The Best-Run Businesses Run SAP

SAP INTEGRATED REPORT 2012

Financial and Non-Financial Performance

Your Personal Report

Employees and Social Investment
Human Rights

✔ Assured

Committing to the highest standards regarding our employees, our ecosystem, and our solutions
We view respecting human rights as both a moral and business imperative. Upholding the most ethical and fair standards helps protect our reputation, supports our commitment to diversity, enhances our ability to attract and keep top talent, and fosters our innovation as we seek to ensure that our employees work in optimal conditions.

In 2011, we adopted a Human Rights Commitment Statement, which details our respect and support of the values of the Universal Declaration of Human Rights as well as the Declaration on Fundamental Principles and Rights at Work by the International Labour Organization. We created this statement after conducting an impact assessment, during which we conducted interviews with stakeholders to determine which issues were of the greatest importance to SAP. Our assessment found that child labor, freedom of association, and forced labor are less material issues for us. But we have identified complex, constantly evolving human rights risks and opportunities that the software industry as a whole faces, from accessibility to security and privacy.

Our statement focuses on three main areas: our employees, our ecosystem of partners and suppliers, and our solutions.

Our Supplier Code of Conduct and our Partner Code of Conduct also require the upholding of human and labor rights, and we expect both our suppliers and partners to provide a safe and healthy environment for workers. Beyond the request to comply with our codes, we do not track investment agreements or contracts that include human rights criteria.

Ensuring that we adhere to our standards through an audit process and grievance procedures
In addition to making a public commitment to protect human rights and uphold fair labor practices, we have taken steps to ensure that this commitment translates into practice. We are taking guidance from the United Nations' "Protect, Respect and Remedy" framework which spells out the responsibility of businesses to respect human rights and work alongside government to remedy violations of such rights.

In 2012, we launched a global audit program to verify that our subsidiaries adhere to our standards. We also maintain grievance procedures, with multiple channels available for employees to raise concerns about the workplace. These include: HR managers, works councils, and colleagues who are trained to be part of our internal mediation pool, and a global internal ombudsperson accessible to all employees on a confidential basis to address labor concerns. Finally, our compliance office oversees our antibribery and antitrust policies along with other issues related to our business conduct.

For example, we have a long-standing policy of nondiscrimination in all aspects of our dealings with employees. We are also committed to providing a work environment free from unlawful harassment. Employees who feel they are being subjected to conduct that violates this policy is encouraged to report the conduct to their managers, HR officers, or the compliance office. In the United States, reports regarding harassment and discrimination must be escalated to the global compliance office. Prompt, thorough, and objective investigations are conducted upon receiving complaints, and, if it is determined that prohibited discrimination, harassment, or other conduct has occurred, we take appropriate remediate action.

Our global ombudsperson also plays a crucial role in representing the voice of employees. An independent and neutral authority, she is the main contact person for our global employee base to address issues and settle disputes. Her work includes the investigation of staff complaints and the mediation of fair settlements. Our ombudsperson also helps the Executive Board analyze HR-related complaints and consider ways to address potential issues before they occur.

In addition to our grievance procedures, we work to uphold the highest standards by providing training to our employees covering the spectrum of human rights that is most relevant to our business – namely, security, privacy, antidiscrimination, works councils, and first-aid training. More than 56,000 employees (about 85%) at SAP have been trained in this area to date.

Collaborating with our works councils to ensure fair labor practices
As published in our Human Rights Commitment Statement, we strive for constructive labor relations across the world, working within each country's requirements.

For example, since 2006, our employees in Germany have been represented by works councils. The councils consist of elected union members and nonunion members. They have the right to be consulted by SAP management on topics that define the work environment and work processes. These include human resources initiatives, talent development, payment and benefits, equal opportunities, changes in work or information technology processes, privacy protection, and the protection of health and safety.

Other works councils exist in Belgium, France, Ireland, the Netherlands, Spain, and the United Kingdom. In addition, in late 2011, representatives of the European countries voted in favor of a European Works Council at SAP. This body must be informed or, in special cases, consulted on important transnational issues. It was founded in spring of 2012 and

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represents employees from all European SAP subsidiaries.

Collective bargaining agreements with unions are made only in countries where legally required. All in all, about 40% of employees are represented by works councils or an independent trade union or are covered by collective bargaining agreements.

SAP management is committed to collaborate and communicate with the councils' representatives on corporate management decisions. While we do not have a global minimum notice period in place for making operational changes, we do provide timely information and consult with employee representatives whenever and wherever required.

Top

Portfolio of Products, Solutions, and Services
Security, Privacy, and Data Protection

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In a world of growing risk, customers expect SAP to provide answers to threats to their on premise software environments as well as to cloud and mobile services.

We consider security, privacy, and data protection to be primary responsibilities for a software and cloud service provider, and strive constantly to protect customers, business partners, and our own company through a multitude of coordinated measurements.

Comprehensive security practices
At SAP, product security takes many forms, including:
— Software that meets the highest SAP quality and security standards
— A dedicated security team that helps ensure our software is developed according to a state-of-the-art security development lifecycle
— Security functionality built into our products
— Security-related service offerings of our support organization
— A specialized security consulting team
— A large ecosystem of partners that specialize in security
— A dedicated research organization focused on security
— Corporate security at SAP locations, overseeing the security of our data center, and the security of our development organization

Our efforts are enhanced by our security advisory board, which is composed of experts from academia and industry partners. This board helps SAP remain at the forefront of security technologies.

Cloud and mobile security issues
Security is a particularly important aspect of two of our fastest-growing market categories: cloud and mobile.
— **Cloud security** – Our cloud offerings feature sophisticated security controls, enabling customers to focus on their businesses. These controls include physical security measures, network security protocols, and backup and recovery procedures.
— **Mobile security** – To help customers ensure security, the SAP Afaria mobile device management solution and the SAP Mobile Platform deliver centralized control of all mobile devices and tablets. Through this advanced platform, data and content are backed up and can be deleted if a device is lost or stolen. In addition, sensitive data on devices is encrypted, and security policies are centrally enforced.

Strict data protection and privacy policies
We recognize the importance of privacy in a world of increased access to personal data. SAP adheres to a global data protection and privacy policy that not only secures the privacy rights of employees, customers, prospects, and partners, but anyone whose data is processed by SAP and within the legal parameters of SAP or its customers. Privacy is regarded as a top priority of the Executive Board as well as the SAP legal entities, both of which must abide by internal policies and applicable privacy laws. The implementation of a data protection management system, which has already been introduced in a number of departments, including Active Global Support, Human Resources, Marketing and Global Services, ensures the continual improvement of our risk-based approach and regular internal controls. To illustrate, our global permission-based marketing policy clarifies rules of consent and guidelines for the marketing of our software and services and provides global standards for third-party engagement, external data rental, and outbound calling, as well as opt-in and opt-out services.

In 2012, there were no substantial losses of customer data or breaches of customer privacy.

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Portfolio of Products, Solutions, and Services
Solutions for Energy and Sustainable Operations

SAP helps companies run more sustainably with innovations that increase profits, engage people and communities, and protect natural resources.
Solutions from SAP help the world run better and more sustainably. SAP is helping its customers achieve more sustainable operations through a range of solutions that address energy, environmental, health, and safety needs.

Specifically, SAP enables large and small enterprises to increase long-term and short-term profitability by holistically managing the opportunities and risks associated with economic, environmental, and societal concerns.

— Operational risk management solutions help customers move beyond compliance to proactive risk reduction. SAP has introduced a mobile safety reporting application to encourage fast reporting of high-risk workplace situations, enabling companies to create a safety culture.
— Product safety and stewardship solutions help ensure sustainable products and supply chains. SAP has introduced new levels of productivity with solutions that leverage the cloud, enabling collaboration and continuous updates, and creating a network where suppliers and customers can exchange needs for product safety information.
— Sustainability reporting and analytics solutions provide transparency and help drive corporate sustainability initiatives.
— Energy and environmental resource management solutions help ensure regulatory compliance while minimizing energy costs and more efficiently using natural resources.

Energy and Environmental Resource Management More

Product Safety and Stewardship More

Operational Risk Management More

Sustainability Reporting and Analytics More

Sustainable Workforce More

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The TwoGo by SAP story: How Developing a Carpooling Solution Taught Us About the Links Between Sustainability and Innovation More

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Does our Solution Portfolio cover all important aspects of sustainability?

- Yes you cover key sustainability requirements of the main lines of business
- There is more opportunity in Supply Chain / Procurement
- There is more opportunity in Production
- There is more opportunity in Innovation
- There is more opportunity in Human Resources
- There is more opportunity in Financials

To which group do you belong?
Choose group...

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Energy and Emissions
Greenhouse Gas Emissions

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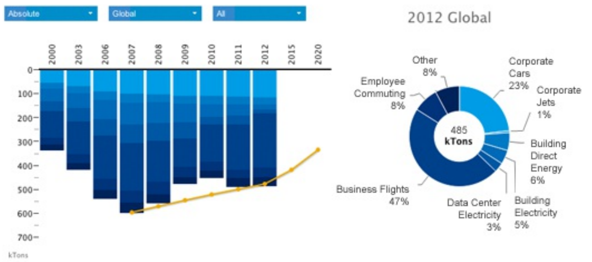
Relevance: Positioning SAP to better serve our customers and improve our bottom line
Managing our greenhouse gas (GHG) emissions affects our business in multiple ways. First, it has enhanced our innovation and ability to serve our customers. Increasingly, they have made it a priority to manage their own emissions, and our first-hand experience has helped us develop new solutions. Our customers also expect us to manage our emissions as part of their supply chains.

Second, reducing our emissions directly impacts our bottom line. We calculated that, since the beginning of 2008, our carbon footprint has resulted in avoided costs of €220 million.

Approach: Rigorous measurement, new efficiencies, and the work of transformation
In 2009, we set an ambitious goal: to reduce our emissions to the level of 2000 by the year 2020 in ways that best support profitability. We have designed a comprehensive strategy to achieve this goal that includes three main areas: reducing our energy consumption (and thereby our emissions) in a profitable way; increasing our use of renewable energy; and employing offsets for some scope 3 emissions.We are now advancing our strategy even further to take on transformational projects that change how we work and how we design our solutions. We stick to this strategy even in light of strong growth of our business organically and through acquisitions.

Achievements and challenges: Slightly decreasing our emissions in spite of strong business growth in 2012, but missing our total GHG reduction target for the year 2012
In 2012, our results represent both an achievement and a wake-up call. We slightly reduced our emissions compared to 2011, an accomplishment given our significant growth. This included the acquisition of multiple companies (the largest being SuccessFactors and Ariba) and the resulting addition of about 5,000 employees.



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We attribute our success in not increasing our emissions to a range of efficiency projects, from energy-saving improvements in our data centers and offices to more fuel-efficient cars. Our commitment to increasing the amount of renewable energy we purchase has also reduced our emissions related to electricity consumption.

As we measure our emissions per employee and per euro of revenue, we gain insight into our efficiency as we grow. We found that in 2012 we increased our efficiency according to both measures, lowering our emissions per employee by more than 10% and per euro of revenue by more than 13% compared to 2011.

Despite this progress, we fell short of the target we set for the year. The reason is that we are now squarely facing the challenges of growth. As our business has expanded, so has our employee base, and the number of employees determines our emissions. For example, more employees engage in more air travel. In addition, our aspiration to best serve customers, achieve quarterly results, and develop new products makes implementing new behaviors more difficult. We have learned that we will achieve our target only if we continually innovate, engage our employees, and maintain momentum.

Our precise target for emissions in 2012 was 480 kilotons, and our final total was 485 kilotons. This includes scope 1 and scope 2 emissions along with limited scope 3 emissions mainly related to our business travel and commuting. By this measure, our total footprint in 2011 was 490 kilotons, compared with 455 kilotons in 2010.

While we have not included all of our scope 3 emissions in our calculations, we have begun to measure and address them. Namely, we are assessing our emissions along our entire value chain – meaning those that stem from the products and services that we buy and sell as well as our own operations. We are actively working to reduce both our upstream and downstream emissions by collaborating with our suppliers and customers on new approaches to reducing carbon. (For more detail, click here.)

2013 and beyond: New innovations to drive further reductions including our investment in the Livelihoods Fund
As we continue to grow, we have challenged ourselves to come up with new approaches to reduce our carbon footprint. For example, we are moving beyond efficiency projects to greater innovation through an investment that turns us from a consumer of carbon credits

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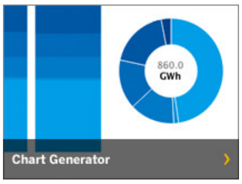

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into a producer. We are making a 20-year investment of €3 million in the Livelihoods Fund, a unique investment fund whose returns consist of high-quality carbon credits. The fund supports the sustainability of agricultural and rural communities worldwide. In eastern India, for example, it is helping communities plant fruit trees to diversity food sources and address overcultivation of soil. As opposed to a charitable donation, we are making a financial investment that brings benefits to society, the environment and SAP.

Our innovation also involves how we hold ourselves accountable. Since 2011, we have reported quarterly on our emissions, both so that we adhere to the most stringent reporting standards and also so that we can make adjustments throughout the year to move closer to our goal. In addition, we have created a data quality rating for our carbon footprint. This rating takes into account such factors as whether data is complete, consistent, and timely. We are working to increase the quality of our own data, and will encourage other companies to incorporate similar ratings to improve overall data quality and allow for more meaningful benchmarking.

Looking ahead: Changing behavior and driving transformation through innovations
We will continue to seek out innovative projects to further our progress. For example, we are constantly working to improve mobility – whether this means increasing our use of electric cars or offering employees better online meeting options, public transportation benefits, or flexibility to work from home.

One of our latest innovations is a mobile, cloud-based ride-sharing solution that has already brought more than €2.3 million of value to SAP (85% of which is related to employee networking during joint rides). TwoGo by SAP is an example of how we can move beyond efficiency projects to foster deeper changes in how we live and work. It also demonstrates how we can simultaneously create environmental, social, and economic benefits for SAP. Through ride sharing, our employees drive less, thereby helping us reduce our emissions. At the same time, they spend more time networking as they share rides to and from work, thereby enhancing our work culture and relationships. Finally, they reduce our fuel costs, directly impacting our bottom line.

While it is a challenge to lower our emissions as we continue to grow, it is also critical to ensuring a viable future for SAP. These efforts position us to better serve our customers, who are facing similar challenges. In addition, they bring significant financial benefits, as we improve our efficiency and reduce costs. For these reasons, addressing our carbon footprint represents much more than an environmental commitment – it represents an investment in the future success of SAP.

For more information on our environmental data, see the section Non-Financial Notes.

Our carbon impact and strategy More

Not assured

Grading our data: Holding ourselves accountable in how we measure emissions More

Top

Energy and Emissions
Total Energy Consumed

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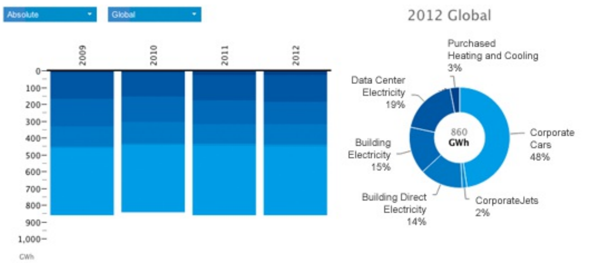
Relevance: Improving our financial performance and driving innovations that serve our customers as well as SAP
Managing our energy consumption improves our financial performance, positions us for energy price fluctuations, and enables us to better serve customers for whom energy management is a priority. Becoming more efficient has also required us to tackle challenges in new ways, thereby driving our innovation and supporting our overall business success.

We define "total energy" as the consumption of energy in our operations contributing to scope 1 and scope 2 emissions, such as the electricity powering our buildings and data centers, the use of natural gas in our buildings, and the fuel used in our corporate cars and jets.

Approach: From greater efficiency to cultural transformation
We have designed a multi-pronged strategy to reduce our energy consumption, addressing everything from our commuting to our management of IT equipment. Increasingly, we are looking beyond first-stage efficiency projects to ask how we can create transformational change. This means finding connections between seemingly disparate areas such as energy usage and employee engagement. As an example, see our new ride sharing solution TwoGo by SAP.

Achievements and challenges: Keeping usage flat and improving our efficiency as our business continued to grow
In 2012, our total energy usage stayed flat with 2011 levels, at 860 gigawatt hours (GWh). This result speaks to competing trends within SAP. On the one hand, our business continues to grow at a significant rate. Beyond organic growth, in 2012, we acquired multiple companies, including SuccessFactors and Ariba, which added about 5,000 people to our employee base (the number of employees at SAP is the key driver of our energy consumption). At the same time, we have become far more efficient, demonstrating that it is possible to improve both our environmental and financial performance.



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Our corporate car fleet offers an example of how we are balancing efficiency and growth. While the number of cars in our corporate fleet continued to increase, our fuel consumption did not rise proportionately, indicating that our efficiency standards and incentive programs are working.

In addition, we maintained the trend of reducing electricity consumption in our offices and especially at our workplaces. One of our major achievements in 2012 was the reduction of the electricity consumption of our PCs and laptops by 2,200 megawatt hours (MWh) within 12 months – the equivalent of the consumption of about 650 households. This result is due to consistent reduction of devices through an asset management system developed by SAP, the ongoing implementation of power management software that automatically shuts down unused PCs and laptops at 7:00 p.m., and the use of more efficient devices (such as laptops instead of PCs).

Using our software to better manage our energy data
One of the keys to continuing our progress is enhancing how we manage our energy data. Addressing this challenge is not just relevant to SAP but also to many of our customers, who also oversee complex operations. Our infrastructure includes approximately 400 buildings, of which more than 100 are computing facilities. They operate throughout the world, so that we also contend with different time zones and languages as well as the potential for human error.

In 2012, we focused on using our own software to manage our data collection more effectively. This technology is designed to collect multiple points of data from around the world and bring them together using one software tool. We are also creating self-audit and training processes to facilitate our shift to this new system. After building prototypes and testing the system in 2012, we are beginning to utilize it more comprehensively in early 2013.

Our progress in 2012 also included the further integration of the ISO 14001 standard in Bulgaria, Israel, and Italy as well as Markdorf, Germany, as part of a pilot. Regarded highly

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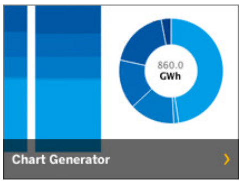

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by external stakeholders, this standard establishes a systematic framework for our programs. We now plan to further roll out this environmental management system globally in 2013.

2013 and beyond: A continued focus on efficiency and a shift to transformational projects

Managing our energy usage over time presents a range of challenges. For example, as we continue to grow and expand our employee base, we also anticipate expanding our fleet of corporate cars in such locations as Germany and India. We must continually work to offer our employees attractive alternatives to driving, whether in the form of car sharing, expanded use of public transportation, biking to work, or flexible options to work from home.

Other areas of focus for 2013 include:

- Integrating improvements in facilities related to the acquisition of SuccessFactors and Ariba. We are working to ensure that we are consistent in how we manage lighting and other efficiency projects throughout SAP, and are coordinating all of our data in one reporting system.
- Installing major improvements in a select number of data centers worldwide to maximize our impact. We will focus on Newtown Square, Pennsylvania, as well as our facilities in China and in Rot, Germany.

As we explore future energy-saving strategies, we face a dilemma familiar to our customers: Now that we have undertaken many initial projects, what comes next? We must become more sophisticated and innovative in our approach, moving from changing our light bulbs to more complex solutions, such as intelligent buildings that automatically monitor our lighting and other energy needs. To truly innovate, we also must consider the complex motivations for behavior, as well as the incentives that encourage people to move outside their comfort zone and change long-established habits.

These next-stage projects often require a greater financial investment and take a longer time to bring a return. As a result, they can feel less urgent than other efforts related to our short-term success. Yet these projects afford an opportunity beyond their energy-saving benefits. They remind us to keep a balanced perspective so that we act in ways to ensure our viability and business success over the long term. In addition, they support our goal to create a culture in which we constantly evolve, adapt to changing circumstances, and push the boundaries of our innovation.

For more information on our environmental data, see the section Non-Financial Notes.

Top

Energy and Emissions
Waste and Water

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Creating a global approach for recycling e-waste
Taking steps to recycle our waste and save water contributes to both our environmental and business performance, as we keep waste out of landfills, engage our employees, and reduce our operational costs.

While we seek to reduce all forms of waste – from the food in our cafeteria to the paper in our printers – our single largest source of waste comes from the IT equipment that we use to develop our software and serve our customers. This consists of laptops, PCs, CDs, peripherals and a range of mobile devices including tablets and smart phones. We set an ambitious target for 2012 to have 1.15 laptops or PCs per user. (At the end of 2011, the ratio was 1.18 devices per user.)

We exceeded this goal, achieving a rate of 1.11 laptops or PCs per user, totaling approximately 80,000 in use throughout SAP. We also continued to implement changes that we began in 2011. At that time, we took a major step to recycle our e-waste by contracting with a global disposal partner considered one of the world's most sustainable companies. This partner adheres to ISO 14001 standards and ensures that we have one uniform disposal process for e-waste worldwide.

In 2012, most SAP locations worked to adopt this new process to dispose of their enduser hardware. Now positioned to make even greater progress in 2013, we estimate that we will be able to recycle up to 98% of our electronic equipment (the recyling rate is based on 2011 data).

Composting and recycling our organic and other waste in multiple locations throughout the world
In addition to e-waste, we estimate that we generated approximately 10 kilotons of waste in our offices, operating facilities, and product packaging worldwide in 2012, compared to 10 kilotons in 2011.

To reduce this waste, we run comprehensive recycling programs for our offices and cafeterias. For example, we recover leftover food in our Walldorf headquarters for use in an external composting plant. At the SAP Labs location in Bangalore, India, an "organic waste converter" has been installed to recycle organic waste from our large food services and cafeteria operations on the campus into odor-free, homogenized compost.

In addition, the California Department of Resources Recycling and Recovery has named the SAP Labs location in Palo Alto, California, a winner of its Waste Reduction Awards Program multiple times for efforts to divert waste from landfill into recycling and composting centers. While in 2011, 71% of the office and catering waste in Palo Alto was recycled, in 2012, it was almost 100%.

Beyond recycling, we try to use more sustainable materials in our business. For example, we package our software compact discs in cardboard and paper instead of plastic when customers request a physical disk instead of electronic download. Our employees use recycled paper whenever possible, and since 2009 we have reduced our paper usage by more than 30% through a printing optimization initiative that sets our printers to a default setting for double-sided printing, among other improvements.

Using gray water, installing waterless washroom fixtures and other efficiency efforts
While our operations are not water-intensive, we continue to use water as efficiently as possible. We estimate that we used approximately 924,500 cubic meters of water worldwide in 2012 (875,500 cubic meters in 2011). As part of our efficiency efforts, we use run-off water, also known as gray water, for irrigation and toilets in Walldorf, Germany. In some of our offices in Brazil, Canada, India, Israel, Singapore, Switzerland, and the United States, we have installed waterless washroom fixtures, pressure reduction valves, and reduced-flush toilets.

As in other areas, we seek to use innovation to drive further efficiencies. For example, we are looking at the potential to reuse the water that serves to cool our buildings in warmer locations throughout the world.

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Corporate Governance
Business Conduct

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We take a range of actions to ensure that throughout our business, we live up to the high ethical standards laid out in our Code of Business Conduct for Employees. These include a review of business units for potential bribery or corruption, the training of our employees in antibribery and antitrust issues as well as our Code of Business Conduct for Employees, and appropriate actions taken in response to potential breaches of compliance.

Compliance Risk Analysis
We review our business units and processes for potential bribery or corruption issues on an ongoing basis. We engage in an ongoing risk assessment process each year and thus have analyzed our risk in all countries that we operate in. Our risk analysis is based on data regarding fraud allegations or incidents, audits, changes or updates to relevant laws, and other quantitative information. Each year we select a sample of subsidiaries at which we conduct stakeholder interviews so that we deepen our analysis with a qualitative perspective.

As a result of these risk assessments, we undertake suitable mitigation strategies, such as training sessions (classroom and Web based), communication from our leadership, awareness programs, and process enhancements. We select countries for interviews with internal stakeholders on a rolling basis in three waves, with the ultimate goal of ensuring that we collect internal stakeholder input at each subsidiary at least once every three years (or more frequently for higher-risk regions).

Code of Business Conduct for Employees
We consider it a top priority to conduct our business transactions with integrity. All employees must acknowledge our Code of Business Conduct for Employees when they join the company. For us, this is not a formality but a meaningful exercise in sharing one of the most important foundations of our culture. This code contains guidelines that apply to business behavior for all SAP employees as they perform their daily work on behalf of SAP. It is a statement of our commitment to safeguarding our investors and customers against unfair competitive practices, corruption, or misleading statements. The code is binding for all employees throughout the world and sets the standard for all dealings with customers, partners, competitors, and vendors.

Specifically, the code covers the following:
— Prohibiting bribery and corruption in all its forms, including facilitation or “grease” payments
— Gifts and business entertainment limits
— Full, fair, and accurate accounting
— Conflicts of interest
— Confidentiality
— Anticompetitive practices

No employee will suffer demotion, penalty, or other adverse consequences for refusing to pay bribes, even if such refusal may result in the enterprise losing business.

In addition to the initial acknowledgement of the Code of Business Conduct for Employees, the global compliance office has set up a certification process whereby – on an annual basis – employees are requested to confirm understanding of and compliance with the respective local version of the Code of Business Conduct for Employees. This process is being rolled out in Asia Pacific Japan and the Americas regions, as well as in most Europe, Middle East & Africa (EMEA) countries. After works council approvals and achievement of other legal prerequisites, all EMEA countries will also be covered by this process.

For the appointment and remuneration of sales agents, we have an internal third-party sales commission policy. All agents, consultants, or other third parties who are engaged to assist with a sales opportunity are required to enter into a written contract with mandatory contract provisions (for example, anticorruption clauses) established in that policy. Before any contract with a third-party sales agent is drafted, an automated integrity check must be completed and the internal approval processes must be adhered to.

In 2011, the global compliance office released the SAP Partner Code of Conduct; this policy reflects essential expectations of SAP related to the integrity and business behavior of partners. Before starting activities for SAP, new partners must accept the SAP Partner Code of Conduct.

The global compliance office oversees our Code of Business Conduct for Employees and all other related policies as well as our anticorruption program. The global compliance office is an extension of the global legal department. It consists of global compliance officers based at our headquarters and decentralized members in our most important markets. In addition, there are local compliance officers for each local subsidiary; they act as a local contact person for compliance issues and escalate cases to the global compliance officers when necessary.

The chief global compliance officer regularly reports to the CFO on a quarterly basis and to the Executive Board and audit committee of the Supervisory Board on an annual basis on the status of compliance. Matters of significance are brought to the attention of the Executive Board and Supervisory Board on an as-needed basis. Reporting to the Boards also serves as a basis for regularly monitoring and continuously improving our anticorruption program. The audit committee of the Supervisory Board also screens the

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compliance program on a regular basis: Once a year, it checks on the status of compliance at SAP. At every audit committee meeting, it screens the submissions that came in through the internal whistleblower tool.

Employee training on business conduct
In 2012, we conducted more than 16,000 training sessions in live classrooms or through online conferencing on anti-bribery and antitrust issues, as well as on our Code of Business Conduct for Employees. This training is mandatory for our sales workforce, which is considered to be at greatest risk for exposure to corruption. Additionally, many employees attended online training sessions on this subject.

In addition to our traditional training sessions, there are several other ways in which we make employees aware of our policies and anticorruption standards:
— The global compliance office conducts awareness calls and meetings.
— Local managers send e-mails to their subsidiaries.
— All policies, guidelines, and additional information are available on SAP Corporate Portal in local languages.

Incident reporting and remediation
Employees have a number of different avenues to raise concerns when they believe there has been a breach of the Code of Business Conduct for Employees:
— Helpline
— Incident reporting
— Compliance e-mail inbox
— Contacting local and global compliance officers through e-mail or telephone
— Whistleblower tool used primarily with audit and financial accounting and ensures that anonymous reporting is possible

Actions we may take in the case of incidents of corruption include:
— Written warning
— Termination
— Immediate termination of contract (worst case)

Internal checks and balances include:
— Separation of duty in all areas
— Policies and guidelines that detail the Code of Business Conduct for Employees related to specific lines of business or business activities. For example, guidelines exist for the following areas:
  ▪ Protection of intellectual property
  ▪ Group accounting (including revenue recognition)

SAP received and responded to all reports of potential bribery and corruption. No allegations regarding corruption were substantiated in 2012.

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Corporate Governance
Public Policy

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At SAP we are committed to helping the world run better through strategic and effective public and private partnership. This includes advising governments and administrations worldwide on critical IT topics, such as cloud and Big Data, which play a key role in creating new efficiencies and spurring economic growth.

Helping our societies capture the potential of IT, we are members of several leading industry associations, including the U.S. Chamber of Commerce, the National Association of Manufacturers, Organization for International Investment (OFII), TechAmerica, the Association of Climate Change Officers, BITKOM, BDI – Federation of German Industries, and DIGITALEUROPE. To provide greater transparency, we are also registered in the European Register for Interest Representatives.

In terms of policy engagement, in 2012, we played an active role in the European Cloud Partnership. Additionally, we were involved in the TechAmerica Foundation Big Data Commission.

Contributions
In principle, we do not support any political parties. This policy applies to all of our locations.

Some employees in the United States continue to exercise their right to create a political action committee (PAC). The SAP Americas PAC is an independent, registered, and strictly regulated organization that allows our employees in the United States to support political candidates on a local, state, and federal level. Consistent with U.S. law, SAP AG exercises no control over or influence in the SAP Americas PAC. PAC expenditures are available on the U.S. Federal Election Commission.

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Sustainable Procurement

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Sustainable procurement to become a more sustainable company
In addition to promoting sustainability within our company, we encourage sustainable practices within our global ecosystem of suppliers and business partners. Buying products and services from suppliers who comply with the highest ethical standards not only helps us become a more sustainable organization, it also generates benefits to society and the economy while reducing emissions to the environment. In addition, we can comply with the requirements of customers who want their direct and indirect suppliers to embed sustainability into their business practices.

Because SAP is a software company, most of our supply chain expenditures are for consulting and development services, travel, and marketing. The tangible goods we purchase are primarily related to IT equipment, car fleet management, and facilities management. In our largest markets, we seek to procure goods and services from local businesses. We believe that this helps create more vibrant local communities while conserving resources required for long-distance shipping.

Procurement policies and procedures require suppliers to meet the highest ethical standards
The global procurement organization at SAP continually evaluates the economic, ecological, and social trade-offs of sourcing decisions. The goal is to incorporate sustainability purchasing practices into the DNA of the procurement organization and to contribute to the sustainability objectives set by the SAP Executive Board and executive leaders. Therefore, we have made sustainability an integral part of our Global Procurement Policy, which is mandatory for all procurement staff.

In addition, a section on sustainability is being added to global master contracts that includes the assertion of the right to receive information from suppliers on labor rights, health, safety, environmental protection, and other key sustainability issues.

All SAP suppliers are required to accept the SAP Supplier Code of Conduct. This code is based on international standards that are relevant to our industry, including the Electronic Industry Citizenship Coalition (EICC) and the United Nations Global Compact. It contains provisions regarding human and labor rights, corruption and bribery, and waste, water, air, and materials.

Seeking to understand the environmental and human rights performance of our supply chain and identifying and mitigating potential risks
As part of our new supplier management program, all new SAP suppliers are requested to answer a questionnaire that asks how they protect the environment, respect internationally recognized human rights and labor standards, and prevent corruption. The questionnaire helps us identify risks in our supply chain and areas where we can work with our suppliers to improve performance. So far, our direct supplier screening has not identified major risks related to child labor, freedom of association, or forced labor, or their environmental performance. Therefore, we have not declined any contracts with suppliers (or other business partners) based on human rights-based and environmental screening processes.

Where we identify risks, we assert the right to conduct onsite audits. In the event of major noncompliance with our standards, we would request corrective actions. In 2012, we conducted a pilot for a supplier audit program. There were no major findings that would have required corrective action.

We also began measuring the greenhouse gas emissions of our supply chain in 2012, and are working to further improve our methodology. We continue to work with suppliers to improve our collective footprint.

A collaborative effort that benefits our suppliers and us
In recent years, our procurement organization has worked closely with key suppliers to encourage sustainable practices in their respective businesses. We identified several areas of co-innovation for the year 2012, and have been working directly with suppliers to ensure measurable improvement in each:
— Rental cars – We began a close collaboration with our major car rental providers to reduce our carbon footprint and provide a greater variety of sustainable solutions, including hybrid vehicles.
— Food catering – We are defining new key performance indicators for food service suppliers at our global locations to measure their health, safety or environmental performance, and are exploring more sustainable alternatives.
— External data centers – We are working to establish efficiency standards for outside server providers as we continue to move more of our software solutions to the cloud.
— CD/DVD/Blu-ray – We are currently evaluating the environmental impact of the discs we use to distribute certain software to customers and plan to co-innovate with manufacturers to develop a more sustainable approach.

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To Our Stakeholders

Compensation Report [1]

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COMPENSATION FOR EXECUTIVE AND SUPERVISORY BOARD MEMBERS

This compensation report outlines the criteria that we applied for the year 2012 to determine compensation for Executive Board and Supervisory Board members, discloses the amount of compensation paid, and describes the compensation systems. It also contains information about Executive Board members' share-based payment plans, shares held by Executive Board and Supervisory Board members, and the directors' dealings required to be disclosed in accordance with the German Securities Trading Act.

COMPENSATION FOR EXECUTIVE BOARD MEMBERS

Compensation System for 2012

Executive Board members' compensation for 2012 is intended to reflect SAP's size and global presence as well as our economic and financial standing. The compensation level is internationally competitive to reward committed, successful work in a dynamic environment.

The Executive Board compensation package is performance-based. In 2012, it had three elements:

- A fixed annual salary
- A variable short-term incentive (STI) plan to reward performance in the plan year
- A Restricted Share Unit-based long-term incentive (LTI) plan tied to the price of SAP shares (RSU Milestone Plan 2015)

The Supervisory Board set a compensation target for the sum of the fixed and the variable elements. It reviews, and if appropriate revises, this compensation target every year. The review takes into account SAP's business performance and the compensation paid to board members at comparable companies on the international stage. The amount of variable compensation depends on SAP's performance against performance targets that the Supervisory Board sets for each plan year. The performance targets are key performance indicator (KPI) values aligned to the SAP budget for the plan year.

The following criteria apply to the elements of Executive Board compensation for 2012:

- The fixed element is paid as a monthly salary.
- The variable compensation under the STI 2012 plan depends on the SAP Group's performance against the KPI target values for constant currency software revenue growth and non-IFRS constant currency operating margin as well as non-IFRS constant currency cloud subscription and support revenue. In addition, the STI element has a discretionary component that allows the Supervisory Board, at the end of the period in question, to address not only an Executive Board member's individual performance, but also SAP's performance in terms of market position, innovative power, customer satisfaction, employee satisfaction, and attractiveness as an employer. Moreover, if there has been any extraordinary and unforeseeable event the Supervisory Board can, at its reasonable discretion, retroactively adjust payouts up or down in the interest of SAP. On February 14, 2013, the Supervisory Board assessed SAP's performance against the agreed targets and determined the amount of STI payable. The STI pays out after the Annual General Meeting of Shareholders in June 2013.
- The long-term incentive element is called the RSU Milestone Plan 2015. "RSU" stands for "restricted share unit." This four-year plan focuses on the SAP share price and on certain objectives derived from our Company strategy for the years through 2015. For each of the four years, the members of the Executive Board are allocated a certain number of SAP RSUs for the respective year based on a budget amount that was granted and paid out to each Executive Board member in 2012 already for the years 2012 through 2015. The number of RSUs allocated to each member for a given year is his or her target amount (an amount in euros) for that year divided by the SAP share price over a reference period (defined in the RSU Milestone Plan 2015 terms) at the beginning of the year in question. If the Executive Board member leaves before the end of a financial year, the RSUs for the respective year as well as the subsequent years are forfeited.
- The number of RSUs an Executive Board member actually earns in respect of a given year could be greater or smaller than the initial allocation. It depends on Company performance against the objectives for that year (a year is a "performance period" in the

plan). The objectives derive from SAP's strategy for the period to 2015. The plan objectives relate to two key performance indicators (KPIs): Our non-IFRS total revenue and our non-IFRS operating profit. The KPI targets have already been set for the entire life of the RSU Milestone Plan 2015 for the years 2012 to 2015 and will merely be adjusted for the effects of key acquisitions.

— After the end of each fiscal year, the Supervisory Board assesses the Company's performance against the objectives set for that year and determines the number of RSUs to be finally allocated to (and which then vest in) each Executive Board member. There are objective-based performance hurdles to clear each year before any RSUs can vest. There is also a cap: Normally, the quantity of vested RSUs a member can attain in respect of a plan year is capped at 150% of his or her initial RSU allocation for that year.
— The Company strategy underlying the RSU Milestone Plan 2015 focuses on where SAP aims to be by 2015, so the plan gives greater weight to performance against the KPI targets for 2015 (the final year of the plan) than against the targets for 2012 through 2014. After the end of 2015, the number of vested RSUs a member of the Executive Board actually receives for that year is revised. In circumstances where the targets for the individual years are not achieved but the 2015 targets are achieved, the outcome of this revision would be that a member would receive as many vested RSUs for 2015 as would make up for any that he or she did not receive in the earlier years by reason of failure to achieve targets. On the other hand, if the Company underachieves against the 2015 objectives, Executive Board members may in the worst case lose all of the vested RSUs allocated to them for 2015.
— All vested RSUs are subject to a three-year holding period. The holding period commences at the end of the year for which the RSUs were allocated. The amount an RSU eventually pays out depends on the SAP share price at the end of the holding period. A member who leaves the Executive Board before the end of the plan retains his or her vested RSUs for completed plan years but does not retain any allocated but unvested RSUs for the year during which he or she leaves. If a member leaves the Executive Board before the beginning of the subsequent year, no RSUs are finally allocated.
— Each vested RSU entitles its holder to a (gross) payout corresponding to the price of one SAP share after the end of the three-year holding period. The applicable share price is measured over a reference period defined in the RSU Milestone Plan 2015 terms.
— Subject to the requirements in the German Stock Corporation Act, section 87 (1), the Supervisory Board is entitled to revise the STI and the LTI in extraordinary and unforeseeable circumstances.
— The LTI component consists of the issue of RSUs under the terms of the RSU Milestone Plan 2015. For the terms and details of the RSU Milestone Plan 2015, see the Notes to Consolidated Financial Statements section, Note (27). The number of RSUs to be issued to each member of the Executive Board in 2012 by way of long-term incentive was decided by the Supervisory Board on February 16, 2012.

The contracts of Executive Board members Bill McDermott, Lars Dalgaard, and Vishal Sikka include clauses that determine the exchange rates for the translation of euro-denominated compensation into U.S. dollars.

In prior years, the Executive Board members were granted a variable medium-term incentive (MTI) plan to reward performance in the plan year and the two subsequent years. The variable compensation under the MTI 2010 granted for the fiscal year 2010 depends on the SAP Group's performance over the three years 2010 to 2012 against the KPI target values for software and software-related service revenue growth and earnings per share (both of which are non-IFRS, constant currency values). In addition, the MTI element has a discretionary component that is assessed by the Supervisory Board at the end of the plan period. The close of the fiscal year 2012 represents the end of the plan period for the MTI 2010, and therefore the corresponding entitlement under the MTI 2010 is included in the compensation for the fiscal year 2012. The payment will be due after the Annual General Meeting of Shareholders in June 2013. MTI 2011 will pay out in 2014 respectively.

Executive Board Members' Compensation for the Financial Year 2012
€ thousands

	Fixed Elements		Performance-Related Element			Compensation for 2012[1)]
			Short-Term and Medium-Term Incentive Elements		Long-Term Incentive Element	
	Salary	Other[2)]	STI	MTI 2010	Share-Based Payment (RSU Milestone Plan 2015)[1), 3)]	
Bill McDermott (co-CEO)[4)]	1,203.3	415.9	1,581.5	1,259.6	4,318.4	8,778.7
Jim Hagemann Snabe (co-CEO)	1,150.0	163.8	1,545.7	1,067.6	4,318.4	8,245.5
Dr. Werner Brandt	700.0	26.7	935.5	645.1	1,549.1	3,856.4
Lars Dalgaard (from April 12, 2012)[6)]	528.9	0	690.4	0	1,156.2	2,375.5
Luisa Deplazes Delgado (from September 1, 2012)	233.3	96.4	193.9	0	414.4	938.0
Gerhard Oswald	700.0	16.5	935.5	645.1	1,549.1	3,846.2
Dr. Vishal Sikka[5)]	733.4	143.9	957.2	635.1	1,549.1	4,018.7
Total	**5,248.9**	**863.2**	**6,839.7**	**4,252.5**	**14,854.7**	**32,059.0**

1) Compensation attributable to Executive Board members for the financial year 2012 including the plan tranche 2012 of LTI 2015 based on the grant value at time of grant.

2) Insurance contributions, benefits in kind, expenses for maintenance of two households, relocation costs, non-recurring payments, use of aircraft, tax

3) Fair value at the time of grant

4) Includes discrete payments arising through application of the fixed exchange-rate clause to the following items: Salary for 2012: €53,300; profit-sharing bonus for 2012: €35,800; MTI 2010: €192,000

5) Includes discrete payments arising through application of the fixed exchange-rate clause to the following items: Salary for 2012: €33,400; profit-sharing bonus for 2012: €21,700; MTI 2010: €57,200

6) Includes discrete payments arising through application of the fixed exchange-rate clause to the following items: Salary for 2012: €24,900; profit-sharing bonus for 2012: €15,600

In 2012, in addition to the LTI grant for 2012, Executive Board members have already received the LTI grants for the years 2013 to 2015, which are dependent on their uninterrupted tenure as Executive Board member in the years in question. Although these allocations are tied to the respective years and thus – from an economic perspective – represent compensation for the Executive Board members in the respective years, for the purpose of disclosure in the Compensation Report the grants must be included in the total compensation for Executive Board members for the year in which the grants were allocated pursuant to section 314 of the German Commercial Code. Vesting of a plan tranche is dependent on the respective Executive Board member's continuous service for the Company in the respective fiscal year. The contracts of Werner Brandt and Gerhard Oswald are currently set to expire in mid-2014, while the contracts of Lars Dalgaard and Luisa Deplazes Delgado are set to expire in mid-2015. As a result, the LTI allocations for the years 2014 to 2015 (for Werner Brandt and Gerhard Oswald) and the LTI allocations for the year 2015 (for Lars Dalgaard and Luisa Deplazes Delgado) had not yet been allocated with legally binding force in 2012.

Assuming uninterrupted service on the Executive Board during the period in question, additional grants for Executive Board members for future years shall be €4,390,000 for each co-CEO and €1,574,800 for each regular Executive Board member, in each of 2013, 2014, and 2015 (except Luisa Deplazes Delgado, who shall receive €1,291,600 for the year 2013). The total compensation for 2012 pursuant to section 314 of the German Commercial Code, in other words, including this additional compensation as well as the long-term compensation tranches granted but not yet earned, amounts to €72,288,800, thereof: Bill McDermott: €21,948,700, Jim Hagemann Snabe €21,415,500, Werner Brandt €5,431,200, Lars Dalgaard €5,524,900, Luisa Deplazes Delgado €3,804,400, Gerhard Oswald €5,421,000, Vishal Sikka €8,743,100.

Assuming 100% target achievement, the amounts the MTI 2011 will pay out in 2014 are as follows:

MTI Target Payouts
€ thousands

	MTI 2011 Target Payout 2014
Bill McDermott (co-CEO)	820.0
Jim Hagemann Snabe (co-CEO)	820.0
Dr. Werner Brandt	495.5
Gerhard Oswald	495.5
Dr. Vishal Sikka	495.5
Total	**3,126.5**

The share-based payment amounts in 2012 result from the following RSUs under the RSU Milestone Plan 2015.

Share-Based Payment Under RSU Milestone Plan 2015

	Grants for 2012		
	Quantity	Grant Value per Unit at Time of Grant	Total Grant Value at Time of Grant
		€	€ thousands
Bill McDermott (co-CEO)	95,414	45.26	4,318.4
Jim Hagemann Snabe (co-CEO)	95,414	45.26	4,318.4
Dr. Werner Brandt	34,226	45.26	1,549.1
Lars Dalgaard (from April 12, 2012)	24,594	47.01	1,156.2
Luisa Deplazes Delgado (from September 1, 2012)	8,332	49.73	414.4
Gerhard Oswald	34,226	45.26	1,549.1
Dr. Vishal Sikka	34,226	45.26	1,549.1
Total	**326,432**		**14,854.7**

Total Executive Board Compensation in 2011
€ thousands

	Fixed Elements		Performance-Related Element	Long-Term Incentive Elements	Total
	Salary	Other[1]	Short-TermIncentive (STI)	Share-Based Payment (SAP SOP 2010)[2]	
Bill McDermott (co-CEO)[3]	1,279.9	408.0	3,935.5	950.0	6,573.4
Jim Hagemann Snabe (co-CEO)	1,150.0	107.6	3,271.2	950.0	5,478.8
Dr. Werner Brandt	700.0	29.7	1,979.6	577.0	3,286.3
Gerhard Oswald	700.0	34.5	1,979.6	577.0	3,291.1
Dr. Vishal Sikka[4]	700.0	120.5	2,103.7	577.0	3,501.2
Dr. Angelika Dammann (member until July 8, 2011)[5]	466.7	45.9	1,163.1	384.7	2,060.4
Total	**4,996.6**	**746.2**	**14,432.7**	**4,015.7**	**24,191.2**

[1] Insurance contributions, benefits in kind, expenses for maintenance of two households due to work abroad, reimbursement of legal and tax advice fees, non-recurring payments, use of aircraft, tax

[2] Fair value at the time of grant

[3] Includes discrete payments arising through application of the fixed exchange-rate clause to the following items: Salary for 2011: €129,900; profit-sharing bonus for 2011: €664,300

[4] Includes a discrete payment arising through application of the fixed exchange-rate clause to the following item: Profit-sharing bonus for 2011: €124,100

[5] Angelika Dammann's appointment as member of the Executive Board ended on July 8, 2011. Her contract with SAP AG ended on August 31, 2011. Due to the end of her contract on August 31, 2011 the number of virtual options issued to her in 2011 was reduced. The amount of the Short-Term Incentive includes pro rata temporis amounts of the STI 2011 (€585,000), the MTI 2011 (€330,300) and the MTI 2010 (€247,800).

Share-Based Payment Under SAP SOP 2010 (2011 Grants)

	2011 Grants		
	Quantity	Fair Value per Right at Time of Grant	Total Fair Value at Time of Grant
		€	€ thousands
Bill McDermott (co-CEO)	112,426	8.45	950.0
Jim Hagemann Snabe (co-CEO)	112,426	8.45	950.0
Dr. Werner Brandt	68,284	8.45	577.0
Gerhard Oswald	68,284	8.45	577.0
Dr. Vishal Sikka	68,284	8.45	577.0
Total	**429,704**		**3,631.0**

END-OF-SERVICE BENEFITS

Regular End-of-Service Undertakings

Retirement Pension Plan

Members of the Executive Board receive a retirement pension when they reach the retirement age of 60 and vacate their Executive Board seat, or a disability pension if, before reaching the regular retirement age, they become subject to occupational disability or permanent incapacity. A surviving dependent's pension is paid on the death of a former member of the Executive Board. The disability pension is 100% of the vested retirement pension entitlement and is payable until the beneficiary's 60th birthday, after which it is replaced by a retirement pension. The surviving dependent's pension is 60% of the retirement pension or vested disability pension entitlement at death. Entitlements are enforceable against SAP AG. Current pension payments are reviewed annually for adjustments and, if applicable, increased according to the surplus in the pension liability insurance.

If service is ended before the retirement age of 60 is reached, pension entitlement is reduced in proportion as the actual length of service stands in relation to the maximum possible length of service.

The applied retirement pension plan is contributory. The contribution is 4% of applicable compensation up to the applicable income threshold plus 14% of applicable compensation above the applicable income threshold. For this purpose, applicable compensation is 180% of annual base salary. The applicable income threshold is the statutory annual income threshold for the state pension plan in Germany (West), as amended from time to time.

Exceptional retirement pension agreements apply to the following Executive Board members:

— Prior to May 18, 2012, Bill McDermott and Vishal Sikka had rights to future benefits under the pension plan of SAP America. The pension plan of SAP America was a cash balance plan that on retirement provided either monthly pension payments or a lump sum. The pension became available from the beneficiary's 65th birthday. Subject to certain conditions, the plan also provided earlier payment or invalidity benefits. The portion of the SAP America pension plan classified as "Qualified Retirement Plan" according to the U.S. Employee Retirement Income Security Act (ERISA) was terminated and all account balances were liquidated from the plan on May 18, 2012. Bill McDermott and Vishal Sikka transferred their account balance into their third-party pension accounts.

— Bill McDermott still has rights to future benefits under the portion of the SAP America pension plan classified as "Non-Qualified Retirement Plan" according to ERISA. The "Non-Qualified" pension plan of SAP America is a cash balance plan that on retirement provides either monthly pension payments or a lump sum. The pension becomes available from the beneficiary's 65th birthday. Subject to certain conditions, the plan also provides earlier payment or invalidity benefits. The "Non-Qualified" pension plan closed with effect from January 1, 2009. Interest continues to be paid on the earned rights to benefits within this plan.

— SAP also made contributions to a third-party pension plan for Bill McDermott and Vishal Sikka. SAP's contributions are based on Bill McDermott's and Vishal Sikka's payments into this pension plan. Additionally, in view of the close of the SAP America pension plan, SAP adjusted its payments to this non-SAP pension plan. In 2012, SAP paid contributions for Bill McDermott totaling €1,053,600 (2011: €470,800) and for Vishal Sikka totaling €215,300 (2011: €95,700).

— Instead of paying for entitlements under the pension plan for Executive Board members, SAP pays equivalent amounts to a non-SAP pension plan for Jim Hagemann Snabe. In 2012, SAP paid contributions totaling €283,400 (2011: €283,800).

— Gerhard Oswald's performance-based retirement plan was discontinued when SAP introduced a contributory retirement pension plan in 2000. His pension benefits are derived from any accrued entitlements on December 31, 1999, under performance-based pension agreements and a salary-linked contribution for the period commencing January 1, 2000. Gerhard Oswald's rights to retirement pension benefits will increase by further annual contributions because he will remain a member of the Executive Board after his 60th birthday until his retirement on June 30, 2014.

— Lars Dalgaard has no entitlements under the pension plan for Executive Board members. SAP made no retirement pension plan contributions to a third-party pension plan with respect to Lars Dalgaard in 2012.

Total Projected Benefit Obligation (PBO) and the Total Accruals for Pension Obligations to Executive Board Members
€ thousands

	Bill McDermott (co-CEO)1)	Dr. Werner Brandt	Luisa Deplazes Delgado (from September 1, 2012)	Gerhard Oswald	Dr. Vishal Sikka1)	Total
PBO January 1, 2011	1,073.2	1,284.3	n.a.	4,127.4	46.7	6,531.6
Less plan assets market value January 1, 2011	52.6	921.7	n.a.	3,374.9	45.0	4,394.2
Accrued January 1, 2011	**1,020.6**	**362.6**	**n.a.**	**752.5**	**1.7**	**2,137.4**
PBO change in 2011	66.3	215.4	n.a.	358.1	6.4	646.2
Plan assets change in 2011	4.0	209.3	n.a.	436.3	3.5	653,1
PBO December 31, 2011	1,139.5	1,499.7	n.a.	4,485.5	53.1	7,177.8
Less plan assets market value December 31, 2011	56.6	1,131.0	n.a.	3,811.2	48.5	5,047.3
Accrued December 31, 2011	**1,082.9**	**368.7**	**n.a.**	**674.3**	**4.6**	**2,130.5**
PBO change in 2012	–64.4	541.8	55.1	1,231.3	–53.1	1,710.7
Plan assets change in 2012	–56.6	217.0	48.3	383.3	–48.5	543.5
PBO December 31, 2012	1,075.1	2,041.5	55.1	5,716.8	0	8,888.5
Less plan assets market value December 31, 2012	0	1,348.0	48.3	4,194.5	0	5,590.8
Accrued December 31, 2012	**1,075.1**	**693.5**	**6.8**	**1,522.3**	**0**	**3,297.7**

1) Prior to May 18, 2012, the qualified portion of the SAP America pension plan was terminated and account balances transferred to third-party pension accounts.

The table below shows the annual pension entitlement of each member of the Executive Board on reaching age 60 based on entitlements from SAP under performance-based and salary-linked plans vested on December 31, 2012.

Annual Pension Entitlement
€ thousands

	Vested on December 31, 2012	Vested on December 31, 2011
Bill McDermott (co-CEO)[1)]	78.1	98.3
Dr. Werner Brandt	88.2	80.6
Luisa Deplazes Delgado (from September 1, 2012)[3)]	2.3	n.a.
Gerhard Oswald[2)]	259.9	243.7
Dr. Vishal Sikka[1)]	n.a.	6.5

[1)] The rights shown here for Bill McDermott and Vishal Sikka refer solely to rights under the SAP America pension plan. Prior to May 18, 2012, the qualified portion of the SAP America, Inc. pension plan was terminated and accounts were transferred to third-party pension accounts.
[2)] Due to the extension of Gerhard Oswald's contract beyond his 60th birthday, this value represents the retirement pension entitlement that he would receive after his current Executive Board contract expires on June 30, 2014, based on the entitlements vested on December 31, 2012.
[3)] Due to changes in tax regulations in Germany, for commitments after January 1, 2012 the minimum age to receive pension payments increased to age 62. The value shown for Luisa Deplazes Delgado represents the retirement pension entitlement that she would receive at the age of 62 based on the entitlements vested on December 31, 2012.

These are vested entitlements. To the extent that members continue to serve on the Executive Board and that therefore more contributions are made for them in the future, pensions actually payable at the age of 60 will be higher than the amounts shown in the table.

Postcontractual Non-Compete Provisions
During the agreed 12-month postcontractual non-compete period, each Executive Board member receives abstention payments corresponding to 50% of his or her final average contractual compensation as agreed in the respective contract on an individual basis.

The following table presents the net present values of the postcontractual non-compete abstention payments. The net present values in the table reflect the discounted present value of the amounts that would be paid in the fictitious scenario in which the Executive Board members leave SAP at the end of their respective current contract terms and their final average contractual compensation prior to their departure equals the compensation in 2012. Actual postcontractual non-compete payments will likely differ from these amounts depending on the time of departure and the compensation levels and target achievements at the time of departure.

Net Present Values of the Postcontractual Non-Compete Abstention Payments
€ thousands

	Contract Term Expires	Net Present Value of Postcontractual Non-Compete Abstention Payment
Bill McDermott (co-CEO)	June 30, 2017	4,165.9
Jim Hagemann Snabe (co-CEO)	June 30, 2017	3,912.9
Dr. Werner Brandt	June 30, 2014	1,898.2
Lars Dalgaard (from April 12, 2012)	April 11, 2015	1,163.4
Luisa Deplazes Delgado (from September 1, 2012)	August 31, 2015	464.6
Gerhard Oswald	June 30, 2014	1,905.3
Dr. Vishal Sikka	December 31, 2017	1,880.9
Total		**15,391.2**

Early End-of-Service Undertakings

Severance Payments
The standard contract for all Executive Board members provides that on termination before full term (for example, where the member's appointment is revoked, where the member becomes occupationally disabled, or in connection with a change of control), SAP AG will pay to the member the outstanding part of the compensation target for the entire remainder of the term, appropriately discounted for early payment. A member has no claim to that payment if he or she has not served SAP as a member of its Executive Board for at least one year or if he or she leaves SAP AG for reasons for which he or she is responsible.

If an Executive Board member's appointment to the Executive Board expires or ceases to exist because of, or as a consequence of, change or restructuring, or due to a change of control, SAP AG and each Executive Board member has the right to terminate the employment contract within eight weeks of the occurrence by giving six months' notice. A change of control is deemed to occur when a third party is required to make a mandatory takeover offer to the shareholders of SAP AG under the German Securities Acquisition and Takeover Act, when SAP AG merges with another company and becomes the subsumed entity, or when a control or profit transfer agreement is concluded with SAP AG as the dependent company. An Executive Board member's contract can also be terminated before full term if his or her appointment as an SAP AG Executive Board member is revoked in connection with a change of control.

Postcontractual Non-Compete Provisions

Abstention compensation for the postcontractual non-compete period as described above is also payable on early contract termination.

Permanent Disability

In case of permanent disability, the contract will end at the end of the quarter in which the permanent inability to work was determined. The Executive Board member receives the monthly basic salary for a further 12 months starting from the date the permanent disability is determined.

Payments to Former Executive Board Members

In 2012, we paid pension benefits of €1,360,000 to Executive Board members who had retired before January 1, 2012 (2011: €1,346,000). At the end of the year, the PBO for former Executive Board members was €30,551,000 (2011: €25,267,000). Plan assets of €26,054,000 are available to service these obligations (2011: €25,788,000).

EXECUTIVE BOARD MEMBERS' LONG-TERM INCENTIVES

Members of the Executive Board hold or held throughout the year share-based payment rights under the RSU Milestone Plan 2015 (which was granted in 2012) as well as the SAP SOP 2010, SOP Performance Plan 2009, and SAP SOP 2007 programs (which were granted in previous years). For information about the terms and details of these programs, see the Notes to the Consolidated Financial Statements section, Note (27).

RSU Milestone Plan 2015

The table below shows Executive Board members' holdings, on December 31, 2012, of restricted share units issued to them under the RSU Milestone Plan 2015. The plan is a cash-settled long-term incentive scheme with a payout subsequent to a performance period of one year and an additional holding period of three years. The RSU Milestone Plan 2015 consists of four plan tranches to be issued with respect to the calendar years 2012 through 2015.

RSU Milestone Plan 2015

	Year Granted	Holding on January 1, 2012	Grants in 2012		Units Vested	Forfeited Units	Holding on December 31, 2012	
		Quantity	Quantity	Remaining Term in Years	Quantity of RSUs	Quantity of RSUs	Quantity of RSUs	Remaining Term in Years
Bill McDermott (co-CEO)	2012	–	95,414	3.98	127,425	–	127,425	3.08
Jim Hagemann Snabe (co-CEO)	2012	–	95,414	3.98	127,425	–	127,425	3.08
Dr. Werner Brandt	2012	–	34,226	3.98	45,709	–	45,709	3.08
Lars Dalgaard (from April 12, 2012)	2012	–	24,594	3.81	32,845	–	32,845	3.08
Luisa Deplazes Delgado (from September 1, 2012)	2012	–	8,332	3.42	11,127	–	11,127	3.08
Gerhard Oswald	2012	–	34,226	3.98	45,709	–	45,709	3.08
Dr. Vishal Sikka	2012	–	34,226	3.98	45,709	–	45,709	3.08
Total		**–**	**326,432**		**435,950**	**–**	**435,950**	

The holding on December 31, 2012, reflects the number of RSUs issued in 2012 multiplied by the 133.55% target achievement.

SAP SOP 2010

The table below shows Executive Board members' holdings, on December 31, 2012, of virtual share options issued to them under the SAP SOP 2010 since its inception. The strike price for an option is 115% of the base price. The issued options have a term of seven years and can only be exercised on specified dates after the vesting period. The options issued in 2010 are exercisable beginning in September 2014 and the options issued in 2011 are exercisable beginning in June 2015.

SAP SOP 2010 Virtual Share Options

	Year Granted	Strike Price per Option	Holding on January 1, 2012		Rights Exercised in 2012	Price on Exercise Date	Exercisable Rights of Retired Members of the Executive Board	Forfeited Rights	Holding on December 31, 2012	
		€	Quantity of Options	Remaining Term in Years	Quantity of Options	€	Quantity of Options	Quantity of Options	Quantity of Options	Remaining Term in Years
Bill McDermott	2010	40.80	135,714	5.69	–	–	–	–	135,714	4.69
(co-CEO)	2011	48.33	112,426	6.44	–	–	–	–	112,426	5.44
Jim Hagemann	2010	40.80	135,714	5.69	–	–	–	–	135,714	4.69
Snabe (co-CEO)	2011	48.33	112,426	6.44	–	–	–	–	112,426	5.44
Dr. Werner Brandt	2010	40.80	82,428	5.69	–	–	–	–	82,428	4.69
	2011	48.33	68,284	6.44	–	–	–	–	68,284	5.44
Gerhard Oswald	2010	40.80	82,428	5.69	–	–	–	–	82,428	4.69
	2011	48.33	68,284	6.44	–	–	–	–	68,284	5.44
Dr. Vishal Sikka	2010	40.80	82,428	5.69	–	–	–	–	82,428	4.69
	2011	48.33	68,284	6.44	–	–	–	–	68,284	5.44
Total			**948,416**		**–**	**–**	**–**	**–**	**948,416**	

SOP Performance Plan 2009

The table below shows the current Executive Board members' holdings, on December 31, 2012, of virtual share options issued under the SOP Performance Plan 2009.

The strike price for an option varies with the performance of SAP shares over time against the TechPGI index. The gross profit per option is limited to €30.80, corresponding to 110% of the SAP share price on the date of issue.

The issued options have a term of five years and can only be exercised on specified dates after the two-year vesting period. In this case, the options have been exercisable since May 2011.

Postcontractual Non-Compete Provisions
Annual Pension Entitlement

SOP Performance Plan 2009 Virtual Share Options

	Year Granted	Strike Price per Option	Holding on January 1, 2012		Rights Exercised in 2012	Price on Exercise Date	Exercisable Rights of Retired Members of the Executive Board	Forfeited Rights	Holding on December 31, 2012	
		€	Quantity of Options	Remaining Term in Years	Quantity of Options	€	Quantity of Options	Quantity of Options	Quantity of Options	Remaining Term in Years
Bill McDermott (co-CEO)	2009	variable	102,670	2.35	102,670	60.40	–	–	–	–
Jim Hagemann Snabe (co-CEO)	2009	variable	102,670	2.35	102,670	60.40	–	–	–	–
Dr. Werner Brandt	2009	variable	102,670	2.35	102,670	60.40	–	–	–	–
Gerhard Oswald	2009	variable	102,670	2.35	102,670	60.40	–	–	–	–
Dr. Vishal Sikka1)	2009	variable	35,588	2.35	35,588	60.40	–	–	–	–
Total			**446,268**		**446,268**		**–**	**–**	**–**	**–**

1) The holding was allocated before appointment to the Executive Board in 2010.

The share options had a value of €3.47 per option on their exercise date in 2012.

SAP SOP 2007

The table below shows Executive Board members' holdings, on December 31, 2012, of virtual share options issued to them under the SAP SOP 2007 plan since its inception, including virtual share options issued to them both during and before their respective membership of the Executive Board.

The strike price for an option is 110% of the base price. The issued options have a term of five years and can only be exercised on specified dates after the two-year vesting period. The options issued in 2007 could be exercised with effect from June 2009, following expiration of the two-year vesting period. The options issued in 2008 have been exercisable since March 2010, following expiration of the two-year vesting period.

SAP SOP 2007 Virtual Share Options

	Year Granted	Strike Price per Option	Holding on January 1, 2012		Rights Exercised in 2011	Price on Exercise Date	Exercisable Rights of Retired Members of the Executive Board	Forfeited Rights	Holding on December 31, 2012	
		€	Quantity of Options	Remaining Term in Years	Quantity of Options	€	Quantity of Options	Quantity of Options	Quantity of Options	Remaining Term in Years
Vishal Sikka1)	2008	35.96	17,571	1.18	17,571	48.43	–	–	–	–
Total			**17,571**		**17,571**		**–**	**–**	**–**	**–**

1) The holding was allocated before appointment to the Executive Board in 2010.

Total Expense for Share-Based Payment

In the report year and the prior year, total expense for the share-based payment plans of Executive Board members was recorded as follows.

Total Expense for Share-Based Payment
€ thousands

	2012	2011
Bill McDermott (co-CEO)	16,239.0	1,053.5
Jim Hagemann Snabe (co-CEO)	16,239.0	1,052.9
Dr. Werner Brandt	4,998.1	621.9
Lars Dalgaard (from April 12, 2012)	4,239.6	n.a.
Luisa Deplazes Delgado (from September 1, 2012)	2,795.6	n.a.
Gerhard Oswald	6,417.0	621.9
Dr. Vishal Sikka	6,500.3	652.8
Total	**57,428.6**	**4,003.0**

The expense recognition follows the regulations as set under IFRS 2 "Share-Based Payments". Because the RSU Milestone Plan 2015 tranches for 2013 to 2015 were already allocated at the beginning of 2012, a portion of this expense is already included in the expenses for the financial year 2012, even though these future tranches depend on the achievement of specific financial targets in future periods.

SHAREHOLDINGS AND TRANSACTIONS OF EXECUTIVE BOARD MEMBERS

No member of the Executive Board holds more than 1% of the ordinary shares of SAP AG. Members of the Executive Board held a total of 35,271 SAP shares on December 31, 2012 (2011: 20,569 shares).

The table below shows transactions by Executive Board members and persons closely associated with them notified to SAP pursuant to the German Securities Trading Act, section 15a, in 2012.

Transactions in SAP Shares

	Transaction Date	Transaction	Quantity	Unit Price
Bill McDermott (co-CEO)	May 23, 2012	Purchase of ADRs	3,000	US$ 58.0000
	May 24, 2012	Purchase of ADRs	1,000	US$ 57.0000
Dr. Werner Brandt	May 24, 2012	Share purchase	2,300	€ 46.3555
Gerhard Oswald	May 24, 2012	Share purchase	2,112	€ 46.8892
Jim Hagemann Snabe (co-CEO)	May 24, 2012	Share purchase	4,290	€ 46.7000
Dr. Vishal Sikka	September 11, 2012	Purchase of ADRs	2,000	US$ 69.3984

EXECUTIVE BOARD: OTHER INFORMATION

We did not grant any compensation advance or credit to, or enter into any commitment for the benefit of, any member of our Executive Board in 2012 or the previous year.

As far as the law permits, SAP AG and its affiliated companies in Germany and elsewhere indemnify and hold harmless their respective directors and officers against and from the claims of third parties. To this end, we maintain directors' and officers' (D&O) group liability insurance. The policy is annual and is renewed from year to year. The insurance covers the personal liability of the insured group for financial loss caused by its managerial acts and omissions. The current D&O policy includes an individual deductible for Executive Board members of SAP AG as required by section 93 (2) of the German Stock Corporation Act.

COMPENSATION FOR SUPERVISORY BOARD MEMBERS

Compensation System

Supervisory Board members' compensation is governed by our Articles of Incorporation, section 16. Each member of the Supervisory Board receives, in addition to the reimbursement of his or her expenses, compensation composed of fixed elements and a variable element. The variable element depends on the dividend paid by SAP on its shares.

The fixed element is €100,000 for the chairperson, €70,000 for the deputy chairperson, and €50,000 for other members. For membership of the Audit Committee, Supervisory Board members receive additional fixed annual remuneration of €15,000, and for membership of any other Supervisory Board committee €10,000, provided that the committee concerned has met in the year. The chairperson of the audit committee receives €25,000, and the chairpersons of the other committees receive €20,000. The fixed remuneration is payable after the end of the year.

The variable compensation element is €10,000 for the chairperson, €8,000 for the deputy chairperson, and €6,000 for the other members of the Supervisory Board for each €0.01 by which the dividend distributed per share exceeds €0.40. The variable remuneration is payable after the end of the Annual General Meeting of Shareholders that resolves on the dividend for the relevant year.

However, the aggregate compensation excluding compensation for committee memberships must not exceed €250,000 for the chairperson, €200,000 for the deputy chairperson, and €150,000 for other members of the Supervisory Board.

Any members of the Supervisory Board having served for less than the entire year receive one-twelfth of the annual remuneration for each month of service commenced. This also applies to the increased compensation of the chairperson and the deputy chairperson and to the remuneration for the chairperson and the members of a committee.

Amount of Compensation

Subject to the resolution on the appropriation of retained earnings by the Annual General Meeting of Shareholders on June 4, 2013, the compensation paid to Supervisory Board members in respect of 2012 will be as set out in the table below.

Supervisory Board Members' Compensation in 2012
€ thousands

	2012				2011			
	Fixed Compensation	Compensation for Committee Work	Variable Compensation	Total	Fixed Compensation	Compensation for Committee Work	Variable Compensation	Total
Prof. Dr. h. c. mult. Hasso Plattner (chairperson)	100.0	60.0	150.0	310.0	100.0	100.0	150.0	350.0
Christiane Kuntz-Mayr (deputy chairperson from May 23, 2012)	67.5	10.0	128.3	205.8	50.0	10.0	100.0	160.0
Pekka Ala-Pietilä	50.0	20.0	100.0	170.0	50.0	30.0	100.0	180.0
Thomas Bamberger (until May 23, 2012)	20.8	6.3	41.7	68.8	50.0	15.0	100.0	165.0
Panagiotis Bissiritsas	50.0	24.2	100.0	174.2	50.0	20.0	100.0	170.0
Prof. Anja Feldmann (from May 23, 2012)	33.3	6.7	66.7	106.7	n.a.	n.a.	n.a.	n.a.
Prof. Dr. Wilhelm Haarmann	50.0	30.0	100.0	180.0	50.0	50.0	100.0	200.0
Margret Klein-Magar (from May 23, 2012)	33.3	6.7	66.7	106.7	n.a.	n.a.	n.a.	n.a.
Peter Koop (until May 23, 2012)	20.8	4.2	41.7	66.7	50.0	20.0	100.0	170.0
Lars Lamadé (deputy chairperson until May 23, 2012)	62.5	10.0	120.8	193.3	70.0	28.3	130.0	228.3
Bernard Liautaud	50.0	16.7	100.0	166.7	50.0	10.0	100.0	160.0
Dr. Gerhard Maier (until May 23, 2012)	20.8	10.4	41.7	72.9	50.0	25.0	100.0	175.0
Dr. h. c. Hartmut Mehdorn	50.0	10.0	100.0	160.0	50.0	10.0	100.0	160.0
Dr. Hans-Bernd Meier (until May 23, 2012)	20.8	0	41.7	62.5	20.8	0	41.7	62.5
Prof. Dr.-Ing. Dr. h. c. Dr.-Ing. E. h. Joachim Milberg (until May 23, 2012)	20.8	18.8	41.7	81.3	50.0	55.0	100.0	205.0
Dr. Kurt Reiner (from May 23, 2012)	33.3	13.3	66.7	113.3	n.a.	n.a.	n.a.	n.a.
Mario Rosa-Bian (from May 23, 2012)	33.3	6.7	66.7	106.7	n.a.	n.a.	n.a.	n.a.
Dr. Erhard Schipporeit	50.0	25.0	100.0	175.0	50.0	35.0	100.0	185.0
Stefan Schulz	50.0	24.2	100.0	174.2	50.0	30.0	100.0	180.0
Inga Wiele (from May 23, 2012)	33.3	16.7	66.7	116.7	n.a.	n.a.	n.a.	n.a.
Prof. Dr.-Ing. Dr.-Ing. E. h. Klaus Wucherer	50.0	20.0	100.0	170.0	50.0	10.0	100.0	160.0
Compensation for former Supervisory Board Members	n.a.	n.a.	n.a.	n.a.	33.3	16.7	66.7	116.7
Total	**900.8**	**339.6**	**1,740.8**	**2,981.3**	**874.1**	**465.0**	**1,688.3**	**3,027.5**

In addition, we reimburse to members of the Supervisory Board their expenses and the value-added tax payable on their compensation.

The total compensation of all Supervisory Board members in 2012 for work for SAP excluding compensation relating to the office of Supervisory Board member was € 1,083,500 (2011: €1,688,300). Those amounts are composed entirely of remuneration received by employee representatives on the Supervisory Board relating to their position as SAP employees in 2012 and 2011 respectively.

Supervisory Board member Wilhelm Haarmann is an attorney at the German bar and a partner at HAARMANN Partnerschaftsgesellschaft in Frankfurt am Main, Germany. Wilhelm Haarmann and HAARMANN Partnerschaftsgesellschaft occasionally advise SAP on particular projects, tax matters, and questions of law. In 2012, the fees for such services totaled €9,400 (2011: €358,800).

LONG-TERM INCENTIVES FOR THE SUPERVISORY BOARD

We do not offer members share options or other share-based payment for their Supervisory Board work. Any share options or other share-based payment received by employee-elected members relate to their position as SAP employees and not to their work on the Supervisory Board.

SHAREHOLDINGS AND TRANSACTIONS OF SUPERVISORY BOARD MEMBERS

Supervisory Board chairperson Hasso Plattner and the companies he controlled held 121,348,807 SAP shares on December 31, 2012 (December 31, 2011: 121,515,102 SAP shares), representing 9.878% (2011: 9.895%) of SAP's share capital. No other member of the Supervisory Board held more than 1% of the SAP AG share capital at the end of 2012 or of the previous year. Members of the Supervisory Board held a total of 121,363,858 SAP shares on December 31, 2012 (December 31, 2011: 121,524,139 SAP shares).

The table below shows transactions by Supervisory Board members and persons closely associated with them notified to SAP pursuant to the German Securities Trading Act, section 15a, in 2012:

Transactions in SAP Shares

	Transaction Date	Transaction	Quantity	Unit Price in €
Christiane Kuntz-Mayr	February 15, 2012	Share sale[1]	7,700	48.6107
Hasso Plattner	November 7, 2012	Share purchase	3,029,994	57.3400
	November 8, 2012	Share sale	3,029,994	56.1600
	November 8, 2012	Share purchase	3,029,994	56.1600
	November 28, 2012	Share sale	[2]	[2]

[1] Sale and purchase of shares in line with the LTI Plan 2000

[2] The notifying party concluded a contract with a bank acting as commission agent for the monthly sale of SAP shares with a fair value of €10,000,000 per month. The sale will be carried out at the bank's own discretion in the stock market or over the counter, for the first time in November 2012 and then again in the months January through November 2013. Price: Targeted is the volume-weighted average (stock market) price of the SAP share on the relevant day of sale. No. of items: Total amount traded divided by the relevant sale price of the sold shares.

SUPERVISORY BOARD: OTHER INFORMATION

We did not grant any compensation advance or credit to, or enter into any commitment for the benefit of, any member of our Supervisory Board in 2012 or the previous year.

Hasso Plattner, the chairperson of the Supervisory Board, entered into a consulting contract with SAP after he joined the Supervisory Board in May 2003. The contract does not provide for any compensation. The only cost we incurred under the contract was the reimbursement of expenses.

As far as the law permits, we indemnify Supervisory Board members against, and hold them harmless from, claims brought by third parties. To this end, we maintain directors' and officers' group liability insurance. The current D&O policy does not include an individual deductible for Supervisory Board members as envisaged in the German Corporate Governance Code.

1) This Compensation report is part of the audited management report.

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