponsor. Of particular importance to us are projects in the area of health, especially related to children's health. SNP makes regular donations to the German Childhood Cancer Foundation, the Children's Clinic in Heidelberg and the German AIDS service organization (Deutsche AIDS-Hilfe).

## Economic Performance

Since SNP went public in 2000, key performance indicators such as sales have increased year after year. 2017 was the most successful year in the company's history with revenue of € 122.3 million. All employees of SNP SE worldwide contributed to this success.

### Revenue by region

Table 6 shows revenue spread out across all regions. The activities and revenue generated in the individual regions have so far not been affected by climate change. There is also no expectation that larger existing customers or the sites will need to relocate in the near future. There are no indications of this occurring given regional circumstances or based on the industry sectors to which SNP customers are assigned.

In 2017, SNP was also not directly affected by regulatory measures or guidelines specifically related to climate change. SNP also did not receive any assistance from the government (in accordance with IAS 20, see [10]). This also applies to SNP subsidiaries.

To continue to achieve economic success, SNP invests heavily in basic research, promotes young talent, and is involved in industry associations and organizations.

SNP SE serves as the spokesperson for the Solution Manager of the German SAP User Group (DSAG) working group. On various occasions, SNP employees have been speakers at the Rhein/Neckar Metropolitan Region Association, the German Federal Association of Mergers & Acquisitions and at universities in the region.

Regions	Revenue (external)		Non-current assets		Investments	
	€ k	2017	2016	2017	2016	2017
DACH	63,995	59,012	21,594	14,117	9,659	4,957
EMEA	23,612	1,449	29,728	6,613	24,118	6,556
North America	15,891	13,113	2,849	3,164	563	219
South America	11,972	0	14,756	0	15,807	0
Asia	6,873	7,110	3,272	3,446	128	3,474
Total	122,343	80,685	72,199	27,340	50,275	15,206

*SNP SE revenue 2017 (by country)*

## Shareholder Value

SNP does not consider sustainable actions and growth  
– from which added value is generated for shareholders  
– to be mutually exclusive.



*SNP share price performance since 2013*

## Business Practices

As a listed company, SNP acts in accordance with the internationally recognized standards of the German Corporate Governance Code [14].

The main reason for our long-lasting success is the relationship of trust we have with our customers. To earn this trust, SNP must conduct its activities with fairness and integrity in all aspects of its business. To do this we treat our customers, business partners and competitors with respect and do not engage in any activities that distort or hinder competition. In that respect, in 2017, there were no legal actions initiated against SNP or its subsidiaries pertaining to anticompetitive behavior or anti-trust and monopoly practices. In this context, no penalties or fines were paid (e.g. related to accounting fraud, workplace discrimination or corruption).

### Anti-corruption

We believe that we have achieved success on our own due to our superior software tools and our experience, and not because of dubious market practices. This includes rejecting any form of bribery and corruption. We have established internal training programs and processes on this topic that raise awareness among employees and support them in recognizing and avoiding compromising situations.

To monitor activities, surveys are carried out as part of a risk analysis at all sites to assess the potential threat of the two main risks of accepting benefits during procurement and benefits granted in the acquisition of larger projects. Based on this, training courses are conducted to raise awareness of and counter corruption among potentially vulnerable employees. In 2017, one employee was trained in this program. In addition, during the reporting period, there were no known incidents of corruption at SNP, or in relation to its business activities.

### Marketing

In all of SNP's marketing activities, primary importance is placed on responsible marketing and product communication. In addition to highly transparent product advertising, which always emphasizes a relevant customer benefit, this includes the prevention of "scattering effects" thereby saving energy and resources.

Feedback from our interested parties and customers is an important source of information in managing our activities. Feedback is captured in our marketing system, to be processed and followed up systematically.

## Product Responsibility

The quality and reliability of our products is essential to the continued success of SNP in the market for corporate transformations. Our customers can rest assured that they have found the right partner in SNP with our software and services to handle their sensitive company data.

In addition to a fair and transparent pricing policy, users of SNP products can expect a particularly high level of software reliability and data security. This already has its roots in our internal process of software development, which is subjected to a multitude of quality measures including being certified to the ISO 9001 industry standard.

## Quality Assurance Measures

The consistently high level of software quality is constantly monitored by our own quality assurance team. Their professional and process-oriented approach ensures that the sources of error can be quickly identified in the event of an error as well as through preventative action. In addition, by conducting almost complete penetration tests of our programming code, we ensure an early detection of common minor errors.

All SNP customers have access to our hotline and service portal. There are also service level agreements in place that lay out the availability of support, and compliance with these agreements is a fundamental component of our internal performance management system. Likewise, performance indicators are used to report customer satisfaction and complaints. In 2017, customers submitted a small number of substantiated complaints (2). No unsubstantiated complaints were submitted.

## Data Security

In all its products, SNP considers the protection of customer data and ensures this through various measures. Accordingly, no cases of theft or loss of customer data were identified in relation to SNP products in 2017. This also applies to customer information and data processed for internal purposes at SNP. In addition, SNP was not subject to any fines in 2017 for non-compliance with laws or regulations in this regard.

## Supply Chain

As a software and services provider, SNP also purchases software and services itself. This accounts for a significant part of our supply chain. Hardware and software, consulting and cloud services, as well IT infrastructure are considered to be the primary areas adding value. SNP works in partnership with a few select companies in these areas. Given the numerous advantages obtained when suppliers and customers are in close proximity to one another, regional suppliers are used whenever possible if this is economically viable.

To maintain our office operations, a range of secondary consumer goods and capital equipment are purchased. In addition to office supplies, this primarily includes furniture and food items, but also services related to the upkeep of office premises.

Due to the need to visit our customers' sites, all aspects of travel including in the planning, such as vehicles/vehicle rental, air travel and accommodation also play a major role in procurement.

When selecting our suppliers, we abide by the rules for fair and healthy competition in the supplier market. The principles outlining these rules are laid out in our procurement guidelines. To manage our supplier relationships, we continuously monitor supplier quality as part of our supplier assessment process and conduct supplier audits at our (main) suppliers' sites.

### Sustainable Procurement

In the future, all new SNP suppliers will undertake to comply with our sustainable procurement guidelines. These guidelines ensure that applicable legal and social standards are adhered to and that activities are carried out in the most environmentally friendly way.

In 2017, no new suppliers were audited as part of an environmental due diligence process. As an environmental impact assessment had not been carried out, no negative environmental impacts have been identified in SNP's supply chain.

Suppliers are audited as part of a supplier assessment process. Our main suppliers are also subject to random checks of their working conditions. Suppliers with the highest sales (with a total share of more than 50% of our expenditure) underwent random audits as part of the 2017 review. In doing so, no violations of the rights to freedom of association and collective agreements were identified.

### Supplier Selection

We carry out extensive due diligence in selecting our suppliers. We endeavor to avoid potential negative impacts, especially in relation to the working conditions at suppliers' sites and their social commitments. In 2017, no new suppliers were screened using criteria regarding impacts on society.

In order to gain an overview of the entire supply chain, SNP SE carries out extensive audits on suppliers that account for a significant portion of the Group's expenditure. In this respect, the primary starting point is the self-assessment carried out by the suppliers. As part of these assessments, the five suppliers whose services and products accounted for more than 2% of total expenditure were audited in Germany in 2017. As a result, no suppliers were determined to have a significant negative impact on society. The business relationships with these suppliers will continue to be maintained.

## Reference List

The following is a list of external references and information. SNP SE assumes no responsibility for the accuracy of the information in these external references. The respective authors and creators reserve the exclusive rights.

- [1] GRI: **G4 Sustainability Reporting Guidelines. Reporting Principles and Standard Disclosures**, 2nd Edition, Nov. 2015  
(<https://www.globalreporting.org/resourcelibrary/GRI-G4-Part1-Reporting-Principles-and-Standard-Disclosures.pdf>)
- [2] GRI: **G4 Sustainability Reporting Guidelines. Implementation Manual**,  
2nd Edition, Nov. 2015  
(<https://www.globalreporting.org/resourcelibrary/GRI-G4-Part2-Implementation-Manual.pdf>)
- [3] GRI: **Sector guidance for G4**  
(<https://www.globalreporting.org/information/news-and-press-center/Pages/Sector-guidance-for-G4.aspx>)
- [4] SNP SE: **2017 Annual Report**  
(<https://www.snpgroup.com/en/investor-relations/financial-publications/financial-reports/2018/>)
- [5] SNP SE: **Locations**  
(<https://www.snpgroup.com/en/about/snp-the-company/locations/>)
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- [7] SNP SE: **Shareholder structure**  
(<https://www.snpgroup.com/en/investor-relations/stock-information/shareholder-structure/>)
- [8] BMAS: **CSR reporting standards**  
(<http://www.csr-in-deutschland.de/DE/Unternehmen/CSR-Berichterstattung/Standards/standards-artikel.html>)
- [9] SNP SE: **2017 Corporate Governance Report**  
(<https://www.snpgroup.com/en/investor-relations/corporate-governance/corporate-governance-report-with-declaration-of-conformity/>)
- [10] International Accounting Standards Board (IASB): **IAS 20 Accounting for Government Grants and Disclosure of Government Assistance**, 2009
- [11] SNP SE: **PO-X02 - Environmental Policy**
- [12] International Labour Organization (ILO): **Code of Practice on Recording and Notification of Occupational Accidents and Diseases**, 1996
- [13] OECD: **OECD Guidelines for Multinational Enterprises**, 2011

## GRI Content Index

This is a list of the indicators defined according to the GRI Index in the G4 guidelines. For quicker access to each indicator there is a reference to where the respective information can be found.

<b>Indicator</b>	<b>Content</b>	<b>Section</b>
<b>General Standard Disclosures</b>		
<b>STRATEGY AND ANALYSIS</b>		
G4-1	Statement from the most senior decision-maker of the organization	Foreword by the CEO
<b>ORGANIZATIONAL PROFILE</b>		
G4-3	Name of the company	SNP Schneider-Neureither & Partner SE
G4-4	Primary brands, products and services	SNP Schneider-Neureither & Partner SE
G4-5	Location of the company's headquarters	SNP Schneider-Neureither & Partner SE
G4-6	Number of countries in which the company operates	SNP Schneider-Neureither & Partner SE
G4-7	Nature of ownership and legal form	SNP Schneider-Neureither & Partner SE
G4-8	Markets served	SNP Schneider-Neureither & Partner SE
G4-9	Scale of the organization	SNP Schneider-Neureither & Partner SE
G4-10	Size and composition of the workforce	Employees > Workforce
G4-11	Percentage of total employees covered by collective bargaining agreements	Employees > Workforce
G4-12	Organization's supply chain	Supply Chain
G4-13	Significant changes during the reporting period	
G4-14	How the precautionary approach or principle is addressed	Environmental Protection > Precautionary Approach
G4-15	Externally developed economic, environmental and social charters, principles and initiatives, which the organization endorses	CSR Reporting Principles > Laws and Initiatives
G4-16	Memberships of national and international associations	Economic Performance > Economic Performance Indicators

<b>Indicator</b>	<b>Content</b>	<b>Section</b>
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>		
G4-17	List of all entities included and excluded in the annual financial statements	
G4-18	Process for defining the report content	SNP SE Stakeholders > Relevant Topics
G4-19	List of material aspects	
G4-20	Description of material aspects within the organization	
G4-21	Description of material aspects outside the organization	
G4-22	Effect of any restatements of information	
G4-23	Significant changes in the scope and aspect boundaries	
<b>STAKEHOLDER ENGAGEMENT</b>		
G4-24	List of stakeholder groups engaged by the organization	
G4-25	Basis for identification and selection of stakeholders	
G4-26	Approach to stakeholder engagement	
G4-27	Key topics and concerns that have been raised through stakeholder engagement	
<b>REPORT PROFILE</b>		
G4-28	Reporting period	CSR Reporting Principles
G4-29	Date of most recent previous report	CSR Reporting Principles
G4-30	Reporting cycle	CSR Reporting Principles
G4-31	Contact point for questions regarding the report or its contents	
G4-32	"In accordance" option	
G4-33	Policy and current practice with regard to seeking external assurance for the report	

<b>Indicator</b>	<b>Content</b>	G4-EC6	Senior management hired from the local community <b>Section</b>	W...
GOVERNANCE				
G4-34	Governance structure of the organization		SNP Schneider-Neureither & Partner SE > Corporate Structure	
ETHICS AND INTEGRITY				
G4-56	Values, principles, standards and norms of behavior		Corporate Culture > Ethics and Guidelines	
<b>Specific Standard Disclosures (DMA and Indicators)</b>				
<b>CATEGORY: ECONOMIC</b>				
<i>Economic Performance</i>				
G4-EC1	Economic value		Economic Performance > Economic Performance Indicators	
G4-EC2	Climate change		Economic Performance	
G4-EC3	Defined benefit plan		Employees > Benefits	
G4-EC4	Subsidies		Economic Performance > Economic Performance Indicators	
<i>Market Presence</i>				
G4-EC5	Standard entry level wages		Working Conditions	
<b>CATEGORY: ECOLOGICAL</b>				
<i>Products and Services</i>				
G4-EN27	Environmental impacts		Environmental Protection > Products and Services	
<i>Compliance</i>				
G4-EN29	Fines and sanctions		Environmental Protection	
<i>Total</i>				
G4-EN31	Total environmental protection expenditures		Environmental Protection	
<i>Supplier Assessment Regarding Environmental Aspects</i>				
G4-EN32	Percentage of new suppliers		Supply Chains > Sustainable Procurement	
G4-EN33	Impacts and actions taken		Supply Chains > Sustainable Procurement	

Working Conditions

<b>Indicator</b>	<b>Content</b>	<b>Section</b>
<b>CATEGORY: SOCIAL – LABOR PRACTICES AND DECENT WORK</b>		
<i>Employment</i>		
G4-LA1	Employees and turnover	Employees > Turnover
G4-LA2	Benefits	Employees > Benefits
G4-LA3	Return to work after parental leave	Working Conditions > Work-life Balance
<i>Labor/Management Relations</i>		
G4-LA4	Minimum notice periods	Working Conditions
<i>Occupational Health and Safety</i>		
G4-LA5	Committees for occupational health and safety	Working Conditions > Health and Safety
G4-LA6	Injuries and absenteeism	Working Conditions > Health and Safety
G4-LA7	Rate of disease	Working Conditions > Health and Safety
<i>Training and Education</i>		
G4-LA9	Annual number of hours of training and education	
G4-LA10	Skills management and lifelong learning	Employees > Training and Education > Employees > Benefits
G4-LA11	Regular performance and career development reviews	Employees > Training and Education
<i>Diversity and Equal Opportunity</i>		
G4-LA12	Composition of governance bodies	Working Conditions > Diversity and Equal Opportunity
<i>Grievance Mechanisms Regarding Labor Practices</i>		
G4-LA16	Number of grievances	Employees

<b>Indicator</b>	<b>Content</b>	<b>Section</b>
<b>CATEGORY: SOCIAL – HUMAN RIGHTS</b>		
<i>Equal Opportunity</i>		
G4-HR3	Incidents of discrimination	Employees
<i>Right to Exercise Freedom of Association and Collective Bargaining</i>		
G4-HR4	Rights violated and at risk	Supply Chains > Sustainable Procurement
<b>CATEGORY: SOCIAL – SOCIETY</b>		
<i>Anti-corruption</i>		
G4-SO3	Assessments and risks	Business Practices > Anti-corruption
G4-SO4	Communication and training	Business Practices > Anti-corruption
G4-SO5	Confirmed incidents of corruption	Business Practices > Anti-corruption
<i>Anti-competitive Behavior</i>		
G4-SO7	Legal actions regarding anti-competitive behavior	Business Practices
<i>Compliance</i>		
G4-SO8	Fines and sanctions for non-compliance	Business Practices
<i>Supplier Assessment Regarding Impacts on Society</i>		
G4-SO9	Percentage of new suppliers	Supply Chain > Supplier Selection
G4-SO10	Impacts and actions taken	Supply Chain > Supplier Selection
<b>CATEGORY: SOCIAL – PRODUCT RESPONSIBILITY</b>		
<i>Customer Privacy</i>		
G4-PR8	Number of substantiated complaints	
<i>Compliance</i>		
G4-PR9	Fines for non-compliance	



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For questions related to this report, please contact our CSR department at [csr@snpgroup.com](mailto:csr@snpgroup.com).

This CSR report is also available in German. The legally binding document is the original German version, which shall prevail in any case of doubt.

