



MODERN SLAVERY STATEMENT

Pursuant to section 54(1) of the Modern Slavery Act 2015, the board of directors of BMC Software Ltd. (“we”) has approved this modern slavery statement (the “Statement”) for our financial year ended 31 March 2019.

We understand that modern slavery and human trafficking remain fast-growing activities of trans-national criminal organizations, having the potential to affect every country in the world. Therefore, we have implemented a system of policies and procedures designed to protect against modern slavery and human trafficking and they include imposing appropriate legal obligations on our employees and third parties (e.g., subcontractors and partners).

STRUCTURE, BUSINESS AND SUPPLY CHAIN

We are part of the BMC Software group of companies (“BMC”) and our parent company, BMC Software, Inc., is based in the United States. BMC has approximately 5,600 employees worldwide and operates globally. BMC had a global annual turnover of approximately 1.8 billion U.S. dollars for the financial year ended 31 March 2019.

BMC is a global leader in innovative software solutions that enable businesses to transform digital enterprises for the ultimate competitive advantage. BMC develops, implements, markets and sells software which is designed to help its customers with IT service management, data centre automation, performance management, virtualization lifecycle management and cloud computing management. BMC’s customers include Fortune 500 companies.

BMC’s business is organised into several units, with customers and the wider supply chain located in over 130 countries in Europe, Asia-Pacific, Australia, Africa and the Americas. BMC uses a supply chain to effectively conduct business by indirectly procuring products, services and supplies from data centres, third party support providers, consultants and hardware resellers. The goods and/or services frequently acquired by BMC include hardware, software, telecommunications, office supplies, marketing products, travel and IT services. Unlike direct supply chain organisations, however, indirect procurement has minimal interaction with manufacturing suppliers as BMC primarily conducts business with resellers of those manufacturing suppliers. In this respect, BMC has adopted various means to clearly communicate its expectations to any third parties BMC deals with, as further outlined in this Statement.

POLICIES IN RELATION TO SLAVERY AND HUMAN TRAFFICKING

BMC's [Third Party Code of Conduct](#) requires that our suppliers refrain "from engaging in or supporting the use of slavery, child, compulsory, forced, or involuntary labour, including human trafficking" and suppliers are required to "flow down such prohibition to any third party they should be engaging with, directly or indirectly, to provide services to BMC." Further, "failure to comply with the Third Party Code of Conduct may result in the application of corrective measures against the Third Party, including, but not limited to, a reduction or cessation of business and/or termination of a contract between BMC and the non-compliant Third Party." This ensures that BMC's zero tolerance stance on modern slavery and human trafficking is as far reaching as possible.

The [Code of Conduct](#) applicable to BMC's employees contains obligations prohibiting use of child labour, physical punishment or forced or compulsory labour, as well as any other forms of human abuse including human trafficking. Every employee is required to accept the terms of the Code of Conduct. Failure to comply with the Code of Conduct, including not reporting actual or suspected violations of which employees are aware, may result in disciplinary action, including but not limited to termination of employment.

As part of its initiative to identify and mitigate risk, BMC has in place a system to protect whistle blowers. BMC's directors, officers, employees and third party resources who have reason to believe BMC, an employee or a third party doing business on behalf of any company of BMC has violated, may violate or is acting in a manner that appears to violate a law, regulation, the Third Party Code of Conduct, 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. As outlined in BMC'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. All allegations of wrongdoing are taken seriously and investigated appropriately.

KEY PERFORMANCE INDICATORS

BMC records any incidents and suspicions of slavery, child, compulsory, forced, or involuntary labour, including human trafficking which are reported in accordance with the appropriate internal mechanisms. As of the date of this Statement, to the best of our knowledge we are not aware of any such incidents and/or suspicions.

TRAINING

In addition to agreeing to the Code of Conduct, BMC requires 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 its corporate and social responsibilities. This training is provided as an online module which is compulsory for all employees.

LOOKING AHEAD

As outlined in previous statements, BMC continues to monitor its business where there is a potential risk of labour rights abuses and this includes incidences of modern slavery and human trafficking. BMC places an ever increasing emphasis on transparency in an effort to identify modern slavery and human trafficking risks which may arise in the future.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Arno ter Avest

BMC Software Ltd.

Date: 20 September 2019