

ORACLE

2020 Oracle Statement Against Modern Slavery

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Public

Oracle Corporation and its subsidiaries (“Oracle”) is committed to treating all workers with respect and dignity, ensuring safe working conditions, and conducting environmentally responsible, ethical operations.

This statement describes the actions taken by Oracle during fiscal year 2020 (June 1, 2019 to May 31, 2020) to prevent modern slavery and human trafficking in its business and supply chain. Oracle is issuing this statement pursuant to the UK Modern Slavery Act, Modern Slavery Act 2018 Australia, and California Transparency in Supply Chains Act of 2010.

Throughout this statement, Oracle references “modern slavery,” which encompasses slavery, servitude, forms of child labor, forced labor, human trafficking, debt bondage, slavery like practices, forced marriage and deceptive recruiting for labor or services.

Oracle organization structure, operations, and supply chains

Oracle is headquartered in Redwood Shores, California with operations in 175 countries including the United States, India, the United Kingdom, Japan, Germany, Canada, France, Australia, Brazil, the Netherlands, Romania, and Ireland.

As of May 31, 2020, Oracle employed approximately 135,000 full-time employees, including approximately 36,000 in sales and marketing, approximately 19,000 in our cloud services and license support operations, approximately 3,000 in hardware, approximately 25,000 in services, approximately 39,000 in research and development and approximately 13,000 in general and administrative positions. Of these employees, approximately 47,000 were employed in the U.S. and approximately 88,000 were employed internationally. Oracle Corporation Australia Pty Limited (ACN 003 074 468) and Oracle Global Services Australia Pty Ltd (ACN 632 743 689) employ approximately 2000 people in Australia. Oracle Corporation UK Limited (Company Reg. No. 1782505) employs approximately 4700 people in the United Kingdom.

Oracle provides products and services that address all aspects of corporate information technology (IT) environments —applications, platform and infrastructure. Our applications, platform and infrastructure offerings are delivered to customers worldwide through a variety of flexible and interoperable IT deployment models which enable customer choice and flexibility. Oracle markets and sells globally to businesses of many sizes, government agencies, educational institutions and resellers with a worldwide sales force positioned to offer the combinations that best meet customer needs.

Oracle has three businesses: Cloud and software business, which comprises of i) New Software Licenses, (ii) Software Support, and (iii) Cloud Services. Hardware business, which comprises of (i) Hardware Systems Products and (ii) Hardware Systems Support. Oracle Cloud and Software and Oracle Hardware are collectively referred as "Oracle Solutions". In addition, Oracle also provides Oracle Services, which comprise of related services to end-user customers that have purchased Oracle Solutions and are seeking additional aftersales services, such as Consulting, Managed Cloud Services, and Education. The business is supported by a significant amount of technical infrastructure, including datacenters located in the U.S. and other countries.

Related policies

Oracle's commitment to human rights is reflected in a number of Oracle policies and practices, as well as its participation in industry initiatives including:

- [Oracle Employee Code of Ethics and Business Conduct](#)
- [Oracle Partner Code of Ethics and Business Conduct](#)
- [Oracle Supplier Code of Ethics and Business Conduct](#)
- [Policy against Trafficking in Persons and Slavery](#)
- [RBA Code of Conduct 6.0](#)
- [Responsible Labor Initiative](#)
- [Oracle Corporation UK Ltd Modern Slavery Policy Statement 2020](#)
- [Oracle's Conflict Minerals Report](#)

To produce hardware products that Oracle markets and sells to third-party customers and that Oracle utilizes internally to deliver as a part of the Oracle Cloud operations, Oracle relies on both internal manufacturing operations as well as third-party manufacturing partners located in the US, Canada, Mexico, Europe and South Asian countries including China, South Korea, Thailand, Malaysia, Singapore, Taiwan, and Japan.

Oracle's internal manufacturing operations consist primarily of materials procurement, assembly, testing and quality control of Oracle Engineered Systems and certain enterprise and datacenter servers and storage products. For all other manufacturing, Oracle generally relies on manufacturing partners to produce our hardware-related components and hardware products and Oracle may involve internal manufacturing operations in the final assembly, testing and quality control processes for these components and products. Production of hardware products requires that Oracle purchase materials, supplies, product subassemblies and full assemblies from a number of vendors. Oracle partners closely with direct hardware manufacturing suppliers to understand and evaluate their supply chain practices.

Oracle's Procurement team manages Oracle's indirect suppliers of goods and services. This team contracts with indirect suppliers that provide everything from advertising services to office supplies.

Oracle's policies in relation to slavery and human trafficking

Oracle's [Code of Ethics and Business Conduct](#) ("CEBC") defines our values and continued commitment to ethical business practices and legal compliance. The CEBC sets forth key rules and provides links to policies and resources to help employees understand Oracle's business values and responsibilities. All Oracle employees are required to comply with the CEBC in all countries where Oracle operates. Employees' understanding of the CEBC is reinforced through annual online training. The CEBC establishes Oracle's commitment to support and respect the protection of human rights and ensure that Oracle's business partners and suppliers do the same.

This commitment is further described in Oracle's [Human Rights Statement](#) which references respect for specific international human rights instruments that prohibit all forms of modern slavery and human trafficking. The statement aligns with the [United Nations Universal Declaration of Human Rights](#), the [OECD](#), the [ILO Declaration on Fundamental Principles and Rights at Work](#), the [UN Global Compact](#), the [UN Guiding Principles on Business & Human Rights](#), and relevant laws and regulations, which call for the elimination of forced or compulsory labor and of child labor and prohibits slavery, forced servitude and forced labor.

Oracle requires all suppliers and partners to embrace our commitment to integrity and ethical behavior through the [Oracle Supplier Code of Ethics and Business Conduct](#) ("SCEBC") and [Partner Code of Ethics and Business Conduct](#) (PCEBC).

Furthermore, as a member of the [Responsible Business Alliance](#) (RBA), Oracle's Supply Chain Operations (SCO) manages and monitors the Social and Environmental Responsibility (SER) program for our direct hardware supply chain in accordance with the [RBA Code of Conduct](#) ("RBA Code"), which is incorporated into the standard supplier agreements.

The CEBC, SCBEC, PCEBC and RBA Code ("Codes"), combined with Oracle's supply chain due diligence efforts and supplier capacity building programs, provide the key mechanisms used to prevent and mitigate risks of modern slavery and human trafficking in the supply chain. The Codes set standards designed to protect the health, safety, and treatment of workers, including the prohibition of any form of modern slavery, including forced, bonded, or indentured labor; involuntary prison labor; sex trafficking; and slavery or trafficking of people. Any violation of these standards by an Oracle employee can result in disciplinary action, including termination of employment. Any violation by a supplier can result in contract termination.

Risk assessment and management

Responsible Sourcing and Human Rights initiatives across the company and its supply chains are managed by an internal core group whose members include experts representing: the SER team in Oracle's SCO organization; the Global Sustainability team led by Oracle's Chief Sustainability Officer; the Indirect Procurement team reporting to the VP of Procurement; the Compliance and Ethics team reporting to the Chief Compliance and Ethics Officer; and representatives from Government Affairs. This group develops cross-company strategies, shares best practices, and builds awareness to facilitate continuous improvement of Oracle's human rights initiatives across the company and its supply chains.

Oracle continues to assess modern-slavery risks in its supply chains. Assessment processes involve review and analysis to:

- identify strategic Tier 1 and Tier 2 suppliers within the supply chain
- identify and rate the risk factors related to that supplier and their supply chain

These factors include but are not limited to country and sector risk profiles; external reports and standards; publicly available risk assessment ratings; membership of organizations where codes of conduct form part of the membership criteria; supplier self-assessment findings; and third party or Oracle audit results. Audits are based on the results of the risk assessment on hardware suppliers' facilities and can be performed by Oracle or RBA's 3rd party auditors.

The audits include:

- in-depth factory tours,
- meetings with management,
- on-site interviews,
- document reviews,
- and assessments of related areas such as dormitories, cafeterias, wastewater treatment facilities, and warehouses.

The audit protocol is designed to assess high-risk suppliers' performance in the areas covered by the Codes, including modern slavery risk. Identified issues are investigated during the audit to determine root causes and develop corrective action plans. While the audits are announced, the supplier auditors are trained to report any concerns they observe on an ongoing basis.

Due diligence processes in relation to slavery and human trafficking

Oracle enforces its Codes and the [Policy against Trafficking in Persons and Slavery](#) through supplier contracts, supplier assessments and audits, and capability building programs. Together, these components comprise a due diligence process that identifies, monitors, and mitigates the risk of human trafficking or forced labor in Oracle's supply chains.

Oracle's SER team partners with Oracle's factory and sourcing managers to ensure that suppliers conform to all of the Codes' requirements, including labor rights, ethics, environmental protection, and occupational health and safety. Specifically, Oracle prohibits any form of human trafficking or involuntary labor through threat, force, fraudulent claims, or other coercion.

Oracle's suppliers warrant that the products, including the materials within the products, and supplier's manufacturing processes comply with all applicable laws and regulations, which include laws against human trafficking.

All new and directly contracted hardware suppliers for Oracle servers, devices, and their packaging material and components undergo initial risk and capability assessments and audits to assess their conformance, including risks of human trafficking and slavery. Third-party auditors or members of the SER team conduct these audits and assessments using a checklist composed of RBA and additional Oracle requirements. During the review process, auditors examine documentation; visit production lines, dorms, canteens, and waste storage facilities; and conduct face-to-face interviews with workers and factory management. After the initial baseline assessment, Oracle's SER team monitors the performance of all directly contracted suppliers.

This includes Tier 1 suppliers: manufacturing partners with whom Oracle has a direct contractual relationship to manufacture Oracle hardware components and products. It also includes contracted Tier 2 suppliers: suppliers with whom Oracle has a direct contractual relationship to provide components or materials to the Tier 1 suppliers. Third-party auditors evaluate SER conformance with Tier 1 suppliers annually and Tier 2 suppliers based on their supply-chain risk.

Oracle's SER team supplements these third-party audits with regular onsite assessments of Tier 1 factories and high- and medium-risk Tier 2 component suppliers.

If non-conformances are detected, SER, Sourcing, and Manufacturing teams work closely with suppliers to develop corrective action plans to resolve detected issues, including building needed capabilities through education and training. Suppliers are required to identify the root cause of the nonconformance, establish a corrective course of action, and implement preventive actions for all issues found. Suppliers must correct issues within specific deadlines based on the severity of the nonconformance or risk termination of our business relationship.

Oracle also complies with the reporting and other obligations under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 in relation to Conflict Minerals. As part of that reporting obligation, Oracle has determined that components in its hardware products contain Conflict Minerals, and that the Conflict Minerals are necessary to the functionality of the hardware products. For additional details, please see [Oracle's Conflict Minerals Report](#).

Oracle drives responsible sourcing of raw materials through its extended supply chain by surveying in-scope suppliers' sourcing in their own upstream supply chains. Oracle also uses tools that include supplier and smelter capability building and support broader industry efforts to promote responsible mining and sourcing.

Finally, Oracle conducts audits of our directly contracted suppliers to verify conformance to Oracle requirements.

Effective action taken to address modern slavery

In FY20, Oracle completed 15 audits based on the RBA Code of Conduct at direct hardware supplier factory locations. Oracle did not identify any priority issues related to human trafficking or modern slavery. During these assessments and audits, improvement opportunities were identified in the areas of labor documentation, policy, contingency planning, and labor agency contracts. In these cases, corrective actions were developed and validated by the SER team with continuous monitoring for effectiveness.

Oracle has also established due diligence strategies and procedures as a basis for direct hardware supply-chain management and disclosure compliance, based upon the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. As part of that process, Oracle surveyed its direct hardware suppliers and manufacturers who represented 87 percent of Oracle's total direct hardware supply chain expenditure in CY2019.

Oracle is also a member of the RBA's [Responsible Labour Initiative \(RLI\)](#), a multi-industry, multi-stakeholder initiative focused on ensuring that the rights of workers vulnerable to forced labor in global supply chains are consistently respected and promoted.

Training on modern slavery and trafficking

As part of the Oracle SER program, employees are trained on the risks and issues associated with human trafficking, including methods of mitigating risks within hardware supply chains. To increase awareness of human trafficking and modern slavery risks, Oracle provides annual training to its sourcing teams. Training on Oracle's Codes reinforces the expectation that employees, temporary workers, and contractors (collectively, "workers") follow applicable laws and report concerns of illegal or unethical activity. Oracle trains workers to conduct due diligence to identify and avoid working with third parties that engage in modern slavery or other illegal practices.

Oracle ensures accountability in these policies by providing multiple routes for employees, suppliers, rights holders and other stakeholders to report their concerns to Oracle. Oracle's Statement on Human Rights expresses our commitment to provide an anonymous grievance reporting mechanism for our employees and other stakeholders who may be impacted. The Codes identify how concerns can be submitted, including anonymously through use of Oracle's Integrity Helpline. The Helpline allows employees and others to ask compliance questions and anonymously report concerns regarding Oracle's and its suppliers' business operations. Oracle investigates and, where appropriate, require remedial action to address reported incidents.

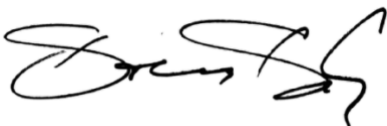
Conclusion

Oracle remains committed to its responsibility to respect human rights across all operations. In line with Oracle's ongoing efforts, it is committed to driving continuous improvement by building supplier engagement on topics related to slavery and human trafficking; furthering engagement with relevant industry groups and external stakeholders; and promoting collaboration and benchmarking to assess human rights risks.

For more information on Oracle's efforts to empower people, strengthen communities, and protect our planet, please visit www.oracle.com/citizenship.

This statement was reviewed by relevant internal teams and approved by Oracle Corporation.

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