COMMUNICATION ON PROGRESS SAP YEAR 2008



Statement

SAP is an early endorser of the United Nations Global Compact with signature recorded in 2000. We remain committed to promoting all ten principles both for ourselves as a company but also for the stakeholders we serve through the technologies we develop.

As our dialogue with stakeholders shows, SAP's role in sustainability is twofold: On the one hand we must continue to ensure that our business operates in a sound and ethical manner and leaves a minimal environmental footprint; on the other hand we are also responsible for providing information technology solutions that help businesses of all sizes better manage their sustainability performance.

In November 2008, SAP launched its first sustainability report, which highlights the key measures of SAP's corporate environmental, social and governance performance, as well as its products and services that help enable more sustainable operations of its customers. The SAP Sustainability Report 2007/2008 is an important step in the company's ongoing dialogue with stakeholders regarding how SAP can best perform as a company, build software solutions that promote sustainable operations at customers and play a leading role in the public policy debate. In response to UN Global Compact COP feedback we have paid close attention to materiality analysis during this period and we present our materiality matrix in our first sustainability report. Stakeholders are invited to also vote on the most important issues and instantly view feedback as well as join the conversation in our dedicated online forum at www.sap.com/about/sustainability. In this first sustainability report, we have also started to include aspects of our communication on progress for the UN Global Compact, and we are working towards presenting one reconciled document with our next Sustainability Report to be launched in May 2009.

We continuously support of the UN Global Compact, which we seek to integrate as fully into our business operating procedures and products.

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Global Compact Principle	Action Taken & Impact Achieved and/or Plans for the upcoming Year
1: Businesses should support and respect the protection of internationally proclaimed human rights;	SAP supports universal human rights world wide. This includes our commitment to safe and healthy working conditions at all our locations. SAP has an occupational safety committee that advices and supports the management team and employees on all questions related to occupational health and safety. The committee is responsible for systematic analysis of potential dangers at work and for preventing accidents. The occupational safety team regularly checks all offices and work equipment and supervises the compliance with general safety guidelines that are relevant for our employees who work in modern office surroundings. Besides their regular activities, in 2008, the occupational safety committee conducted safety training for employees who come to work by
	bike and safety training for car drivers. SAP also has a service to minimize business travel risk including travel medicine advisory service and a hotline for colleagues traveling. In addition, SAP has an extensive employee health program that meets the needs of our employees who all have sedentary, intellectually highly demanding jobs. The offer includes sports activities, nutritional advice, work-life balance training as well as psychological and medical advisory
	SAP Governance Risk and Compliance Business Unit together with the German government offers strategic sponsorship of EITI technical support to enable ease of implementation. EITI is an important initiative to curb corruption, conflict related to resource extraction and to forward the cause for good governance and economic development. In 2008, SAP conducted a first workshop in Ghana to evaluate how the partnership can be implemented in this country.
2: and make sure that they are not complicit in human rights abuses.	SAP supports universal human rights world wide. At the end of 2008, SAP has started a human rights risk impact assessment together with Business for Social Responsibility (BSR).
3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	SAP AG, under the German legal framework of codetermination, recognises the right of employees to participate fully in executive management decisions. Of 16 seats on our supervisory board, 8 are elected by shareholders and 8 by employees. http://www.sap.com/company/governance/index.epx http://www.sap.com/company/governance/statutes/index.epx



	Since 2006 SAP employees are represented by a works council, and the executive board is committed to working constructively with this representative group. The works council also includes union members. The works council has the right to be consulted on the topics of e.g. individual HR actions, IT processes and privacy protection, talent development, payment and benefits, equal opportunities, or health & safety. SAP's management team is in a constant dialogue with the works council.
	Additionally, a global Employee Sounding Board guarantees a global representation of our employees.
4: the elimination of all forms of forced and compulsory labour;	SAP supports the movement to eliminate all forms of forced and compulsory labour world wide. In our knowledge based company, employees tend to be highly skilled, well educated and are highly sought within our industry on a global level. At this time, forced and compulsory labour issues are not a direct material risk for SAP and its value chain.
5: the effective abolition of child labour;	SAP supports the movement for effective abolition of child labour world wide. The SAP employee base in our knowledge based company tend to be highly skilled, well educated and are highly sought within our industry. At this time, child labour issues are not a direct material risk for SAP and its value chain. Education is one of the core areas of our community support all over the world. So, for example in 2008, SAP continued its support for the UN World Food Programme together with the SAP Community Network (SCN). SCN is a 1.3 million strong peer knowledge community of SAP related professional business process and software development experts worldwide employed by consulting firms and independent vendors world wide. Based on popular demand, SAP introduced a points based system in aid of the UN World Food Programme School Feeding Initiative which aims to bring children into school by guaranteeing them at least one meal a day. Now, the more knowledge our members share on line, the more points accrued leads to more money donated to the UN World Food Programme initiative.
6: and the elimination of discrimination in respect of employment and occupation.	SAP is a truly global company with creative and business centres distributed throughout the world. To harness the power of innovation, SAP invests in the development of its diverse employees and managers. We aspire to leverage the qualities and appreciate the unique competencies that each person brings to the company. At SAP, we nurture and support an environment that values differences in culture, race, ethnicity, age, gender, sexual orientation, gender identity or expression, and physical or mental ability. SAP takes a holistic approach with its overall recruiting efforts, striving at
	all times to identify and recruit the most diverse pool of qualified candidates for any open position. Each region devotes appropriate



	a formalized charter to continue expanding diversity efforts and make them sustainable throughout the organization. In 2008, SAP offered web-based training on the German General Equal Treatment Act (AGG) to all employees in Germany in order to prevent any discrimination in business related situations. In 2008, SAP signed a declaration to support family-friendly principles to further improve career opportunities for women and men who have families. Furthermore, SAP conducted a so called "Week of Senses" to sensitize all employees for the special needs of colleagues with all kinds of disabilities.
7: Businesses should support a precautionary approach to environmental challenges;	SAP acknowledges the precautionary principle imperative. SAP is a software development company and as such our operations have little direct environmental impact. Nevertheless, our stakeholders' expectations are clear: Climate Change is a cross sector issue and as such SAP also must address this question. What SAP's public stakeholders are most interested in is how we can help our customers to become more environmentally friendly.
8: undertake initiatives to promote greater environmental responsibility;	SAP continues to declare its carbon footprint to the Carbon Disclosure Project. SAP also continues its support of the 3C Combat Climate Change initiative and the UN Global Compact Caring for Climate initiative – both aim to provide private sector leadership and support for better global climate management solutions. In 2008, SAP has started a project to introduce stronger environmental criteria into the Global Supply Chain Policy. More information on SAP's environmental efforts can be found in the



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		SAP Sustainability Report 2007/2008 (www.sap.com/about/sustainability).
	9: and encourage the development and diffusion of environmentally friendly technologies.	SAP has a dedicated business, the SAP Governance, Risk & Compliance business unit, to address the growing need for sustainability management solutions. The scope of technology development includes environment, health and safety surveillance, environmental product performance, compliance and emissions management.
		In addition, SAP Research has continued a number of significant projects including (i) a project to enable better electric grid management so that available power generated is used optimally, (ii) a project to define a comprehensive carbon management solution throughout the supply chain & (iii) together with the Imperial College London SAP supports development of solutions for better water infrastructure management for London.
		Besides, SAP collaborates with major utility providers to provide Advanced Metering Infrastructure (AMI) which enables consumers to have better in home on in home power consumption information and associated cost by time of day and device.
		Fundamentally, enterprise software solutions enable resource efficient growth and greater transparency for enhanced and empowered relationships with all stakeholders.
	10: Businesses should work against all forms of corruption, including extortion and bribery.	SAP is dedicated to carrying out our business dealings consistent with our core value of integrity. All employees sign our Code of Business Conduct (COBC, http://www.sap.com/company/governance/pdf/Misc_CoBC.pdf) upon
	,	joining the company. The COBC covers issues such as fair competition, anti-corruption, insider trading, and fair representation.
		SAP has a Global Compliance Office that consists of a team of policy development and compliance enforcement experts in charge of legal and corporate policy standards.
		In addition, SAP enterprise software enables our customers to attain transparency and control over their operations. Integrity is also a core value promoted within our corporate culture.
		SAP is a member of the Transparency International Global Corporations for Transparency Initiative and is represented on the Steering Group for the Transparency International Business Principles programme.
		During 2008 SAP carried out phase I field studies together with GTZ under terms of our Public Private Partnership agreement in support of the government of Ghana's implementation of the Extractive Industry Transparency Initiative.



	For more information on SAP's efforts against all forms of corruption, please see the SAP Sustainability Report 2007/2008 at www.sap.com/about/sustainability.	
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