CORPORATE SOCIAL RESPONSIBILITY REPORT 2018

SNP Schneider-Neureither & Partner SE

SNP | The Transformation Company

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Foreword by the CEO

Dear Readers,

At a time when the world is facing such challenges as climate change and a scarcity of natural resources, it is essential that everyone contributes to the search for solutions – including companies like SNP.

As a globally active company and one of the world's leading providers of transformation software and services, we want to make our own contribution to fair and sustainable development. The basis of our actions lies in our assuming responsibility as a company, both for our direct stakeholders – such as employees, customers and investors – and in a broader sense, in terms of how we approach our responsibilities toward society at large and future generations.

We want to ensure all stakeholder groups are consistently involved in our activities. A continuous exchange with them is central to achieving this. Our aim is to implement measures along the entire value chain, for example through more sustainable supplier management, environmentally friendly processes or careful treatment of our employees.
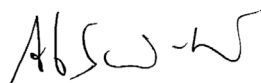
They are our most important resource and the basis of our success. For this reason, our focus is on sound training and further education, and on a pleasant working atmosphere characterized by trust and mutual respect. We invest heavily in the health of our employees and actively support them in maintaining a work-life balance.

We also nurture open and fair dealings with our business partners – this is particularly important in a market segment as complex as our own. In cooperating with our customers we always follow both current laws and guidelines as well as our own strict code of conduct.

This report presents the results of our activities in the area of corporate social responsibility to you for the second time. The successes it describes are built upon our employees' high degree of commitment, and I would like to express my gratitude to them for this.

Please also consider this report as an opportunity to enter into dialog with us – we look forward to hearing your suggestions!

Kind regards,

Dr. Andreas Schneider-Neureither

CEO, SNP SE

CSR Reporting Principles

This Corporate Social Responsibility Report (CSR Report) by SNP SE provides information on developments in the 2018 fiscal year (January 1 to December 31). Reporting on corporate social responsibility (CSR) at SNP SE takes place annually and primarily covers Germany as the company's main location. Wherever the report refers to "main business locations," this corresponds to the four countries of Germany (with 475 employees), Poland (with 317 employees), Argentina (with 185 employees) and the USA (with 64 employees). The SNP Group employs a total of 1,286 people worldwide. Each of these countries is home to several regional offices of SNP (or one of its subsidiaries). Where reference is made to other organizational elements, this is highlighted in the text. One of SNP's goals is to gradually extend reporting to all locations worldwide. As this CSR Report is only the second to be produced by SNP SE, the data and information it relays can only be compared with the previous year.

This report also represents the Non-Financial Group Report pursuant to Section 315b et seq. of the German Commercial Code (HGB), which SNP SE is required to publish under the CSR Directive Implementation Act. It covers significant non-financial matters identified as having a significant impact on matters of the environment, employees, social affairs, corruption and bribery, and human rights and their relevance to our business. In doing so, we are guided by the standards of the Global Reporting Initiative (GRI).

Further information on non-financial reporting can be found in particular in the SNP Corporate Governance Report *www.snpgroup.com/en/corporate-governance*.

The 10 principles of the UN Global Compact represent a further pillar of SNP's commitment to socially and ethically responsible actions. In addition, SNP supports the general principles laid down in the "OECD Guidelines for Multinational Enterprises."

After applying the net method, we have not identified any significant risks with respect to our own business activities, business relationships, products or services. All further information on opportunities and risks can be found in the Risk and Opportunity Report in the Group Management Report of our Annual Report *www.snpgroup.com/en/financial-publications*.

Scope of Reporting

As a service and software company, SNP focuses its CSR reporting on the social and economic aspects of its activities. This does not mean, however, that e.g. aspects of environmental protection are neglected.

In this context, certain fields can be identified that should normally be the focus of attention for reporting by companies operating within the services sector:

Environmental protection	Working conditions
Energy consumption and greenhouse gases	Employee health & safety
Materials, chemicals and waste	Careers and further education
Sustainable consumption	Working conditions
	Discrimination
Business practices	**Supply chain**
Corruption and bribery	Suppliers and the environment
Fair competition	Social standards of suppliers
Responsible marketing	

Report fields of the CSR Report

These thematic areas also represent the key focal points of the SNP Group's sustainability activities. Their basic principles and objectives are explained in more detail in the following pages.

In selecting and evaluating the report's aspects, themes were initially collected in an iterative selection procedure, irrespective of their importance. Wherever possible, these were then compared with aspects of GRI.

Main business locations of SNP SE

SNP Schneider-Neureither & Partner SE

Since 1994, SNP SE has been offering its customers products and services related to the transformation of IT systems. We operate worldwide with a strong focus on the development of new markets.

Company Profile

SNP SE supports organizations in adapting their business models and adopting and using new technologies. SNP software and services make it easier to implement business or technical changes in business applications.

Together, CrystalBridge® and SNP Transformation Backbone® with SAP® LT offer the world's leading suite of data transformation software, which automatically analyzes, implements, and tracks changes in IT systems. They therefore offer clear quality advantages, while at the same time significantly reducing the time and costs involved in transformation projects. Today, the SNP Group employs around 1,300 people worldwide.

The Heidelberg-based company generated Group revenue of EUR 131.0 million and a marginally negative result of EUR 1.6 million in fiscal year 2018. Its customers are globally active groups from across all industries. SNP was founded in 1994, and it has been listed on the stock exchange since 2000 and in the Prime Standard of the Frankfurt Stock Exchange (ISIN DE0007203705) since August 2014. Since 2017 the company has been operating as a European stock corporation (Societas Europaea/SE).

In the 2018 fiscal year, no dividend was distributed for the 2017 fiscal year; in the previous year, the dividend had amounted to € 0.35. Further information on the key corporate figures can be found in our Annual Report 2018 in the Group Management Report *www.snpgroup.com/en/financial-publications.*

The majority of SNP customers can be assigned to the following industries:

Mechanical engineering	Energy	Insurance
Health care	Government agencies	Banks
Automobile manufacturers	Chemicals	Communications
IT	Retail	Real estate

Important industry sectors of SNP customers

Strategy and Guidance

SNP SE comprises several subsidiaries currently located in 15 countries. These divisions are listed in the consolidated financial statements published in the SNP Annual Report.
www.snpgroup.com/en/financial-publications

Stakeholders

The term "stakeholder" covers all groups of people who have a significant interest in the activities of the SNP Group. Exact knowledge of these groups and their needs helps both in locating the company's own position in the market and in understanding the demands and requirements of markets, communities and interest groups.

In order to identify stakeholders, potential groups were identified both internally and externally. The internal view was created by an internal company survey. The external view was gained through the evaluation of (local) press reports and information that can be found about SNP on the internet.

Our approach to stakeholder engagement includes both purely observational information-gathering on associated channels and various opportunities for active stakeholder participation in dialog meetings, exchanges on social platforms, or at events organized by SNP or another organization. For external communication, target groups are actively prioritized.

Even if SNP is unable to actively initiate direct communication with all stakeholder groups, inquiries from individual groups are expressly welcomed and gladly answered. For this purpose – as for all other inquiries regarding this report – our CSR contact point can be reached at any time at
investor.relations@snpgroup.com.

Stakeholder Groups

The process of analysis described above has enabled an extensive list of stakeholders to be identified. Both directly and indirectly affected stakeholder groups are included in the considerations.

Employees
This includes both permanent full-time employees of SNP SE and its subsidiaries as well as all temporary and part-time employees.

Customers
Our connection to our customers includes partnerships that sometimes go back decades. As a central driver of innovation at SNP, we are in constant contact with our customers, who are among our most important stakeholders.

Investors
As a listed company, we have strong links with the capital market, where SNP employs various methods in fulfilling its duty to inform shareholders and potential investors.

Communities
SNP maintains a global network of subsidiaries and branches, where it acts not only as a regional employer, but also as an active member of the respective locations and communities.

Government Agencies
It is only good cooperation with the government agencies in all administrative areas of our work that enables a smooth flow of our activities.

Trade Associations
Trade associations are important sources of ideas and impulses, and they represent an excellent platform for networking. They are therefore an important component of SNP's activities.

Suppliers

As an IT company, the goods we purchase from external suppliers mainly consist of software and IT services. We also purchase a small proportion of physical goods, however.

Interested Parties

A large part of our marketing activities is aimed at acquiring new customers. For many of the people this marketing addresses, this constitutes their first direct contact with SNP.

Analysts & Press

Third-party reporting on SNP's business activities is a key factor in the group's reputation. This is indispensable, especially when it comes to making an objective evaluation, and positioning SNP in the market.

Academic Institutions

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

For all of these groups, both SNP's external image and the subjective perception of it as a company are essential indicators for the indirect assessment of the quality of the enterprise and the work it performs.
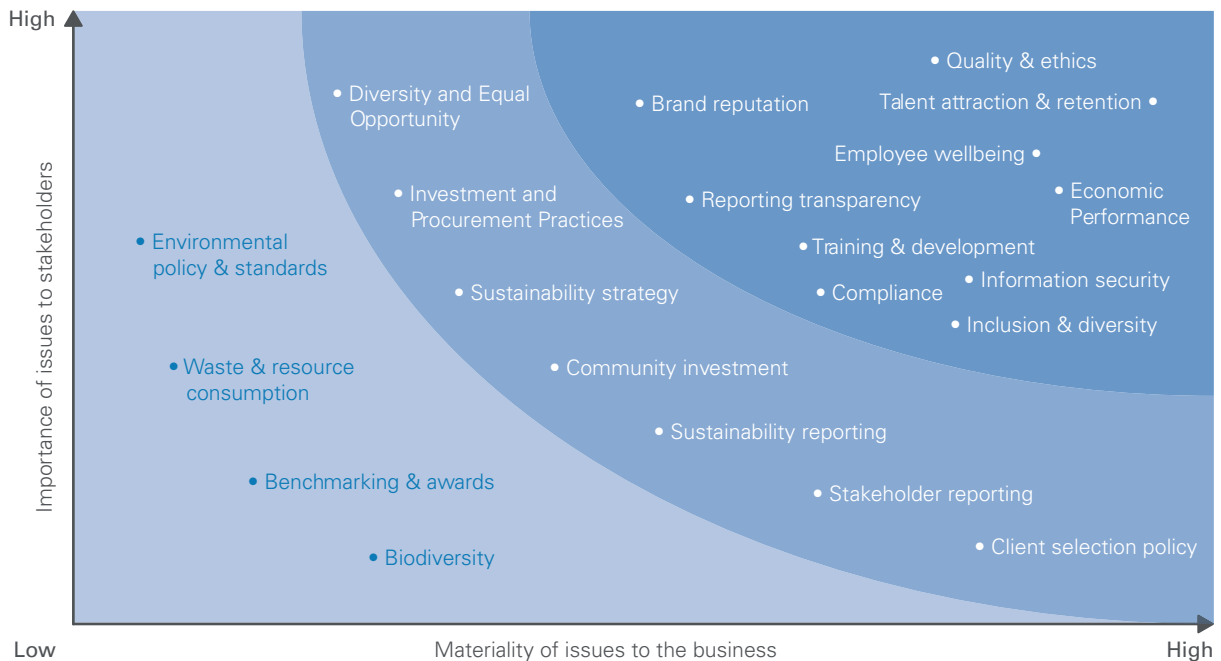
Materiality Matrix of the SNP Group

Materiality Analysis

SNP has prepared a materiality matrix on the basis of these evaluations. It presents all aspects according to their degree of materiality.

The weighting is predominantly based on subjective criteria. Only in individual cases could objective characteristics be worked out and evaluated. This particularly applies to the supply chain and the group of investors.

The stakeholder group of employees defines which aspects are particularly relevant from an internal perspective:

■ **Labor Practices and Decent Work**
– Employment
– Employee-employer relations
– Occupational health and safety
– Training and further education
– Diversity and equal opportunity
– Equal pay for women and men

■ **Regionality**
– Local communities

■ **Environmental**
– Energy
– Emissions
– Wastewater and waste
– Products and services
– Compliance

From an external point of view, the following aspects in particular are considered essential:

■ **Economic**
– Economic performance
– Market presence
– Business continuity management

■ **Company**
– Anti-competitive behavior
– Compliance
– Evaluation of suppliers with regard to social impacts
– Promotion of new talent

■ **Product Responsibility**
– Marketing
– Protection of customers' privacy
– Data security
– Compliance
– Support

Important topics

Over the course of time, the pattern of inquiries has made it possible to identify certain concerns and topics as being the guiding themes of the interested parties – either through extensive coverage in the press or by accumulating inquiries on the same subject.

These issues have therefore become the focus of SNP's sustainability efforts. Above all, these include the following:
■ Flexibility
■ Balance of work and family life
■ Training and further education
■ Shareholder Value
■ Marketing
■ Data security

Today, the handling of these aspects by individual employees – or specially deployed teams – is permanently considered and systematically developed at SNP. In addition, there is also a range of groups addressing a number of other focus topics. Some of these, however, have a more temporary project character.

Corporate Culture
Principles and Values

SNP's strong growth in recent years has resulted in a gratifying diversity within our workforce. In this context, it is particularly important to be able to refer to a common framework of values. This alone will allow SNP to grow into a global community that is able to treat its employees, customers and suppliers with respect, honesty and reliability.

Ethics and Guidelines

All SNP employees are required to comply with the company's Code of Conduct (CoC). It lays out our beliefs and corporate guidelines. Every SNP employee can then refer to the principles and conduct procedures of this framework. The cornerstones of our code are:

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

In addition to the individual rules of conduct of the CoC, SNP also follows the strict guidelines set out in the German Corporate Governance Code (the „Code"). Our Corporate Governance Report, which is published annually and explains in detail how SNP deals with its Code commitments, can be viewed at
www.snpgroup.com/en/corporate-governance.

Employee Participation

An essential cornerstone of our success is fair and open interaction between all SNP employees. We live 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 around the concerns of SNP staff are firmly established across several levels of our cooperation.
In addition, employee feedback can also be expressed at various points via a controlled input process: from the human resources department to quality management and dialog meetings with the management, there are several possibilities for guaranteeing the desired level of confidentiality and sustainable consideration of input.

Transparency

We constantly put our actions to the test and are always open to any kind of stakeholder feedback. SNP events, which are held regularly and serve both the external presentation of the company and its dialog with customers and investors, are an essential forum for receiving feedback.

The Transformation Days and Transformation World events are held in order to allow for direct exchange with customers. Transformation Days are held several times a year at our main locations in Europe, Asia and America. Transformation World is an annual event in Heidelberg. At both events, we offer several lecture series held by our customers, business partners or our own employees.

Transformation World 2018

Events for our investors and capital market analysts include telephone investor conferences, visits to various capital market events and the Annual General Meeting.

SNP regularly exhibits stands at major trade shows in order to be able to exchange information with interested parties from various fields. These are aimed at a general specialist audience and so also have a correspondingly larger target group.

Career, graduate and university fairs where students can exchange ideas with SNP, for example, have a strong regional focus. Other sports and social events for which SNP acts as a sponsor also offer opportunities for this.

Environmental Protection

SNP is committed to protecting the environment in a variety of ways. The main focus will be on energy emissions from vehicles and buildings, waste prevention and recycling[1].

We take environmental concerns into account in our daily decisions. There is, however, no overarching system for prevention and environmental protection. Until now, SNP has not had to pay any fines or penalties for violations of environmental laws or regulations.

To determine emissions, the German organization records both the fuel consumption of all company vehicles and building emissions.

100% Green Electricity
SNP SE has been supplied with green electricity at its Heidelberg site since 2018. By purchasing energy entirely from ecological sources, 97.05 tons of attributable CO_2 emissions are avoided every year.

Building Management
External energy reviews of individual office buildings are conducted at irregular intervals. These help SNP to uncover inefficiencies and then subsequently realize potential savings. Our in-use buildings operate at a consistently high level of efficiency. In 2018, a total of about 338,000 kWh (2017: 420,000 kWh) of electricity was consumed across all locations in Germany.

To improve our environmental balance sheet and support sustainability, only electrical appliances with an energy efficiency class of A++ or higher are installed in the employee kitchens at the Heidelberg site.

Rail Journeys, Vehicle Emissions and Air Travel
Our German vehicle fleet consists exclusively of vehicles that meet at least the Euro 5 emission standards. Our guidelines continue to give priority to the procurement of environmentally friendly vehicles, including hybrid vehicles since 2018. All our vehicles, including their fuel consumption, are managed within our proprietary software and their consumption is evaluated. In 2018 a total of 312,976 liters (2017: 363,544 liters) of fuel was consumed.
In 2018, SNP employees covered a total of 172,185 km (2017: 314,958 km) within Germany by plane in order to be able to be present on site at our customers'

locations. For international flights to and from Germany, a further 1.66 million km (2017: 3.05 million km) were accrued. A total of 531,563 km were covered by rail within Germany in 2018.

Precautionary Approach

We are firmly convinced that people must be the focus of all our entrepreneurial efforts. Both sustainability and environmental protection must be guaranteed in order to be successful in the long term. Therefore, we support all suggestions and initiatives by our employees to contribute to the protection of the environment. This applies both to the impact of our activities on the customer or on nature as well as with regard to the technical side of our activities.

Products and Services

We continually monitor and optimize the impact of our operations on the environment. Our products are designed in such a way that their use consumes as little energy and storage space as possible by optimizing run times as early as the conception phase. In order to save transport costs and waste, we do not distribute our software via physical data carriers; instead, all products can be obtained via a download portal. At the end of use, our software products can be uninstalled almost residue-free, releasing all tied-up resources to be used again.

Wherever possible – and requested by the customer – we provide our consulting services remotely. This conserves resources and makes an active contribution to environmental protection.

[1] The costs for waste treatment and disposal amount to less than € 25,000/year for the whole group

Workforce

SNP SE works hard to maintain its reputation as a reliable and fair employer. This covers the entire employment cycle of each employee and is intended to enable a conflict-free relationship. This begins with a fair and transparent recruiting process and continues with a regular exchange between employees and their supervisors.

Employee well-being is of the highest priority at SNP, and it is firmly anchored within the human resources departments' processes and indicators. Every year, internal quality targets are derived from the analyses. This ensures, for example, that fluctuation at SNP is kept low.

Our processes are clearly communicated and the human resources department acts both as a mediator and contact partner for all the concerns of our employees. This also includes the immediate internal examination of suspected cases of discrimination, as well as complaints about discrimination and harassment at the workplace and the adoption of countermeasures where necessary. There were no objective incidents of discrimination within Germany in 2018 and there were no complaints about discrimination and harassment at the workplace. No objections to the formal complaint procedures were lodged during this period either.

Naturally, working in a demanding and highly dynamic environment like our own requires a high level of employee commitment. With this in mind, we seek to offer optimal support to our employees in order to ensure they are best equipped to carry out their tasks. We therefore support them in their continuous further development, and we offer all employees:

- A company environment with a good working atmosphere.
- Clearly defined objectives
- The opportunity to advance themselves and their careers
- Above-average remuneration
- Good advancement opportunities
- Flexible working hours and a good balance between family and career
- The chance to assume responsibility at an early stage

Number of Employees

As of December 31, 2018, SNP had 1,286 employees (2017: 1,341 employees). Of these, 373 (29%) were female (2017: 371 or 28%).

No employees were covered by collective bargaining agreements in 2018.

USA
64

APAC
100

LATAM
246

DACH
528

EMEA
348
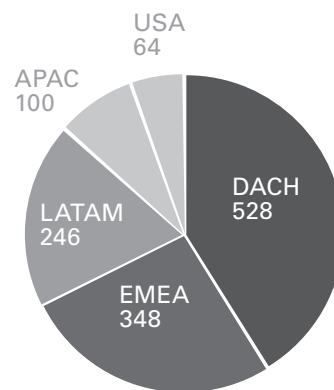
Distribution of employees (globally)

A total of 323 new employees were hired across all locations in the course of 2018; of those, 89 new employees were hired in the DACH region.

Turnover

The IT consulting and services sector is typically characterized by a very high turnover rate of around 5 to 20%.

	2018
Turnover (absolute)	118
Turnover (percentage)	18%

Employee turnover within the DACH region

It is SNP's declared goal to achieve turnover well below the industry average. In order to retain our employees in the long term, we have initiated various measures that SNP carries out as part of its Employer Branding Program. In 2018, SNP recorded a worldwide turnover of around 23% (2017: 14%).

Training and Further Education

The software and consulting industry is highly demanding and so requires a high level of training for SNP employees. This is true far beyond initial training, especially when it comes to major technological change. In addition, it is in the employees' own interest that they are able to optimize their own work by expanding their knowledge, which is why our extensive range of training courses has met with such a positive response.

For these reasons, SNP invests heavily in education and training, which is carried out both internally and externally.

SNP Training Academy
Internal training begins with the SNP trainee program, which is completed by all junior consultants at the "SNP Training Academy." In a program lasting several months, all future consultants get to know the basic techniques of corporate transformation. During this time, the trainees are released from all other tasks in order to be able to devote themselves entirely to the content of the training courses. Together with a mentor, the program's theoretical content is then implemented in the subsequent practical phases.

In addition, SNP also offers a varied training program covering both technical and non-technical topics. The contents are conveyed in various forms: in particular, the range of eLearning products on offer was successfully expanded last year in order to offer employees a high degree of flexibility in their learning.

Strategic Career Development
Within the German-speaking organization, all employees – regardless of their career level – are assessed for their performance. The systematic further development of the employee is pursued through the definition of individual goals. Any need for further training is also discussed and initiated in this context.

Benefits

SNP offers its employees a range of additional fringe benefits.

At the main location in Germany these are:

- A company pension
- The possibility of taking parental leave
- Maternity leave
- A childcare allowance for children of pre-school and kindergarten age
- (Group) accident insurance
- Continued payment of remuneration in the event of illness

In addition, the majority of employees also have the option of using a company car. At the Heidelberg site, there is also a subsidy for fitness courses that all permanent employees can apply for.

Since 2016, it has been possible to set up a 401k pension plan at the main location in the USA.

At the other two main locations in Argentina and Poland, no additional fringe benefits are offered.

Nor does SNP offer defined benefit pension plans.

SNP does not offer transitional assistance programs designed to facilitate continued employability and deal with a career ending 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 first-class working conditions. In addition to strong team spirit and fair working conditions, this also includes varied projects and good advancement opportunities. SNP salaries are above the industry average. This applies equally to starting salaries at the main business locations.

Important operational decisions such as restructuring etc. are communicated at an early stage. There are, however, no fixed, contractually agreed notification periods. SNP respects the right to freedom of association and collective bargaining. Violations can be reported by any employee (even anonymously).

78% of management positions at SNP's foreign locations are filled by locally recruited staff[2]. These management positions include all managing directors and division heads.

Diversity and Equal Opportunity

Promoting diversity in the workforce helps SNP to gain a real competitive advantage. There are no barriers with regard to family background or other personal aspects. Our teams are extremely heterogeneous in terms of age, gender and background.

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

Health and Safety

SNP promotes a healthy diet; free drinks and snacks or fruit are available for all employees at all sites. For health and environmental reasons, the beverage supply was switched from plastic to glass bottles in 2018. For some years now, our "Sugar Free Company" campaign has excluded any sweets or foods containing processed sugar from the snacks provided.

In addition to the aforementioned possibility of subsidized sports sponsorship, employees are offered various opportunities for fitness training directly at their workplace. This includes regular events such as fitness exercises or fascia training.

To a large extent, work at SNP consists of sitting office work. Since this is not known to pose any high risk of illness, there are therefore no formal employer-employee committees to monitor occupational safety and health programs.

For the compilation of accident statistics, SNP follows the International Labour Organisation's (ILO) "Code of Practice on Recording and Notification of Occupational Accidents and Diseases." In 2018, no accidents were reported at SNP in this context. There is however no obligation to report minor injuries, which is why simple first-aid measures do not appear in injury statistics. No statistical surveys are carried out for commuting accidents either, as these occur outside SNP's sphere of influence.

SNP works together with the Björn Steiger Foundation to improve first-aid provision. All major locations in Germany are equipped with defibrillators so that our trained first responders can help quickly and competently in the event of a sudden cardiac arrest.

[2] In this context, "local" means that citizenship is held there.

Balance between family and career

Today, maintaining a balance between family, leisure time and career is a matter of course for many, and this view is also shared by SNP: as a fundamental aspect granted to every employee.

Consistent and conscious time management is an essential factor for maintaining a balance between work and leisure. All employees have various tools at their disposal for this purpose, such as accurate time recording, clearly communicated expectations and the possibility to avoid commuting time through our home office policy.

Parental Leave
In the German organization, all employees are legally entitled to parental leave. This is naturally granted to all employees. In 2018, 20 employees made use of this (2017: 25 employees) (f: 6, m: 14). The return-to-work rate was 100%. One year after returning to work, not all employees who had taken parental leave were employed by SNP (retention rate: 90%).

Suggestions for improvement and idea management
The online platform "SNP Innovate" offers employees worldwide the opportunity to contribute, share and exchange their ideas and suggestions for improvement.

In a pilot phase, "SNP Innovate" started with three thematic campaigns: "New Product Ideas," "Becoming One SNP" and "Cost Saving."

Many employees have already taken advantage of the opportunity to submit suggestions for improving a product, saving money or promoting sustainable work.

Every suggestion is reviewed. The audit criteria include effort and implementation time, the possible entrepreneurial benefit through savings and cost potentials, or the positive effect the idea would have on cooperation within the SNP Group. The assessment of these criteria is carried out by the management, a jury or the respective departments. On this basis, a decision is made as to whether the idea should be pursued further, implemented and perhaps even awarded a prize.

Social Commitment

Our social responsibility grows in line with our entrepreneurial success. SNP is highly committed to this: it supports animal welfare, education and research as well as artistic and intercultural projects. We also act as a sponsor for the promotion of sports. Health projects, especially those aimed at children, are particularly close to our hearts. SNP regularly donates to the German Childhood Cancer Foundation, the Heidelberg Children's Clinic and the German AIDS Service Organization.

Economic Performance

Since SNP went public in 2000, key performance indicators such as sales have increased year on year. In 2018, sales of EUR 131.0 million (2017: EUR 122.3 million) was achieved. SNP SE employees contributed to this worldwide.

Revenue by Region

Revenues were spread across all regions as shown in the table below. A relocation – of either larger existing customers or locations – is not foreseeable in the near future.

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

SNP SE acts as spokesperson for the Solution Manager working group of the German SAP User Group (DSAG). On various occasions, SNP employees were active as spokespersons for the Rhine-Neckar Metropolitan Region Association, the German Federal Association of Mergers & Acquisitions and at universities across the region.

Shareholder Value

Regions	Revenue (external)		Non-current assets		Investments	
in T€	2018	2017	2018	2017	2018	2017
DACH	63,500	63,995	20,777	21,594	2,069	9,659
EMEA	28,165	23,612	28,522	29,728	835	24,118
USA	15,505	15,891	2,903	2,849	344	563
South America	16,791	11,972	12,222	14,756	59	15,807
Asia	7,022	6,873	3,272	3,446	70	128
Total	130,983	122,343	67,779	72,199	3,377	50,275

Revenue by country

For SNP, sustainable action and growth that generate added value for shareholders do not represent contradictions.

SNP share price performance since 2014

Business Practices

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

The main reason for our long-lasting success is the trusting relationship we maintain with our customers. In order to justify this trust, SNP must behave fairly and with integrity in all aspects of its activities. We respect our customers, business partners and competitors and do not take any action that distorts or harms competition. Accordingly, in 2018, no proceedings were initiated against SNP – or any of its subsidiaries – for anti-competitive conduct or cartel and monopoly practices. No penalties or fines had to be paid in this context (e.g. for accounting fraud, discrimination in the workplace or corruption).

Fighting Corruption

We reject any form of dubious market practice. This includes all forms of bribery and corruption. To this end, we have established internal training programs and processes that sensitize employees and support them in identifying and avoiding compromising situations.

As part of the risk analysis, surveys are carried out at all locations to examine the potential hazards posed by the two main risks of taking advantage in purchasing and granting advantages in the acquisition of larger projects. On this basis, training courses are held to raise awareness of and combat corruption among potentially at-risk employees. In 2018, 4 employees (2017: 1 employee) were trained in this program. Furthermore, no cases of corruption at SNP or in connection with its business activities are known from that reporting period.

Marketing

Responsible marketing and product communication are at the foreground
of all SNP's marketing activities. In addition to highly transparent product advertising, in which the focus is always on customer benefits, this also includes avoiding scatter effects, saving energy and resources.

Feedback from interested parties and our customers is an important source of information for controlling our activities. This feedback can be recorded in our marketing system so that measures can be further developed and tracked in a targeted manner.

Product Responsibility

The quality and reliability of our products is an essential keystone of SNP's continued success in the corporate transformation market. Our customers can rely on SNP software and services as the right partner for handling their sensitive corporate data.

In addition to a fair and transparent pricing policy, users of SNP products can expect high software reliability and data security. This begins with our internal software development process. This is ensured by a large number of quality measures and is certified according to the ISO 9001 industry standard.

Quality Assurance Measures

The consistently high quality of our software is constantly monitored by our own quality assurance team. Their professional and process-oriented approach ensures that sources of error can be detected quickly, both preventively and in the event of an error occurring. In addition, an almost complete penetration of our program code with automated tests guarantees the early detection of common minor errors.

The SNP Support Portal is available to all SNP customers with corresponding contracts and there are also Service Level Agreements for the availability of support, compliance with which is firmly anchored in our internal KPI system. Key figures for recording customer satisfaction and complaints are also available. In 2018 there was one legitimate complaint (2017: 2) submitted by our customers.

Data Security

The General Data Protection Regulation (GDPR) and the Federal Data Protection Act (BDSG) are the central laws determining generally applicable data protection rules. SNP complies with these requirements. The necessary technical and organizational measures have been implemented to protect the data and are continuously optimized.

SNP processes personal data, in particular that of its customers, employees, applicants and business partners, for example to fulfill its contractual obligations or for legally prescribed purposes. The protection of data is taken into account in all SNP processes and products. Consequently, no cases of data theft or loss in connection with SNP products were identified in 2018. The same applies to customer information and data processed by SNP for internal purposes. Similarly, no fines were imposed on SNP in 2018 for non-compliance with laws or regulations in this regard.

Suppliers

As a provider of software and services, SNP is itself also dependent on purchasing software and services. This makes up a significant part of our supply chain. The areas of hardware and software, consulting and cloud services and IT infrastructure can be regarded as primarily adding value. In these areas, SNP cooperates with a handful of selected companies. Due to the numerous advantages that geographical proximity between supplier and customer brings, regional suppliers are always used wherever possible, assuming this is economically appropriate.

In order to maintain our office operations, we procure a range of secondary consumer and capital goods. In addition to office materials, this primarily means furniture and food – but also includes any services relating to our office space.

Due to our presence being required at our customers' premises, all aspects of travel planning and implementation also play a major role in procurement, such as vehicles/vehicle rental, air travel and hotel accommodation.

When selecting our suppliers, we adhere to the rules of fair and healthy competition in supplier markets. The principles for this are anchored in our purchasing guidelines. In order to control the development of our supplier relationships, supplier quality is continuously recorded as part of the supplier evaluation process, and supplier audits are also carried out directly at our (main) suppliers.

Sustainable Procurement

In the future, all new SNP suppliers will commit themselves to comply with our purchasing guidelines for sustainable procurement. These ensure both compliance with the applicable legal and social standards as well as the most environmentally friendly actions possible.

In 2018, no new suppliers were audited as part of an environmental due diligence process. Equally, no negative environmental impacts were identified in SNP's supply chain.

On the one hand, suppliers are audited as part of a supplier evaluation process; nonetheless, our main suppliers are still subject to random checks with regard to their working conditions. The suppliers with the highest sales (with a total share of more than 50% of our expenditure) were randomly audited as part of taking inventory in 2018. No violations of the rights to freedom of assembly and collective bargaining were found.

Supplier Selection

We select our suppliers very carefully. In particular, we strive to avoid potential negative effects with regard to suppliers' working conditions and social commitments. In 2018, no new suppliers were assessed against criteria relating to impacts on society. When selecting suppliers, we pay attention to the aspects of quality, delivery reliability, price, sustainability and regionality.