

MODERN SLAVERY ACT: WHAT WE'RE DOING TO FIGHT MODERN SLAVERY AND HUMAN TRAFFICKING

As a global company, BMC understands that modern slavery and human trafficking is one of the fastest-growing activities of trans-national criminal organizations and has the potential to affect every country across the world. BMC believes that respect for human rights is integral to being a responsible company. It is why the prevention of forced, bonded and trafficked labour, are key elements of our own employees' Code of Conduct and our Third Party Code of Conduct with suppliers.

WHO ARE WE?

We are a global leader in software solutions which utilizes IT to transform traditional businesses into digital enterprises for the ultimate competitive advantage. We are part of the BMC Software, Inc. group of companies (the "Group") and while our parent company, BMC Software, Inc., is based in the United States, the Group has approximately 5,800 employees worldwide who operate in many different countries across the globe. The Group had global annual turnover of 1.7 billion U.S. dollars for the year ended 31 March 2017.

We develop, market and sell software which is designed to help our customers with IT service management, data center automation, performance management, virtualization lifecycle management and cloud computing management. This can be done on premise or in the cloud and our customers include most of the Fortune 500. We also offer consulting, implementation, integration and educational services in relation to our software.

HOW ARE WE RESPECTING HUMAN RIGHTS UNDER THE MODERN SLAVERY ACT?

(1) MONITORING OUR SUPPLY CHAIN

Our business is organised into several business units with our supply chain spanning approximately 44 countries and consisting of indirect procurement of products, services and supplies needed to effectively conduct business. Goods and/or services frequently acquired include hardware, software, telecommunications, office supplies, marketing products, travel and IT services. Unlike direct supply chain organizations, indirect procurement has minimal interaction with manufacturing suppliers, but primarily conducts business with resellers. Despite responsibility for respecting human rights ultimately falling to these manufacturing suppliers, BMC recognises that as customers

we still need to play an active role and we have adopted various means to clearly communicate our expectations to suppliers. In fact, all suppliers and service providers are expected to adhere to the same ethical standards as our employees which have been outlined in our [Third Party Code of Conduct](#). We require every supplier, contingent worker and service provider across the globe to sign up to our Third Party Code of Conduct which prohibits them "from engaging in or supporting the use of slavery, child, compulsory, forced, or involuntary labor, including human trafficking" and we ask that suppliers "flow down such prohibition to any third party they should be engaging with, directly or indirectly, to provide services to BMC" to ensure that our stance is as far reaching as possible.

(2) ENSURING OUR EMPLOYEES ARE AWARE OF OUR COMMITMENT TO SLAVERY AND HUMAN TRAFFICKING

Our [Code of Conduct](#) (for employees) reflects our commitment to acting ethically and with the utmost integrity throughout all of our business relationships and each and every employee is required to sign up to this. We also require each and every employee to undertake training on an annual basis to ensure that they understand the risks of modern slavery and human trafficking and to stress the importance of upholding our corporate and social responsibilities.

(3) PROTECTING EMPLOYEES WHO SPEAK OUT AGAINST HUMAN RIGHTS ABUSES

As part of our initiative to identify and mitigate risk, we have in place a system to protect whistle blowers. BMC Software directors, officers, employees and third party resources who have reason to believe the Group, an employee or a third party doing business on behalf of any company of the Group has violated, may violate or is acting in a manner that appears to violate a law, regulation, the Code of Conduct or other corporate policies are expected to immediately report such activity. Allegations may be reported through many defined channels including an Ethics HelpLine that permits anonymous reporting provided by a leading third-party reporting service. All allegations of wrongdoing are taken seriously and investigated appropriately. As outlined in the Group's [Whistleblower Policy](#), BMC will not tolerate retaliation against any employee who, acting in good faith, reports suspected human rights abuses, asks questions or raises concerns.

LOOKING AHEAD

BMC continues to monitor the business where there is a potential risk of labour rights abuses and this includes incidences of modern slavery and human trafficking. However, BMC believes that further training for employees and its supply chain, with an increased emphasis on transparency throughout this supply chain, may help identify modern slavery and human trafficking risks in the future. As a result, should we see any incidences of modern slavery and/or human trafficking, BMC will be well positioned to address these and to support any affected workers to ensure that human rights abuses are stamped out for good.

We make this statement under section 54(1) of the Modern Slavery Act 2015 and it constitutes our slavery and human trafficking statement for the financial year ended 31 March 2017.



Arno ter Avest
BMC Software Ltd.
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