



The Best-Run Businesses Run SAP®

# SAP INTEGRATED REPORT 2014

Financial and Non-Financial Performance

Your Personal Report

[www.sapintegratedreport.com](http://www.sapintegratedreport.com)



---

## **Governance**

### **Management Approach**

---

✓ **Assured**

Over the past several years, we have been committed to moving from having a sustainability strategy at SAP to creating a corporate strategy that is sustainable. This goal hinges on integrating sustainability into our core business. To move closer to this integration, we have adjusted our governance structure so that most of the dedicated functions of the sustainability organization now reside within various lines of business. For example, a team of solution experts is working in close cooperation with the sustainability team to develop technology solutions that will help our customers manage their sustainability activities across the value chain.

In 2014 we made further organizational shifts that reflect other important sustainability trends and goals. One of our primary aims is to demonstrate how sustainability not only aligns with our business objectives, but benefits the bottom line of SAP. We also recognize that investors are one of our core stakeholder groups, as they are increasingly focused on how we are addressing major challenges facing business, from climate change to population growth. As a result, the Chief Sustainability Officer (CSO) of SAP is now part of the organization of the Chief Financial Officer, who holds the dual role of Chief Operating Officer and is ultimately responsible for this area. The CFO and COO is the board sponsor for sustainability.

The CSO has several major responsibilities focused on our sustainability performance, our actions to embed sustainability into our core business and our external relationships and communication. Under the leadership of the CSO, our newly configured sustainability organization works with leaders across SAP to monitor our environmental, social, and economic performance.

#### **ENSURING THAT ROLES, RESPONSIBILITIES, AND RESOURCES DRIVE PROGRESS**

Our extended sustainability team is part of a matrix organization. It is composed of the following:

- A dedicated sustainability team working to embed sustainability into our corporate strategy and responsible for our internal sustainability performance; integrated reporting and stimulating new sustainability initiatives in other parts of the organization
- A team of sustainability experts who design and integrate sustainability into our existing and new industry or line of business solutions
- Development and solution management professionals creating specific SAP solutions for sustainability
- Global services and support personnel
- A Corporate Social Responsibility team responsible for managing our social investments

- Human resources specialists addressing topics particular in the areas of health, diversity and inclusion, employee engagement, and leadership development
- Procurement experts, who include sustainability criteria in the supplier evaluation
- IT operations professionals, covering issues such as working environment and energy consumed by data centers
- Teams managing facilities and designing buildings based on environmental standards (LEED)
- Local teams in the SAP Labs locations around the world, which oversee a range of sustainability projects
- Sustainability communications personnel
- Sustainability marketing professionals
- An investor relations team interacting with the investment community about our holistic company approach

Other responsibilities related to material issues are:

- **Financial performance:** The Executive Board retains ultimate responsibility for revenue growth, profitability, and financial stability of the company.
- **Labor standards and human rights:** Overall, global responsibility lies with the Managing Board member responsible for human resources and labor relations. We foster regular dialog among the sustainability organization and employee representatives, specifically German works councils and the European Works Council created in 2012 (since November 27, 2014 the SE Works Council Europe).
- **Anti-corruption, anti-competitive behavior, and overall compliance:** These responsibilities lie with our Global Compliance Office.
- **Privacy and data protection:** Managed by an internal Data Protection and Privacy Office that operates in Germany complemented by a global network of local subsidiary data protection officers.
- **Security:** Accountabilities are defined for products and corporate issues; a cross-organizational cybersecurity task force has been established.
- **Occupational safety:** Managed locally by each subsidiary in line with local regulation
- **Customer loyalty:** Measured by a dedicated team reporting directly to the Executive Board member responsible for sales; account managers are responsible for the relationships with their customers.

## DEFINING OUR COMMITMENT THROUGH POLICIES

Our commitment to make SAP a more sustainable company and to manage our impacts is defined in our global policies, which can be found online on our Sustainability at SAP section on our public Web site [SAP.com](https://www.sap.com). Our policies are applicable to all SAP subsidiaries and are approved by the Executive Board.

SAP adheres to regulations and policies for energy and emissions. For example, SAP reports the greenhouse gas emissions caused by corporate jets under the European Union Emissions Trading System (EU ETS). In addition, the Renewable Energy Sources Act (EEG) is applicable to our German locations where we have installed solar panels.

## SETTING GOALS TO HOLD OURSELVES ACCOUNTABLE

We are committed to improving our sustainability performance and holding ourselves accountable for our progress. SAP has set annual, medium-term, and long-term targets for a wide range of performance indicators, spanning environmental, social, and financial impacts. An overview of our goals can be found in the [Corporate Goals](#) section.

## **CERTIFYING OUR MANAGEMENT APPROACH**

In addition to rigorous measurement of key performance indicators and transparency in our results, we take additional steps to enhance our management processes. Formalizing our approach to environmental improvements, we have established a global environmental management system according to the ISO 14001 standard.

To date, 23 SAP locations in thirteen countries – in Austria, Brazil, Bulgaria, Canada, Czech Republic, France, Hungary, Israel, Italy, Germany, Ireland, South Africa and the United States – have received an ISO 14001 certification. We will continue to roll out the program globally. These certifications are published in the Sustainability at SAP – Environmental Management section on our Web site [SAP.com](https://www.sap.com).

## **EVALUATING OUR MANAGEMENT APPROACH**

We regularly review whether our strategy, programs, and initiatives are effective. For example, the sustainability team has quarterly review meetings with senior executives. We have also launched global internal audit programs for labor standards and human rights as well as for environmental management. While we view external ratings and rankings as a key reflection of our performance, the ultimate measure of our success is whether we achieve the goals we set for ourselves.

## **DRIVING TRANSFORMATIONAL CHANGE IN OUR BEHAVIOR AND CULTURE**

We believe that to help our customers become more sustainable, we must also strive to become an exemplar ourselves. We look at two main areas to create change: Our processes and our people. Achieving our goals requires challenging and transforming old behaviors and ways of thinking. This journey helps us become more innovative, as we tackle problems in new ways and design creative solutions. The engagement of our employees is essential, as their ideas and commitment help drive change throughout SAP. Our strategy combines organizational changes to embed sustainability into our business, as well as educational workshops, campaigns, and other forms of outreach to involve employees. Four key components of these efforts include:

- A focus on transparency and awareness building
- The need to make the benefits of change relevant and meaningful for our company and employees through communication, incentives, recognition, and other means
- The existence of role models within SAP who demonstrate new behaviors and inspire others
- The management of change by ensuring that the right processes and tools are in place

For example, employees learn about sustainability through engaging workshops and special events focusing on areas such as energy, health, as well as diversity and inclusion. A massive open online course covering “[Sustainability and Business Innovation](#)” reached more than 2,000 employees on our [open.SAP](#) learning platform. We embedded the topic of sustainability into onboarding training for new employees as well as trainings for managers. In addition to the sustainability dashboard, every employee has transparency on environmental performance through specific dashboards detailing impacts from printing, energy consumption, and commuting. In addition, we increase our focus on showing the relevance of sustainability not only for employees’ workplaces but also to their day-to-day jobs and SAP’s core business through workshops dedicated to specific organizations and functions within the company.

In 2014, we facilitated open dialog through coffee-corner sessions, virtual all-hands meetings, and social media. Employees were able to explore interactively how sustainability is connected to our vision to help the world run better and improve people’s lives. They learned of examples

whereby individual action made a difference and heard recommendations for getting involved. We measure the success of our initiatives through our annual People Survey. In 2014, 91% of our employees agreed with the statement “It is important for SAP to pursue sustainability” compared to 89% in 2013 (and 77% in 2009). 75% of our employees stated “I actively contribute to SAP’s sustainability goals”, up from 68% in 2013.

### **LEADING THE CHANGE**

Our leadership also has a key role to play in helping us become more sustainable. For this reason, we continued to embed **sustainability** into leadership development programs. This includes demonstrating how actively managing topics such as work/life balance and talent development leads to greater business success, as well as employee engagement and satisfaction. The **sustainability** dashboard created for senior leaders in 2013, has been expanded to all managers in 2014 and helps them explore the connections between non-financial and financial performance with breakdowns and benchmarks for their teams. In addition, access to all employees has been rolled out. For example, they can see how their team’s business travel contributes to SAP’s overall carbon footprint, along with financial implications of those results and how they compare to other teams. Compliant with all data privacy regulations, data on employee retention and women in management help create transparency on the social performance of the organization.

### **NETWORK OF SUSTAINABILITY CHAMPIONS**

While **sustainability** requires strong leadership, it cannot be mandated from the top. Our employees help us drive our progress throughout the company. We enlist a global internal network of more than 100 **sustainability** champions who represent different regions and lines of business at SAP. They dedicate 10% of their work time to promoting **sustainability**. Not only do they act as role models, but they also tailor **sustainability** to local and Line of Business needs and interests, and share best practices.

Our **sustainability** champions are a critical part of our governance strategy, which combines senior and local leadership with employee engagement to drive change at every level of SAP – from our daily operations to our overall vision “Help the world run better and improve people’s lives”.



---

## **Governance**

### **Business Conduct**

---

✓ **Assured**

We act to ensure that we live up to high ethical standards throughout SAP. Our policies govern the conduct of our management, employees, suppliers and partners, as well as critical areas of our business such as sales, vendor selection, and payroll. In addition, we train employees on the SAP Code of Business Conduct for Employees, which includes guidelines on bribery, antitrust, and a host of other topics. In the case of any breaches of compliance, we take appropriate remedial action.

#### **ESTABLISHING CLEAR AND COMPREHENSIVE STANDARDS**

Our compliance management system details our policies and procedures for ensuring ethical business conduct. Audited by KPMG in 2012/2013, this system consists of the following components:

- Fostering a favorable compliance culture
- Defining objectives
- Determining and analyzing compliance risks
- Running a compliance program
- Creating a responsible compliance organization
- Communicating standards clearly
- Monitoring and improving the management system

#### **FOSTERING A COMPLIANT CULTURE THROUGH THE SAP CODE OF BUSINESS CONDUCT FOR EMPLOYEES**

One of our priorities has been to establish a common understanding of what we mean by compliance. The SAP Code of Business Conduct for Employees (“Code”) summarizes our standards, and all employees (including top executives) must recognize this Code when they join SAP. While providing a global framework, the Code is adapted locally and translated into local languages. Such adaptation cannot weaken any requirements of the global Code and, in some cases, may be even stricter. In many countries, employees must also renew their commitment on an annual basis. This is not a formality for us but a means to share one of the most important foundations of our culture.

Our Code contains guidelines for all SAP employees and members of the Executive Board as they perform their daily work on behalf of SAP. It is binding for all employees throughout the world and sets the standard for our dealings with customers, partners, competitors, and vendors. Our Code is also a statement of our commitment to safeguarding our investors and customers against unfair competitive practices, corruption, and misleading statements. Our Executive Board approves our Code.

Specifically, our Code covers the following:

- Prohibition of 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
- Anti-competitive practices

### **DELIVERING EMPLOYEE TRAINING AND COMMUNICATION ON BUSINESS CONDUCT**

Every other year, all employees in customer-facing roles are required to participate in e-learning training on anti-corruption, competition law, and customer commitments. In 2014 we continued education on intellectual property (IP), covering how we protect SAP’s IP rights and the rights of third parties and have now more than 74% of all employees trained. The Global Compliance Office also held 144 classroom training sessions with 5,175 participants. In online conference sessions on anti-bribery and anti-trust issues and side commitments 35,346 employees were invited to take the training and 80% completed the training. 47,383 employees were invited to participate in the certification of the SAP Code of Business Conduct for Employees, of which 44,069 participants completed the certification. In 2014, we conducted training on anti-corruption and anti-trust requirements for the members of the Executive and Global Managing Board.

In addition to our training, we take a number of other steps to ensure that employees are 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

### **SETTING EXPECTATIONS FOR OUR BUSINESS ACTIVITIES**

We have created other policies related to specific lines of business and business activities. These guidelines include:

- **Regulation of the appointment and remuneration of sales agents:** All agents, consultants, or other third parties assisting with a sales opportunity must enter a written contract with mandatory provisions related to corruption and other issues. Before any contract with a third-party sales agent is executed, an integrity check must be completed along with internal approval processes.
- **SAP Partner Code of Conduct:** Governs our expectations of ethical business conduct by our partners. Before working with SAP, all new partners must accept this code.
- **SAP Supplier Code of Conduct:** Governs SAP’s expectations of our vendors and suppliers.
- **Corporate Social Responsibility Policy:** Lays out rules for donations made under SAP’s corporate social responsibility (CSR) program to ensure that charitable donations are not used for improper purposes such as bribery. The CSR team vets all donations made under this program and conducts a validation process to ensure that the recipient charity is legitimate. For donations that are not supported by the CSR team, we rolled out a Delegation of Authority requiring approval from either the regional CFOs or the CEO.
- **Global IP Policy:** Provides a set of behavioral rules for SAP employees worldwide to

- comply with regulatory and legal requirements in the area of intellectual property law.
- **Group accounting and revenue recognition guidelines**
- **Segregation of duty:** Applies to all IT processes

## **CONDUCTING COMPLIANCE RISK ANALYSIS**

We review our business units and business activities for potential bribery or corruption on an ongoing basis. For example, we collect quantitative data annually about each subsidiary with employees and revenues in 91 SAP offices and subsidiaries in 63 countries. This data includes revenue, number of employees, percentage of public sector business, number of fraud allegations or incidents, changes or updates to relevant laws, and other quantitative information. In addition, we periodically conduct interviews with those in key roles at subsidiaries to gain further visibility into the risk landscape. To monitor our processes, the Global Compliance Office works closely with our global governance, risk, and compliance organization to identify areas where a risk assessment is needed; we then drive remediation programs if necessary.

Generally, we find that our primary risks related to compliance concern corruption, antitrust, export controls, and IP (For more information, see our [Risk Report](#)). Our assessment also helps us create a general risk profile for subsidiary locations. Through analysis of our quantitative data, we determine which countries require our highest attention.

## **ENFORCING POLICIES THROUGH OUR GLOBAL COMPLIANCE OFFICE**

The Global Compliance Office oversees the SAP Code of Business Conduct for Employees (“Code”), as well as all other related policies and our anticorruption program. The office was an extension of the Global Legal department until January 1, 2015, at which time we changed the reporting structure so that the Chief Compliance Officer now reports directly to the Group CFO. We also changed the name of the Global Compliance Office to the “Office of Legal Compliance and Integrity.” These changes occurred in recognition of increased enforcement activity in the high-tech sector in recent years, plus the constantly changing ways in which fraud and corruption schemes surface in the business world. Our compliance approach must also constantly change and adapt to incorporate new best practices to stay relevant in our company’s business. The Office of Legal Compliance and Integrity consists of global compliance officers based at our headquarters and in our most important markets (especially where local language needs must be met). In addition, local subsidiaries have local compliance officers who assess issues and escalate them to the global level if necessary.

In addition to making regular reports to the CFO and Executive Board, the Chief Global Compliance Officer provides annual reports to the Audit Committee of the Supervisory Board. Matters of significance are brought to the attention of the Executive Board and the Audit Committee of the Supervisory Board on an as-needed basis. Reporting to these boards allows for regular monitoring and continuous improvement to our anti-corruption program.

We further promote compliance through the following 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.
- Employees at all levels of the organization are required to disclose conflicts of interest to the Global Compliance Office.
- In addition to responding to these disclosures, the Global Compliance Office also invites employees to identify any potential conflicts during the annual process of renewing their commitment to our code. Disclosures are then followed up with guidance or mitigation if



necessary.

## **MAINTAINING PROCESSES FOR INCIDENT REPORTING AND REMEDIATION**

Employees have a number of avenues to raise concerns to the Global Compliance Office when they believe there has been a breach of the SAP Code of Business Conduct for Employees or when they seek advice:

- Helpline (For more information, see the Governance – Policies and Statutes section of our public Web site [SAP.com](http://SAP.com))
- Global Compliance Office mailbox
- Contact with local and global compliance officers via e-mail or telephone
- Whistleblower tool used primarily for financial reporting and auditing issues to ensure that anonymous reporting is possible

These channels are communicated to all employees on SAP Corporate Portal, and new hires are informed of them during the new hire process. Our helpline is published on SAP.com for external stakeholders. In addition, reporting channels are described in the SAP Partner Code of Conduct and the SAP Supplier Code of Conduct. Most of these mechanisms are available 24x7, and concerns are treated as confidentially as possible in light of subsequent investigation (concerns can also be raised anonymously through the whistleblower tool). However if they are raised, all concerns are investigated, and remedial action is taken if necessary.

Such remedial actions in incidents of corruption may include:

- Written warning (for example, when a policy was violated but it is not clear that actual corruption occurred)
- Termination

SAP responded to all reports of potential bribery and corruption received in 2014. One reported case, which is still under investigation, appears likely to be substantiated. This case involves a former SAP sales manager who allegedly conspired with a partner that inflated end customer pricing to make corrupt payments in connection with a public sector sales contract. The former sales manager was terminated from employment with SAP.

## **JOINING COLLECTIVE ACTION TO COMBAT CORRUPTION**

SAP is a member of the German chapter of Transparency International, a non-profit, non-partisan organization that combats corruption in government and international business and development. In addition, we are active in the Alliance for Integrity (AfIn). AfIn is a business-driven multi-stakeholder initiative promoting integrity in the economic system and conditions for compliant and clean business. It was initiated by a number of multinational companies, business associations, the German Federal Ministry for Economic Cooperation and Development (BMZ), the Society for International Cooperation (GIZ), the German Global Compact Network and sequa, a non-profit development organization. The focus of the initiative is on implementing collective action on the ground.



---

## Governance

### Human Rights

---

✓ Assured

#### **UPHOLDING STANDARDS REGARDING OUR EMPLOYEES, OUR ECOSYSTEM, AND OUR SOLUTIONS**

A signatory of the UN Global Compact since 2000, we believe that business has a responsibility to respect human rights throughout all business operations. Upholding high standards protects our reputation, supports diversity, helps to attract and keep top talent, and fosters our innovation as our employees work in fair, ethical conditions.

We respect and support the values of the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work by integrating human rights considerations into our standard business practices. In working to ensure that our commitment to human rights translates into practice, we take guidance from the United Nations "Protect, Respect and Remedy" framework.

We adopted the [SAP Human Rights Commitment Statement](#) that details our respect, support and activities based on the international standards mentioned above. This Commitment Statement is based on and an extension of the SAP Code of Business Conduct and has been approved by our Executive Board. It is applicable to all our operations and subsidiaries globally and will be reviewed on a regular base.

We based this statement on a global impact assessment that entailed interviewing stakeholders to assess which issues were of greatest importance to SAP. We found that child labor, freedom of association, and forced labor are less material issues for us as a business software provider. We do not manufacture products using vendor factories and contracted labor, and our employees are highly specialized and skilled, with an expectation of a competitive salary and benefits. Nevertheless, we are enforcing human rights and labor standards with our supply chain partners by both our human rights commitment statement and our supplier code of conduct. We also believe that our employees are in a strong position to voice their opinions, making freedom of association a less relevant issue. For example, in our People Survey, 79% of employees are convinced that the working relations they experience at SAP are characterized by mutual trust and respect. At the same time, however, 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 human rights commitment statement focuses on three main areas where SAP has the greatest impact: Our employees, our ecosystem of partners and suppliers, and our solutions.

## **ENFORCING OUR STANDARDS THROUGH AN AUDIT PROCESS AND GRIEVANCE PROCEDURES**

Our Sustainability organization is responsible and accountable for orchestrating our approach to respecting human rights and integrating human rights considerations into our business. The team works with colleagues from human resources, procurement, and product development to create a comprehensive approach. To assess whether our human rights measures are sufficient, we consider external benchmarks, performance ratings, audit results, and stakeholder feedback. In addition, in 2012, we launched a global internal audit program to verify that our subsidiaries adhere to our standards. Since then, we conduct regular audits to check internal compliance with this policy.

## **RESPECTING THE RIGHTS OF OUR EMPLOYEES AND PROVIDING THEM WITH A VOICE**

Our most material human rights and labor standards relate to our employees, and we maintain detailed policies in this area. For example, we have a long-standing policy of non-discrimination 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 are encouraged to report the conduct to their managers, HR officers, or a 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 remedial 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 is accessible to all employees on a confidential basis. She also helps the Executive Board analyze HR-related complaints and consider ways to address potential issues before they occur.

Employees have access to other channels to raise concerns about the workplace, including colleagues who are trained to be part of our internal mediation pool. Our Global Compliance Office oversees our anti-bribery and antitrust policies, along with other issues related to our business conduct. In addition to such grievance procedures, we work to uphold high standards by providing training to our employees on human rights issues that are most relevant to our business – namely, security, privacy, and antidiscrimination.

## **COLLABORATING WITH OUR WORKS COUNCILS TO ENSURE FAIR LABOR PRACTICES**

As published in the [SAP 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 non-union 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, Italy, the Netherlands, Slovenia, Spain,

and the United Kingdom. In addition, in 2012, a European Works Council (now SAP SE Works Council Europe) was founded and represents employees from all European SAP subsidiaries. This body must be informed or, in special cases, consulted on important transnational issues.

Collective bargaining agreements with unions are made only in countries where legally required. Overall, about 45% of employees are represented by works councils, 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.

## **ADDRESSING HUMAN RIGHTS AND LABOR STANDARDS IN OUR SUPPLY CHAIN AND SOLUTIONS**

We expect all our business partners to respect human rights and to avoid complicity in human rights abuses. Our [SAP Supplier Code of Conduct](#) and our [SAP Partner Code of Conduct](#) requires suppliers and partners to uphold human and labor rights and to provide a safe and healthy work environment to workers. In addition, we work collaboratively with our suppliers on the implementation of the Code, which may include on-site audits to assess performance.

As a business software company, we are committed to respecting and protecting human rights throughout the lifecycle of our products and services from design through development to use. We uphold internal standards for the protection of personal information and privacy rights as defined in the SAP Global Product Development Policy, the SAP Quality Policy, and the related SAP Product Standards as well as in the SAP Data Protection and Privacy Policy. In addition, to support inclusion efforts world-wide, we follow the recommendations of the current versions of the Web Content Accessibility Guidelines and the US Section 508 when designing products and services.



---

## **Governance**

### **Sustainable Procurement**

---

✓ Assured

#### **SOURCING FROM SUSTAINABLE SUPPLIERS TO FURTHER IMPROVE OUR PERFORMANCE**

In addition to promoting sustainability within our company, we seek to buy products and services from suppliers who meet high environmental and social standards. Such procurement practices help us create a positive impact and provide levers through which we can reduce our emissions. In addition, working with suppliers who demonstrate a commitment to sustainability enables us to comply with the requirements of our own customers.

SAP has a supply chain that supports the development of our software as well as our global operations and employee base. Our purchases consist largely of consulting and development services, travel, and marketing, as well as tangible goods related to IT equipment, our car fleet, and our facilities.

#### **DESIGNING AND UPDATING POLICIES THAT REQUIRE OUR SUPPLIERS TO MEET HIGH ENVIRONMENTAL AND SOCIAL STANDARDS**

To drive progress throughout our supply chain, SAP has made sustainability an integral part of our Global Procurement Policy, which must be followed by all procurement staff. Our goal is to make sustainable procurement a seamless part of our procurement organization, thereby supporting SAP's overall sustainability goals. This integration involves a continual evaluation of trade-offs between economic, environmental, and social aspects of our sourcing decisions.

SAP is working to make social and environmental criteria mandatory in the selection process for new suppliers. To help drive these sourcing practices, a section on sustainability has been added to our global master contracts, asserting the right to receive information from our suppliers on labor rights, health, safety, environmental protection, and other key sustainability issues.

In addition, our 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.

Wherever applicable we seek and choose suppliers that provide goods and services on a local basis, for example for the food offered in our cafeterias. We started to capture diversity data of our suppliers in the United States as part of a new systematic supplier management in 2013. In our new Innovation Center in Potsdam, we strive to offer regional and "local" products. Due to

the fact that we are using predominantly “local” products within catering in this area shows our employees that we know where the ingredients come from and that we support the region.

### **ASSESSING THE ENVIRONMENTAL AND HUMAN RIGHTS PERFORMANCE OF OUR SUPPLIERS AND ADDRESSING POTENTIAL RISKS**

As part of our supplier management program, we ask new SAP suppliers that exceed a certain business volume with us to answer a supplier sustainability questionnaire, which covers 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, as well as areas where we can work with our suppliers to improve performance. We screen all of our direct suppliers with annual spend above € 250k on issues related to the environment, human rights, labor standards and anti-corruption. We ask the suppliers to verify that they hold relevant certification such as “OHSAS 18001 (Occupational Health and Safety Assessment Series) and SA8000 (Social Accountability International Standard) or similar”. Moreover, in December 2014 we started screening suppliers with annual spend above € 50k on the same issues. We also document quarterly the diversity of our suppliers in the United States.

Our screening has not identified major risks or significant negative impacts related to their social or environmental performance. As a result, we have not deemed it necessary to conduct any more in-depth impact assessments.

Where we do identify risks, we assert the right to conduct on-site audits. In the event of major noncompliance with our standards, we would request corrective actions. Currently, we conduct supplier audits to assess privacy and data protection, which we believe present the greatest risk to SAP.

Since 2012 we assess the greenhouse gas emissions of our supply chain, and continuously improve our respective methodology to identify and implement opportunities to reduce our collective footprint. For more information on these efforts, see the [Energy and Emissions section](#).

### **INCREASING EMPLOYEE ENGAGEMENTS BY OFFERING THE OPTION TO SELECT PREFERRED SUSTAINABLE PRODUCTS IN OUR SELF-PROCUREMENT ARIBA CATALOG**

We are conscious about what we purchase to run our business, and we would like to support employees to do the same – in a simple and efficient way.

Employees can easily identify and buy sustainable IT and office supplies in the Ariba catalog. We have flagged these products with a grey leaf to help employees to make the right decision when buying products needed for everyday business.

The leaf represents products which are classified according to sustainability guidelines and certifications. For IT equipment, we use the externally accepted [TCO Development](#) label that considers not only environmental criteria but also takes into account under which conditions the hardware was produced. In Germany, we have also set up a green office supply catalog.

### **CO-INNOVATING TO BENEFIT OUR SUPPLIERS AND SAP**

In recent years, our procurement organization has worked closely with key suppliers to encourage sustainable practices in their respective businesses. We have continued to work directly with suppliers in key areas to ensure measurable improvement:

- **Mobility:** As an alternative to the company car option, SAP provides a Deutsche Bahn AG BahnCard 100 for rail travel in Germany.
- **Electric vehicles:** SAP started to embed electric vehicles in its company car fleet management. At the end of 2014, SAP operates 50 charging stations and 50 electric vehicles as company cars at our Headquarters in Walldorf/Germany. SAP electric cars are powered with 100% green electricity. In 2020, every fifth company car should be electrically or alternatively powered.
- **Food catering:** We are defining new key performance indicators for food service suppliers at our locations to measure their environment, health, or safety performance, and are exploring and pursuing more sustainable alternatives. At our offices in Germany for example, our entire coffee & cocoa supply is now organic and fair trade. The rollout for EMEA and worldwide is planned for 2015.
- **Renewable energy:** In 2014 we powered all of our data centers and facilities with 100% renewable electricity. This strategy includes the purchase of Renewable Electricity Certificates (RECs) to cover 100% of renewable electricity in our electricity mix. We have established guidelines to ensure that we invest in high-quality RECs that support the development of the renewable energy market.
- **Recycling paper:** We now use 100% recycled paper in Germany and in most of the EMEA region. We are in process of shifting to 100% recycled paper in the EMEA region by 2015. Furthermore, we plan to finalize the rollout globally latest in 2016.
- **Paperless invoicing:** By utilizing e-invoicing available in cloud solutions from Ariba, we are achieving a reduction of 130,000 paper invoices annually.
- **Events/Green Power:** SAP Sustainability offers event organizers to run their events on 100% renewable electricity and to brand their events with SAP Green Power. Based on an estimate of expected electricity consumption during the event, SAP purchases high quality Renewable Energy Certificates accordingly.



---

## **Governance**

### **Public Policy**

---

✓ **Assured**

SAP has developed trustful relationships with governments worldwide by exploring the potential for information and communications technology (ICT) to spur economic growth, create jobs, and address societal challenges.

In Europe, SAP maintains government relations offices in Germany, France, Russia, the UK, and Belgium; the latter hosts our European Union Representation Office. In the Americas, SAP has established a government relations presence in Washington, D.C. in the United States, and São Paulo, Brazil. Additional offices are located in China, South Africa, Saudi Arabia, the United Arab Emirates, and India.

SAP is engaged with governments around the globe on a number of public policy issues, including the creation of reasonable framework conditions for new technologies or business models such as cloud computing and big data. For example, we participate in the European Cloud Partnership, which has the primary goal of promoting the adoption of cloud computing and the creation of a single market for cloud technology in Europe. We also serve as a trusted advisor in shaping government diversity and education policies to meet the future needs of the ICT-workforce. SAP has testified before the U.S. Congress about the Autism at Work Initiative and briefed leaders of the Congressional Coalition for Autism Research and Education.

SAP is also developing best practices to ensure cybersecurity and the protection of personal data in the digital economy. SAP favors global policy frameworks and international standards that enable the global trade of digital products and services and the free flow of data across borders.

We advise governments on how to drive innovation and address societal challenges through the effective use of digital technologies. For example, SAP serves on the EU High Level Group for Smart Cities & Communities to foster sustainable development. We also cooperate with governments to promote the development of ICT skills and entrepreneurship, as well as to empower small and midsize enterprises as key enablers of economic growth and job creation. SAP is addressing the skills gap globally through initiatives like Skills for Africa, the EU Grand Coalition for Digital Jobs, and Business Backs Education. We secure and support high profile thought leadership opportunities to appear before governments and demonstrate our expertise in advancing a new wave of innovation enabled by business analytics, in-memory computing, cloud computing, and mobility.

SAP is actively engaged in Germany's National IT Summit with the German Chancellor and the Federal Minister of Economics. For instance, we have co-chaired the IT Summit Working Group



on Research and Development together with the Federal Minister for Research and Education.

### **MEMBERSHIPS IN TRADE ASSOCIATIONS**

SAP is a member of several trade associations across the globe, including the U.S. Chamber of Commerce, the National Association of Manufacturers, the Organization for International Investment, TechAmerica, the Information Technology Industries Council, the Association of Climate Change Officers, BITKOM, the Federation of German Industries, VDMA, Platform Industry 4.0, Deutschland sicher im Netz e.V., the Transatlantic Business Council, DIGITALEUROPE, the European Roundtable of Industrialists, the Russian Union of Industrialists and Entrepreneurs, and the Russian-German Chamber of Commerce.

SAP believes in transparency in the political process. Accordingly, we are registered in the European Transparency Register for interest representatives. In the United States, our company is registered and reports in compliance with the Lobbying Disclosure Act.

### **POLITICAL CONTRIBUTIONS**

In principle, SAP does not support any political parties.

Under the laws of the United States, a number of SAP employees continue to exercise their right to create a political action committee (PAC). The SAP America 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 exercises no control over or influence in the SAP America PAC. The SAP America PAC's expenditures are available on the U.S. Federal Election Commission website.



---

## **Governance**

### **Security and Privacy**

---

✓ **Assured**

While enabling our customers to run simple by tackling their biggest challenge of increasing complexity, they expect SAP to address threats to their on-premise software environments, as well as to their cloud and mobile services. We view our customers' trust in our company as the foundation of our success. This trust extends to the high quality and security of our entire suite of products, as well as our ability to operate our cloud business both securely and reliably. For this reason, we continually strive to protect customers, business partners, and our own company through a range of coordinated practices.

#### **COMPREHENSIVE SECURITY PRACTICES**

At SAP, we take a holistic approach to product security because we are convinced that simplistic approaches do not bring effective solutions. Our strategy includes:

- Software that meets the high SAP quality and security standards
- A dedicated security team to drive a solid security development lifecycle
- Security functionality built into our products
- Mandatory security training for developers
- Solid testing and validation of our products, patches, and services before shipment
- A software security response process to rapidly react to detected vulnerabilities
- 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 centers and development organization

#### **SECURE CLOUD COMPUTING**

Security and data protection are especially critical in the cloud, and we view trust in our security and data protection practices as an important differentiator in our cloud business. Both, in terms of server locations and processes, our cloud operations meet standards for availability, security, and data protection that are among the highest in our industry and beyond. Currently, SAP is expanding its global network of data centers to meet demand for our growing cloud business and the preference of many customers for local and regional options. Our data center growth strategy contains both, own data center locations as well as extension leveraging co-location providers while applying similar Security and Data Protection requirements. In all of our data center locations and our worldwide operations we comply with the European Security and Data Protection Regulation, which provides a very high level of protection in the world, and adapt it to local needs, if necessary.

At the same time, all SAP data centers are required to comply with the same standards for physical and technical security, which are among the highest in the industry. There is typically a transition period for acquired companies, like our recent acquisition of Concur in December 2014, as they incorporate our standards. These include blocking illegal entry using biometric readers, bulletproof walls, and concrete pillars, as well as a redundant power supply and Internet connection. We also have measures to ensure that access to information is limited to those meeting a required set of privileges, and that all information is classified to reflect its level of confidentiality and is encrypted as appropriate. We conduct full and incremental data backups on a daily, weekly, and monthly basis. As a result, cloud solutions from SAP meet high standards and are certified in many areas, including data center operations, software operations, business continuity, and internal inspection. Certifications include ISO 27001, ISO 22301, ISAE 3402, SSAE 16, and BS 10012, among others.

In 2014, SAP further extended its cloud security guidelines by publishing a Global Cloud Security Policy that shall be binding for all cloud offerings from SAP. These guidelines will reinforce our existing principles for security, privacy, and availability in our cloud business. At the same time the SAP cloud compliance framework is continuously strengthened by incorporating official standardization conducted outside of SAP, for example, by the Cloud Security Alliance (CSA) or the European Union Agency for Network and Information Security (ENISA).

## **MOBILE SECURITY**

To help our customers meet the diverse challenges of enterprise mobility head on, the SAP Mobile Secure delivers robust mobile device management, mobile application management, and mobile content management. Through these advanced solutions, data, apps and content can be locked down to meet the strict security requirements and ensure good protection if a mobile device is lost or stolen. This trusted solution manages and secures deployments of mobile devices for any size company, improving the mobile user experience while eliminating security bottlenecks.

## **STRICT DATA PROTECTION AND PRIVACY POLICIES**

We recognize the growing importance of privacy in a world of increased access to personal data. SAP adheres to a global data protection and privacy policy that is not only designed to secure the privacy rights of employees, customers, prospects, and partners, but also of anyone whose data is processed by SAP and falls within the legal parameters of SAP or our customers. Privacy is regarded a top priority of our Executive Board as well as SAP's legal entities, which must abide by internal policies and applicable privacy laws. These policies will be applied to Concur, our recent acquisition in December 2014.

SAP has implemented a data protection management system, which has already been introduced in a number of internal functions, including support, human resources, marketing, application innovation, custom development, and global services. This system ensures the continual improvement of our risk-based approach and regular internal controls. For example, our global permission-based marketing policy clarifies rules of consent and guidelines for the marketing of our software and services. This policy also provides global standards for third-party engagement, external data rental, and outbound calling, as well as opt-in and opt-out services.

In 2014, SAP has not experienced any significant incidents regarding breaches of customer privacy and losses of customer data, or incidents which would have required reporting subject to the provisions of the German Federal Data Protection Act.

---

## Strategy

### Letter from the CEO

---



**Bill McDermott, CEO**

Dear stakeholders,

In 2014, SAP's more than 74,400 employees came together and delivered a performance worthy of our enduring vision to help the world run better and improve people's lives.

We also seized on the most intractable CEO challenge of this generation: complexity. In acknowledging the common enemy facing businesses of all sizes in all industries, we established an audacious new operating principle for ourselves and for the world: **Run Simple.**

#### **Business Highlights**

Against the backdrop of an IT industry in the midst of massive transformation, SAP executed in 2014 with the strength and stability the world has come to expect from a market leader. We delivered €17.6 billion in non-IFRS total revenues and €5.6 billion in non-IFRS operating profit for the full year. This performance is the latest result of our carefully and effectively managed business transformation, driven by the accelerated growth in SAP's cloud business.

As customer preference shifts toward the software-as-a-service model, SAP's business results

evolve as well. The transition results in less upfront revenue because, unlike perpetual software licenses, cloud subscriptions are recognized over time instead of at the moment of the initial delivery. The cloud business model does have considerable benefits, including increased revenue predictability over the long term.

In 2014, this cloud transition accelerated for SAP. Non-IFRS cloud subscriptions and support revenue was €1.10 billion (compared with €757 million in 2013), an increase of 45%. SAP's annual total cloud revenue run rate exceeded €1.7 billion. This is even more exciting when considering that only five years ago, SAP's cloud revenues and registered cloud users were negligible.

Today, SAP is the fastest-growing enterprise cloud company at scale and the largest cloud company in the world by measure of users (70 million). By creating a "green cloud," we have also tied our [environmental strategy](#) to our [business strategy](#). Despite the increase in energy consumption from broader use of our cloud solutions, we were able to reduce our carbon footprint by 8% compared to 2013. And, for the eighth year in a row, we have been ranked the number-one software company in the Dow Jones Sustainability Index.

Other [non-financial performance metrics](#) also tell the story of SAP's successful 2014. Our [employee engagement index](#) increased to 79%, again showing that our employees are engaged, supportive of our consistent strategy, and united in high trust. Our customers are not only satisfied, but also see us as a trusted partner for innovation, leading to an increase in customer loyalty, as measured by the Customer Net Promoter Score, to 19.1%.

Overall, our 2014 performance was driven by our people and by an innovations portfolio built around the business challenges and opportunities facing our more than 282,000 customers worldwide.

### **The Great Simplifier: SAP HANA**

With fast-growing inputs from sources like social media and the Internet of Things, CEOs have made it clear: accessing and analyzing only 1% of their data is a clear manifestation of complexity. Only SAP could take on the challenge of Run Simple, because only we have SAP HANA to manage the Big Data of the enterprise – structured and unstructured. With skyrocketing customer adoption in 2014, we firmly established the leadership position of SAP HANA, with more than 5,800 SAP HANA customers and 1,850 SAP Business Suite powered by SAP HANA customers worldwide.

In 2014, we also unveiled a new breakthrough, SAP Simple Finance, a solution fundamentally redefining what it means to use real-time financial data in successful businesses. Changing the "read, then react" mindset in favor of prediction and simulation, SAP Simple Finance includes functionality and features natively built for the SAP HANA platform, delivering a consumer-grade user experience along with its revolutionary capabilities for finance professionals.

But SAP HANA also proved to be much more than just a transformational business innovation platform in 2014. It is changing everything from sports – SAP Match Insights powered by SAP HANA helped the German National Football Team win the 2014 FIFA World Cup – to healthcare – Heidelberg's National Center for Tumor Diseases now uses SAP HANA to improve diagnostic and patient treatment capabilities. Whether it's the Ebola outbreak in West Africa or infant mortality in the United States, SAP HANA is uniting future leaders from the Hasso Plattner Institute and other leading universities with business and political leaders to change the world.

## **Applications in the Cloud Built for Business**

For the CIO to line-of-business executives in HR, procurement, and sales, we knew the cloud would be the pervasive computing theme of this generation. So back in 2010, SAP set out on a series of bold moves to build the broadest cloud portfolio in the technology industry. In 2014, that portfolio grew even stronger. SuccessFactors Employee Central became the fastest-growing core HR management solution in the marketplace. Combined with solutions from Fieldglass, SAP is the only cloud company that helps customers manage their total workforce – including temporary workers, which remains the fastest-growing segment of the labor force.

In addition to engaging the workforce, the CEO agenda in the cloud is also about engaging end-consumers in any channel, on any device. We knew that sales force automation had its place, but that legacy CRM wouldn't help CEOs build growth strategies for the digital economy. That's why our SAP solutions for customer engagement and commerce showed aggressive growth in 2014, including SAP Hybris Marketing and SAP Cloud for Customer.

The cloud may be accelerating, but for customers the cloud is not a one-size-fits-all option. In 2014, SAP continued to invest in our public and managed cloud offerings, ensuring that customers could choose whether to run applications or entire enterprises in an SAP cloud – public, managed, or hybrid. However the customer chooses to consume our technology, we remain ever-focused on innovating for their specific industry with our four decades-long commitment to security and trust.

## **The Business Network**

2014 also saw SAP take a defining step on the road to the next frontier in the cloud: a secure, real-time business network to reinvent commerce between companies. It started in 2012 with Ariba, the network for indirect materials in the enterprise. It expanded in mid-2014 with Fieldglass and contract workforces. At the end of 2014, we successfully completed the acquisition of Concur, the largest software-as-a-service acquisition in history, adding the US\$1.2 trillion business travel market to the scope of SAP's leadership position in the business network.

Concur completes our network vision and enables SAP to help customers reinvent resource management across all major categories of enterprise spend. To defeat complexity, it's no longer adequate for business processes to end at the walls of an enterprise. Our business network extends those processes between companies, a significant step forward for Run Simple.

## **The Road Ahead**

SAP enjoyed a strong and successful 2014, but we remain restless in our drive to shape the future of enterprise technology. In 2015, for example, we already made the largest product announcement in SAP's history: SAP S/4HANA, a next-generation business suite built for the digital, networked economy. SAP S/4HANA is designed to drive instant value across lines of business and industries with the ultimate sophistication: simplicity. From a business value perspective, SAP S/4HANA can create unique opportunities to reinvent business models and drive new revenues. From an IT perspective, SAP S/4HANA can create unique opportunities to dramatically simplify the IT landscape and reduce total cost of ownership.

With SAP S/4HANA to revolutionize core business applications, the broadest cloud portfolio across industries and lines of business, and the business network to reinvent commerce between companies, we enter 2015 with the strongest collection of assets in the company's history.

## **This Report**

We invite all stakeholders to explore our SAP Integrated Report 2014 to learn more about SAP's business strategy and performance. But we also believe in full transparency, which is why you'll also find extensive information about our [social](#) and [environmental performance](#). It's no longer enough for great companies to be financially and operationally sound. The 21st century demands purpose-driven companies, keenly aware of the impact we have on our people and our environment. In this spirit, the SAP Integrated Report aims to be a role model. We welcome your interest and your feedback.

SAP, our employees, and our **ecosystem** are united in dedication to our customers. We see a future where every customer can run real time, run networked, and **Run Simple**. 2014 kept us on the right path and inspires us to continue leading in 2015 and beyond.

Bill McDermott  
CEO, SAP SE



---

## **Performance**

### **Employees and Social Investments**

---

✓ **Assured**

#### **OUR PEOPLE ARE OUR DIFFERENTIATOR**

While we put our customers in the center of everything we do, we are equally committed to caring about our employees – the drivers behind our success. Our people are our major asset and differentiator. They give us the competitive advantage in the marketplace and are key to helping our customers Run Simple and helping us realize our goal of becoming “THE cloud company powered by SAP HANA.”

Our top priority is fostering a culture that attracts, retains, and develops talented people. We want our people to flourish, be creative, and unfold their full potential. Therefore, it is essential to create an organization that is simple, to develop and retain leaders who care, and to offer continuous learning opportunities in a work environment that embraces diversity and celebrates inclusion.

In 2014, we won a significant number of awards as an employer, among them the “Great Place to Work” in Brazil, France, India, and Turkey; “Top Employer” in Africa and the United Kingdom; and the top spot as “Best Employer” in the IT category in Germany. In addition, SAP America was ranked as a “Top Place to Work” in the U.S. cities of Philadelphia and Atlanta, as well as in the Bay Area in California.

#### **Leadership**

As a cloud company, we must be able to navigate rapid change and chart the simplest possible course through complex problems. The ability not only to stay focused and be both persuasive and decisive but also inspirational and open to feedback has become imperative to our success. To develop those competencies in our leaders is essential; and leadership development is a major undertaking for us at SAP.

We adopted three leadership principles in 2014 that are essential to our continuous growth: ensuring customer success; driving simplicity; and developing amazing talent. These principles are at the core of all of our leadership actions. Each speaks to the need to adapt to changing market demands.

Our customers expect to realize value more quickly and nimbly in the cloud, asking for solutions that navigate greater complexity in simple and sophisticated ways. While they seek agility, we simultaneously have to increase our ability to become more adaptable, comfortable with volatility, uncertainty, complexity, and ambiguity. To drive simplicity, we are fostering a work environment based on trust by letting go of checks and balances, and moving away from a culture of command and control. And finally, to develop amazing talent, leaders are requested



to find a balance between business results and people. It is mandatory that leaders actively support employee skill-building to maximize the impact on our success.

We see leadership as a profession. We make leaders accountable, and create a consistent leadership culture across the organization to ensure the engagement with and the advancement of our people. To further enhance accountability and to measure our collective effort to foster a work environment based on trust, we added a question to our annual global employee survey to gauge employees' trust in our leaders. We measure leadership trust by using the [Net Promoter Score \(NPS\)](#) methodology. Our leadership trust score increased most significantly by 18.3 percentage points up to 46.8%, far exceeding our already ambitious target of 35.0% for 2014. The goal for 2015 is to even further increase the trust in our leadership; we aim for a target of 51.0%. In addition, we made leadership trust one of the key performance indicators for our top leaders at SAP for 2014. Finally, we introduced mandatory leadership training, launching a revamped, roles-based, and interactive curriculum.

In 2014, we brought together 220 leaders including senior executives, top talents, Millennials, and expert-level employees from across the company at a leadership summit. We explored ways to grow our business in the cloud, lead with purpose, and cultivate engagement as well as foster trust and simplicity. In the spirit of transparency and leadership accountability, we asked the participants at the end of the summit to identify a personal commitment and concrete follow-up action that were displayed on an online "commitment wall," accessible to all employees in the organization.

## **Learning**

Our learning culture at SAP aims to enable all employees at any level or in any role to learn. We introduced a philosophy of "everyone is a talent," to focus on maximizing the skills of all our employees. We have adopted a new approach to assessing the individual potential of every person at SAP and have updated our portfolio of development offerings for each level of employee.

We took a number of steps throughout 2014 to ensure that SAP is a best-in-class learning organization. We appointed SAP's first chief learning officer to create and execute a unified strategy for employee learning. We adopted our Success Map global learning platform, a cloud solution that enables highly personalized "learning on demand." We streamlined our learning offerings and launched Webinars, produced online courses, and fostered peer interaction. New opportunities include career planning and mentoring workshops, behavioral tests, business simulations, and sponsorship pilots.

As we work to build an agile and heterogeneous workforce to meet future demands and reflect our customer base, we seek to also attract earlier generations of talent to broaden our expertise and balance our experienced employee base that we call "mature talents." While putting a strong focus on developing our own talents, we also look for new talents externally to complement our current skills. In 2014, we made our recruiting more dynamic, mobile, social media-friendly, and easy to navigate. We launched a new careers site that highlights potential career paths at SAP, catering to different backgrounds, interests, and goals. At the same time, we continued proven methods of recruiting such as opportunities to talk in person and with our presence on university campuses, both important to reach new generations.

Beyond our focus on talent, leadership, and learning, the following four areas help us foster a winning culture that enables us to achieve our goals and create positive impact.

## **Inclusion**

A diverse and inclusive culture fuels our innovation, helps us connect with customers, and makes us a better, more attractive workplace. We focus on four key areas:

- Generational intelligence
- Gender intelligence
- Differently abled people
- Culture and identity

We continue to work toward our goal of increasing the number of women in management from 18% in 2010 to 25% in 2017, a goal common to players in the IT industry. Our overall percentage of women in the workforce stayed constant at 31% from 2013 to 2014, and the percentage of women in management slightly increased to 21.3% in 2014 from 21.2% in 2013, marking the fifth year of growth in this area. Year-over-year, we added another 102 women to our management team. To further support progress, we offer executive sponsorships for women and require that at least one female candidate is included on the short list for leadership and other key executive positions.

Through our employee networks and other programs, we recognize and support diversity in its many dimensions. For example, in 2014, we released “LGBT Allies: SAP Employee Stories,” a video of SAP employees voicing support for the lesbian, gay, bisexual, and transgender (LGBT) community. This grassroots effort brought people together from different nationalities, backgrounds, and roles. We have also expanded our hiring of people with autism in our Autism at Work initiative, which is now implemented in five countries; we are targeting 1% of the total workforce by 2020.

In 2014, we repeated our annual People Weeks, a two-week opportunity for employees to learn and exchange ideas in in-person sessions, Webinars, and discussion forums. This year’s motto, “Shine Through the Cloud,” was designed to connect colleagues to our cloud strategy. A total of 36 virtual and 600 local sessions were offered in 69 countries.

## **Work/Life Integration**

We work to ensure that people at SAP have the ability to manage stress, balance their personal and professional lives, and perform at their best.

To help employees and managers invest in their health and a balanced lifestyle, we continued our global initiatives such as People Weeks, which place a strong focus on health, diversity, and learning. Further, we developed the Employee Health Support Program, which provides a personalized health report and recommendations. Piloted in 2013 in Austria and Ireland, the program has since been rolled out at all SAP locations in Germany and will be offered globally.

In 2014, we introduced a Corporate Oncology Program for Employees, which provides personalized analysis of cancer treatment options supported by SAP HANA. This program assesses individual genetic profiles of cancer cells. SAP is the first company to offer this service to its employees. We piloted the program in the United States and Germany and expect to expand it in further locations.

Our Business Health Culture Index (BHCI), based on our People Survey, assesses the degree to which our workplace culture supports people’s well-being, work/life balance, and organizational health. In 2014, we achieved a score of 70%, compared to 67% in 2013. Given the fast pace of change in the IT industry, we have set a goal of maintaining a score of 70% or

higher. Based on our internal model and assumptions, we were able to quantify the connectivity between the BHCI and our operating profit. For each percentage point in change of the BHCI, the impact on our operating profit was approximately between €65 million and €75 million in 2014. For more information, see the [Integrated Performance Analysis](#) section of the SAP Integrated Report 2014 online.

### **Social Investments**

Our corporate social responsibility strategy applies our talent, technology, and strategic partnerships to create long-term, sustainable social impact. This year, we continued to focus on two areas that are critical to both SAP and society: education and entrepreneurship. In 2014, SAP contributed approximately €22 million in cash donations to non-governmental and non-profit organizations. Eleven hundred non-profit organizations received technology donations, including a comprehensive implementation of the SAP Business One solution at *Specialisterne*, an organization SAP works closely with that secures employment for people with autism, and *Emprego Ligado*, a social organization that offers an online job marketplace to Brazil's working class. Our employees volunteered about 188,000 hours in communities in 47 countries, with more than 40% of their time spent devoted to providing their unique talents and abilities ("skills-based volunteering").

In 2014, we expanded the SAP Social Sabbatical, one of our most successful and strategic programs, designed to cultivate existing talent and create social impact. Each year, we send high-performing employees from around the world to emerging markets, where they collaborate with social enterprises and entrepreneurs on month-long projects to solve a pressing business challenge. Many employees say the experience is life-changing, and they come back as stronger leaders and innovators. Strategic "pro-bono volunteering" is being extended to include local projects and an executive social sabbatical.

We also unveiled an innovative partnership in which SAP helped to create a technology-focused high school in New York City called the Business Technology Early College High School. The public six-year school features a special business and technology curriculum as well as mentoring and internship opportunities with SAP and others within our ecosystem. The school – known as BTECH – is an investment in the next generation as well as our own future, as we help develop a skilled workforce to drive innovation and growth. We plan to support additional schools with similar focus in North America in 2015.

### **Enhancing Engagement**

From our earliest interactions with potential new employees to the many ways that we develop people at SAP, we are ultimately working to engage everyone in our vision – to help the world run better and improve people's lives. We know that to win in the marketplace and be successful with our cloud strategy, we must continually expand the boundaries of what is possible, and engagement unlocks exceptional performance.

Indeed, in 2014, we were able to show a correlation between employee engagement and margin, further linking our financial and non-financial performance. For each percentage point our employee engagement index goes up or down, the impact on our operating profit was between €35 million and €45 million. For more information, see the [Integrated Performance Analysis](#) section of the SAP Integrated Report 2014 online. Employee engagement remains one of SAP's four corporate strategic goals, along with growth, profitability, and customer loyalty. In our 2014 "pulse check," we achieved an overall employee engagement score of 79%, compared to 77% in 2013. We aim at achieving a score of 82% by 2015. Employee satisfaction went up in every single category and in nearly all questionnaire items, including topics

addressing the confidence in our strategic direction, in particular.

The scores of our People Survey in 2013 revealed that our employees were committed to execute the refreshed strategy but wanted support to translate the strategic direction into their daily life; subsequently this was selected as the key topic for 2014. We attribute the success in 2014 to our efforts to communicate and to explain the refreshed strategy. This effort will be continued in 2015.

We still see the need to continue our simplification efforts which will be our second focus area for increasing employee engagement in 2015, as our score in this area only improved slightly in 2014. We strongly believe that effective and simple processes and structures are critical to ensure our customer's and SAP's success. They not only save time and duplication of effort, but they free up energy for innovation.

In addition to our learning and development opportunities, special initiatives also support engagement. In 2014, we launched the Hasso Plattner Founders' Award to celebrate the best of who we are and what we do at SAP. More than 2,000 nominations were submitted, with criteria based on transforming problems into opportunities through innovative thinking, reducing complexity, and making bold decisions involving risk-taking and learning from mistakes. Our two winning teams overcame significant technological and organizational challenges to deliver solutions that simplify business problems, focus on the customer, and deliver meaningful value. They showcased the spirit of innovation, entrepreneurialism, and courage that we will maintain as our hallmarks in the years to come.

Our [connectivity analysis](#) revealed that employee retention is positively impacted by employee engagement and in 2014, our employee retention rate worldwide was 93.5%, same as in 2013. After making minor adjustments in the assumptions of our connectivity model, a one percentage point change in employee retention can impact our operating profit by about €40 million to €50 million. The average length of service at SAP worldwide in 2014 was approximately 7.2 years (2013: 6.5 years). While we do not seek a general retention rate of 100%, as some turnover supports innovation, a high retention rate is a priority. As with engagement, we believe that a thriving culture and strong leadership, along with a sense of purpose and opportunities to develop, motivate our top talent to stay at SAP.

## **HEADCOUNT**

On December 31, 2014, we had 74,406 full-time equivalent (FTE) employees worldwide (December 31, 2013: 66,572). This represents an increase in headcount of 7,834 FTEs in comparison to 2013. Of the overall headcount increase in 2014, 5,535 resulted from acquisitions. The average number of employees in 2014 was 68,343 (2013: 65,409).

We define the FTE headcount as the number of people we would employ if we only employed people on full-time employment contracts. Students employed part-time and certain individuals who are employed by SAP but who, for various reasons, are not currently working, are excluded from our figures. Also, temporary employees are not included in the above figures. The number of such temporary employees is not material.

On December 31, 2014, the largest number of SAP employees (45%) were employed in the EMEA region (including 24% in Germany), while 30% were employed in the Americas region (including 21% in the United States) and 26% in the APJ region.

Unless otherwise stated, the main driver for the following headcount increases were SAP's

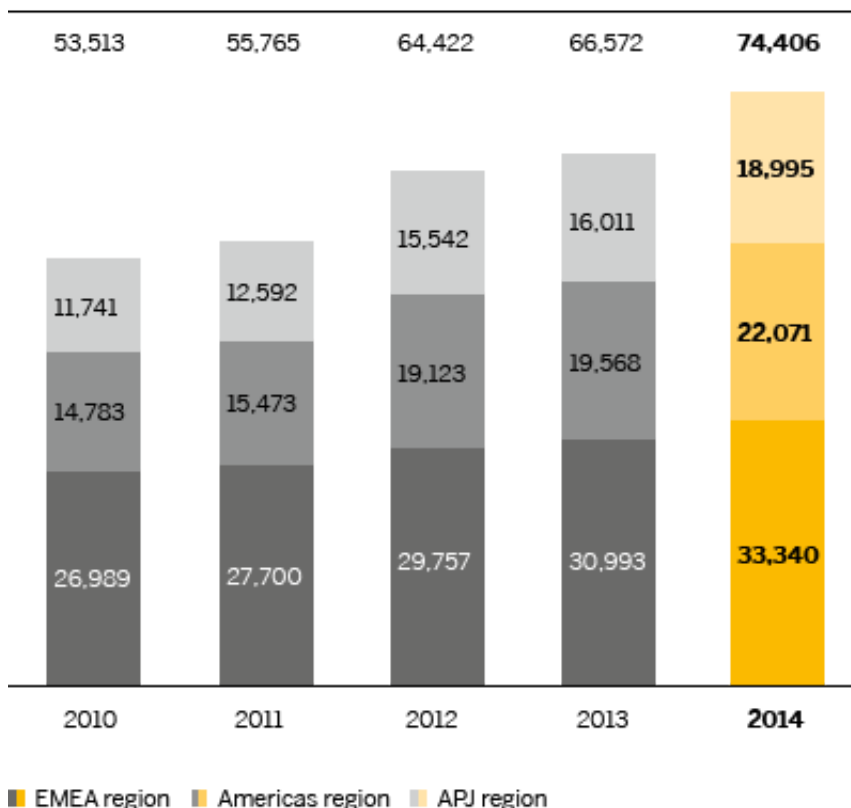
acquisition activities (mainly Concur). Our worldwide headcount in the field of software and software-related services grew 34% to 15,074 FTEs (2013: 11,261). Cloud operations and support accounted for most of the increase. Professional services and other services counted 14,639 FTEs at the end of 2014 – an increase of less than 1% (2013: 14,629). Our R&D headcount saw a year-over-year increase of 6% to 18,908 FTEs (2013: 17,804). This growth stemmed from an increase in headcount in the area of Products & Innovation. Sales and marketing headcount grew by 14% to 17,969 FTEs at the end of the year (2013: 15,824). General and administration headcount rose 10% to 5,023 FTEs at the end of the year (2013: 4,566). Our infrastructure employees numbered 2,794 FTEs – an increase of 12% (2013: 2,488) driven primarily in our investments in IT.

In the Americas region, headcount (FTEs) increased by 2,503, or 13%; in the EMEA region, the increase was 2,347, or 8%; and in the APJ region, it was 2,985, or 19%.

Our personnel expense per employee stayed essentially flat at approximately €115,000 in 2014 (2013: approximately €114,000). The personnel expense per employee is defined as the personnel expense divided by the average number of employees. For more information about employee compensation and a detailed overview of the number of people SAP employed, see the Notes to the Consolidated Financial Statements section, [Note \(8\)](#).

## Number of Employees

Full-time equivalents

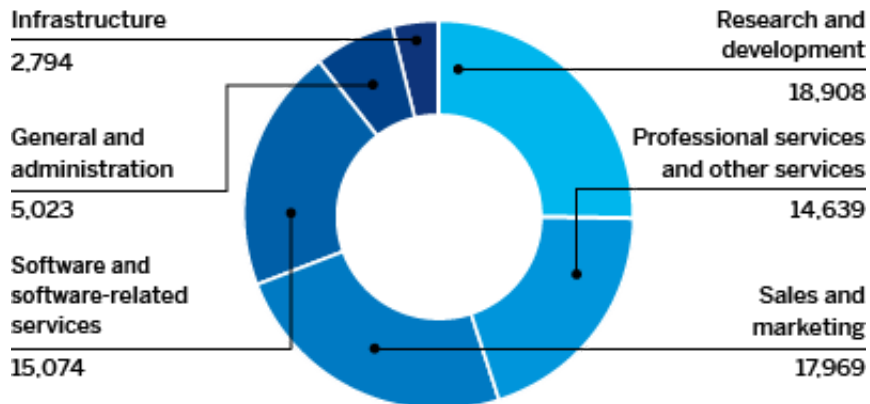


---

## Employees by Functional Area

Full-time equivalents

---





---

## Performance

### Energy and Emissions

---

✓ Assured

One of the primary ways that we can help both our customers and SAP tackle the challenge of complexity is by increasing efficiency. Simplification and efficiency go hand in hand, and we have worked to enhance both by taking responsibility for our energy usage and carbon emissions including IT-related impact of our customers consuming our cloud offerings.

As we accelerate our shift to the cloud, we have tied our business strategy to our environmental strategy by creating a completely green cloud at SAP, referring to carbon neutrality by purchasing 100% renewable electricity certificates and compensation by offsets. This change – which we implemented in 2014 – does more than mitigate our own impacts. It also means that we can better serve our customers, as we simplify their IT landscape through our cloud offerings and help them increase their own efficiency. Our green cloud strategy is complemented by 100% renewable energy for facilities and electric company cars charged at SAP locations.

The evolution of our green cloud reflects the critical links we see between our environmental and business performance. We bring equal rigor to addressing and measuring both of these areas. In assessing our environmental impact, we focus on energy usage throughout SAP, as well as greenhouse gas emissions across our value chain. Since the beginning of 2008, our energy efficiency measures have generated a cumulative cost avoidance of €310 million, compared to a business-as-usual scenario, with €45 million of that amount created in 2014.

#### **TOTAL ENERGY CONSUMED**

Because our energy usage drives our emissions, one of the most important measures we look at is our total energy consumed. This includes all energy that SAP generates or purchases to run our facilities, data centers, company cars, and corporate jets. Our total energy consumption increased to 920 gigawatt hours (GWh) in 2014, compared to 910 GWh in 2013.

This increase is due to significant growth in our business. In addition, as software usage shifts to the cloud, we are operating more of our customers' systems in our data centers, as well as other locations where we are supplementing our servers. This additional cloud operation, along with the accompanying servers and facilities, consumes more energy. At the same time, we believe this shift has the opposite effect for our customers, which can simplify their technology and save energy through our shared infrastructure, reducing the overall IT-related energy consumption through our highly energy-efficient cloud provisioning.

As our business grows, we have maintained the efficiency gains we have made over the past several years. For example, our total corporate car fleet is not consuming more fuel despite the

fact that a significant number of company cars have been added, since the average company car has become more fuel-efficient. So, while our car fleet grew by 5%, we had efficiency gains of 3% across the entire fleet. As a result, our total energy consumption decreased slightly to 13,400 kilowatt hours (kWh) per employee in 2014 (2013: 13,900 kWh).

## **GREENHOUSE GAS EMISSIONS**

Our goal is to reduce the net greenhouse gas emissions from our operations to levels of the year 2000 by 2020. This target includes all direct and indirect emissions from running our business ([Scopes 1 and 2](#)), as well as a selected subset of other indirect ([Scope 3](#)) emissions. We do not include all of our Scope 3 emissions in our target because we chose to focus first on those emissions over which we have control or capability to influence. However, we are increasingly addressing both our upstream and downstream emissions to support a comprehensive carbon strategy for SAP.

Specifically, we are working to reduce our emissions through three primary approaches: increasing our operational efficiency combined with innovative approaches to the way we do things; purchasing high-quality renewable electricity certificates; and investing in high-quality carbon credits.

In addition to our long-term goal for 2020, we have set annual targets. Despite integrating new acquisitions in 2014, our total net emissions decreased to 500 kilotons CO<sub>2</sub> (2013: 545 kilotons). This decrease stems primarily from our shift to powering all of our data centers and facilities with 100% renewable electricity. We are effectively compensating the emissions caused by our customers' systems that have moved into our green cloud. Given the large size of our customers' footprints and our growth strategy in the cloud, we see significant potential to reduce both our own and our customers' environmental impact.

Nonetheless, we missed our annual target to reduce our emissions to 440 kilotons. The reason is that our business has continued to grow, and more of our overall emissions are caused by business travel. In other words, our shift to green energy – while critical to our long-term reduction strategy – could not fully compensate for the business travel enabling our growth. At the same time, this shift did enhance our efficiency. Our greenhouse gas emissions decreased from 32.4 grams CO<sub>2</sub> per euro of total revenue in 2013 to 28.4 grams CO<sub>2</sub> per euro in 2014. Our carbon emissions per employee also decreased by about 12% in 2014.

In addition to greater efficiency, we have achieved an overall absolute reduction of 16% since our peak year 2007, when we set our long-term carbon target. This reduction has occurred even as the average number of employees at SAP has increased by almost 32%.

## **ENVIRONMENTAL INNOVATIONS**

The ongoing tension between growth in our business and our goal to reduce our emissions has led us to pursue new approaches. To further decrease our car-related emissions, in 2014, we committed to increase the portion of electric vehicles (or alternatives) in our company car fleet from currently less than 1% to 20% by 2020. This initiative addresses a dilemma that has grown in recent years. Namely, along with our business expansion, the number of SAP employees who are eligible for a company car has increased annually. We aim to ensure that we do not undo our efficiency gains with our growing car fleet.

In keeping with our existing policy for office buildings and data centers, we continue to power our electric company cars with 100% renewable sources. In Germany, for example, we are



incentivizing employees to make the switch by offering a battery subsidy that offsets the cost of using an electric vehicle. We are also developing a management solution that will address “range anxiety,” helping drivers intelligently plan out their trips, their maximum range and the availability of charging stations. We believe that our electric car initiative will play a critical role in helping us achieve our 2020 carbon reduction goal.

Our shift to a green cloud will also bring us closer to our carbon emission goal while extending our reach beyond SAP. In addition to reducing our own emissions, this change enables us to create a far greater impact through our customers. In 2014 alone, the emissions caused by SAP products in use at the sites of our more than 282,000 customers were at least 10 times larger than SAP’s own footprint, meaning they caused more than 6,200 kilotons of CO<sub>2</sub>. By using 100% renewable energy, we dramatically broaden our sustainability efforts and align them with our cloud strategy. We believe this move not only helps the world run better, but significantly reduces the carbon produced both inside and outside SAP.

In 2014, we also began realizing the benefits of another key sustainability initiative, our investment in the Livelihoods Fund, a unique investment fund whose returns consist of high-quality carbon credits. Several years ago, we made an initial investment of €3 million covering a 20-year participation in the fund, which supports the sustainability of agricultural and rural communities worldwide.

Projects of this fund focus on ecosystem restoration, agriculture, agro-forestry, and rural energy. In eastern India, for example, the fund has helped communities plant fruit trees to diversify food sources and address overcultivation of soil. As opposed to a charitable donation, we have made a long-term investment that brings benefits to society, the environment and SAP. In 2014, we received our first carbon credits from the fund, which helped us reduce our carbon footprint by another 11.2 kilotons.

Another important piece of progress in 2014 was the further implementation of ISO 14001 in SAP locations throughout the world. This well accepted environmental management system is now in place in 23 of our locations worldwide, including our SAP North America headquarters in Newtown Square, Pennsylvania, in the United States, as well as in such diverse countries as Austria, Brazil, Canada (Vancouver), the Czech Republic, Germany, Israel, Italy, and South Africa. To act faster and achieve consistency, we have created a template for rolling out to new sites, enabling us to efficiently build a large global network in which different sites interact and share best practices.

## **DATA CENTER ENERGY**

Data centers are at the heart of how SAP provides solutions to our customers. The energy consumption in data centers is closely related to technology innovation and customer adoption of our solutions. At the same time, with our energy consumption rising as more of our business moves to the cloud, data centers have become a primary focus of our carbon reduction efforts.

As noted earlier, in 2014 we addressed our data center electricity consumption by shifting entirely to a green cloud at SAP. This means that 100% of our energy usage to provide internal and external computation power now comes from renewable sources. At the same time, we began utilizing external data centers to meet the growing needs of our cloud customers. For this reason, our total data center electricity consumption – at both our internal and external sites – increased from 173 to 179 GWh. To reflect our strategic shift towards a cloud delivery model based on internal and external data centers, we decided to normalize total data center

electricity consumption against revenue instead of per SAP employee. On a per million euro basis, this consumption stayed flat at 10.2 megawatt hours (MWh) per million euro revenue between 2013 and 2014.

## **RENEWABLE ENERGY**

Our investment in renewable energy plays a critical role in mitigating our environmental impact, helping us better serve our customers and support a more sustainable energy market. We are committed to buying from renewable sources – in 2014 we focused on solar, wind, and hydro. Our shift in 2014 to 100% renewable energy in all of our data centers and facilities is one of our most significant actions to date to make our operations more sustainable.

In 2014, renewable energy accounted for 100% of our total electricity, compared with 43% in 2013. While we produce a small amount of renewable energy through solar panels in some locations, we mainly rely on the purchase of Renewable Electricity Certificates (RECs) to increase the renewable electricity in our energy mix. We procure RECs that add value and drive change in the electricity market, adopting a set of key criteria to establish high-quality standards, which were aligned with two NGOs. For example, we will consider renewable electricity from biomass only if it is disconnected from coal or other fossil power plants and if the biomass itself is not related to deforestation. In addition, we require that power plants must be no more than 10 years old, as we aim to foster new innovation and production of renewable energy.

---

## Performance

### Waste and Water

---

✓ Assured

#### **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, reduce our operational costs, and engage our employees in our efforts.

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, PCs, peripherals, and a range of mobile devices including tablets and smartphones, that we use to develop our software and serve our customers. The sustainable procurement program complements our waste reduction efforts by offering sustainably produced IT equipment. Despite significant growth of the company we were able to reduce the ratio of Laptops or PCs per user to a ratio of 1.10 (approx. 87,600 devices in use) in 2014 compared to a ratio of 1.18 in 2011. To ensure quality, our software must be tested on multiple devices and on different platforms leading to Laptop or PC user ratio greater than 1.

In 2014, all SAP locations (excl. our latest acquisition Concur) committed to adopt our global disposal process for used hardware. We continued our engagement with our global e-waste disposal partner, who is 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. In addition, we foster IT equipment reuse of “gently used” devices internally if applicable through used equipment shop in several countries (e.g. in Germany and the US). All other used equipment will be resold or recycled in an environmentally friendly manner depending on the condition of the equipment (e.g. recycling quota for Germany: 98%).

#### **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 12 kilotons of waste in our offices, cafeterias, and product packaging worldwide in 2014, which is equivalent to 12 kilotons in 2013.

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. SAP Labs in Bangalore, India, has installed an “organic waste converter” to recycle organic waste from the large food services and cafeteria operations on its campus into odor-free, homogenized compost. At SAP in Palo Alto, an externally certified zero waste management system led to a landfill diversion rate of nearly 100% of the entire waste produced and significant savings over the past 3 years. At SAP in Dublin, California applying the same

leading practice resulted in 90% waste diversion within the first months of operations in 2014 and is expected to achieve zero waste status in the near future. As part of our ISO 14001 program this zero waste practice will be rolled-out on a site by site basis.

Beyond recycling, we try to use more sustainable materials in our business. For example, while we seek to encourage electronic downloads of our software, we package our software compact discs in cardboard and paper instead of plastic when customers request a physical disk. By the end of 2015 employees in our EMEA locations will only use recycled paper, and we are seeking to expand the availability and use of recycled paper globally. From 2009 to 2014, we have reduced our paper usage by more than 34 % through a global printing optimization initiative that, among other improvements, sets our printers to a default setting for double-sided printing and black-and-white printouts instead of color. In 2014, we started to roll out a new pull printing system for our multifunctional devices in public printer rooms under which our employees must bring their badge to the printing room to activate a job – thereby heightening awareness and adding a step to the printing process. At the end of 2014 more than 25,000 employees are using the new Secure Pull Printing method. A printing dashboard – available for all SAP employees – helps create awareness by showing the company's progress toward reducing its paper consumption on global, regional, and country levels.

#### **USING GRAY WATER, INSTALLING WATERLESS BATHROOM 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 972,000 cubic meters of water worldwide in 2014 (941,000 cubic meters in 2013). 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 bathroom fixtures, pressure reduction valves, and reduced-flush toilets. We have very few offices in areas with extreme water scarcity. For example, in Bangalore, India, we address this issue with a dedicated water management that ranges from technical changes to reuse of treated sewage water and employee awareness campaigns.

As in other areas, we pursue innovation to drive further improvements. For example, in the SAP Vancouver location we use heat exchange from collected rain water to cool our local data center.



## About This Integrated Report

### GRI Index and United Nations Global Compact

The social and environmental data and information included in the SAP Integrated Report 2013 is prepared in accordance with the core option of the international guidelines G4 of the Global Reporting Initiative (GRI).

#### General Standard Disclosures

General Standard Disclosures	Links and Content	External Assurance	Global Compact Principles
<b>Strategy and Analysis</b>			
G4-1	<a href="#">Letter from the CEO</a>		
<b>Organizational Profile</b>			
G4-3	<a href="#">Overview of the SAP Group</a>	✓	
G4-7	<a href="#">Investor Relations</a>		
G4-8	<a href="#">Customers</a>	✓	
G4-9	<a href="#">Headcount;</a> <a href="#">Subsidiaries, Associates, and Other Equity Investments</a> <a href="#">Consolidated Financial Statements</a>	✓	
G4-10	<a href="#">Chart Generator</a>		6
G4-11	<a href="#">Human Rights and Labor Standards</a>	✓	3
G4-12	<a href="#">Sustainable Procurement</a>	✓	
G4-13	There were no changes with significant impacts regarding our supply chain.	✓	
G4-14	We support a precautionary approach towards environmental management. While we see little apparent risk for our own operations, we do see an opportunity to help our customers anticipate and manage this risk in a more agile and responsive fashion through effective product lifecycle management and sustainable design.	✓	7
G4-15	<a href="#">Memberships</a>	✓	
G4-16	<a href="#">Memberships</a>	✓	
<b>Identified Material Aspects and Boundaries</b>			
G4-17	<a href="#">Subsidiaries, Associates, and Other Equity Investments</a> All entities are covered by the report.	✓	
G4-18	<a href="#">Materiality;</a> <a href="#">About This Report</a>	✓	
G4-19	<a href="#">Materiality</a>	✓	
G4-20	<a href="#">GRI Content Index;</a> <a href="#">Environmental Non-Financial Notes;</a> <a href="#">Social Non-Financial Notes</a>	✓	
G4-21	<a href="#">GRI Content Index;</a> <a href="#">Environmental Non-Financial Notes;</a> <a href="#">Social Non-Financial Notes</a>	✓	
G4-22	<a href="#">Environmental Non-Financial Notes;</a> <a href="#">Social Non-Financial Notes</a>	✓	

G4-23	Environmental Non-Financial Notes; Social Non-Financial Notes	✓	
<b>Stakeholder Engagement</b>			
G4-24	Stakeholder Engagement		
G4-25	Stakeholder Engagement		
G4-26	Stakeholder Engagement We have not engaged stakeholders specifically as part of the report preparation process.		
G4-27	Stakeholder Engagement		
<b>Report Profile</b>			
G4-28	About This Report	✓	
G4-29	March 21, 2014	✓	
G4-30	About This Report	✓	
G4-31	Contact		
G4-32	GRI Content Index	✓	
G4-33	Independent Assurance Report; Governance for Integrated Reporting	✓	
<b>Governance</b>			
G4-34	Governance; Sustainability Management and Policies	✓	
<b>Ethics and Integrity</b>			
G4-56	Business Conduct	✓	10

## Specific Standard Disclosures

DMA and Indicators	Links and Content	Omissions	Boundaries	External Assurance	Global Compact Principles
<b>Material Aspect: Business Conduct</b>					
DMA	Sustainability Management and Policies; Business Conduct; Materiality			✓	10
SO3	Business Conduct		SAP	✓	10
SO4	Business Conduct		SAP	✓	10
SO5	Business Conduct		SAP	✓	10
SO6	Public Policy		SAP	✓	10
SO7	Litigation and Claims		SAP	✓	
SO8	Litigation and Claims		SAP	✓	
<b>Material Aspect: Climate and Energy</b>					
DMA	Sustainability Management and Policies; Sustainable Procurement			✓	8
EC2	Risk Management and Risks Energy and Emissions In addition, SAP provides details on risks and opportunities related to climate change through the CDP		SAP + outside		7
EN3	Energy and Emissions Environmental Non-Financial Notes		SAP	✓	7, 8
EN4	Energy and Emissions		outside		8
EN5	Energy and Emissions		SAP	✓	8

EN6	Energy and Emissions		SAP	✓	8, 9
EN8	Waste and Water	Our operations are not water-intensive. Therefore, we do not report on the sources of water withdrawal.	SAP	✓	7, 8
EN15	Energy and Emissions; Chart Generator; Environmental Non-Financial Notes		SAP	✓	7, 8
EN16	Energy and Emissions; Chart Generator; Environmental Non-Financial Notes		SAP	✓	7, 8
EN17	Energy and Emissions; Chart Generator; Environmental Non-Financial Notes		outside	✓	7, 8
EN18	Energy and Emissions		SAP + outside	✓	8
EN19	Energy and Emissions		SAP + outside	✓	8, 9
EN23	Waste and Water	Our operations are not waste-intensive. Therefore, we do not report on the different types of waste and disposal methods.	SAP	✓	8
EN30	Energy and Emissions; Environmental Non-Financial Notes		SAP + outside	✓	8
EN32	Sustainable Procurement		outside	✓	8
<b>Material Aspect: Financial Performance</b>					
DMA	Sustainability Management and Policies; Materiality; Report on Expected Developments; Report from the Supervisory Board We are working with our customers to understand the impact our solutions have on their success and document this in case studies. This is in line with the expectations of our stakeholders as well as public policy makers. SAP does not conduct community assessment programs.			✓	
N/A	Report on Economic Position		SAP	✓	
EC8	Our Customers		outside		9
<b>Material Aspect: Human Capital Management</b>					
DMA	Sustainability Management and Policies; Sustainable Procurement; Human Rights and Labor Standards			✓	1, 2, 3, 4, 5, 6
LA1	Employees and Social Performance; Chart Generator	A breakdown of new employee hires by age group and gender as well as total numbers is proprietary information for SAP.	SAP	✓	6
LA6	In Germany, we measure the accident rate with a "1000-	Injuries, diseases, lost days, or absenteeism are not a	SAP	✓	

Mann-Quote" (TMQ). This is calculated as the number of reportable accidents × 1000 employees/number of full-time equivalents. Reportable accidents are work-related and include commuting accidents that result in more than three days of absence from work. In 2014, the TMQ was 4.2 (3.5 in 2013). We also measure the accident rate per one million working hours. In 2014, this value increased to 2.7 reportable accidents per one million working hours (2.2 in 2013).

material issue for SAP as we track our [Business Health Culture Index](#) on a global basis.

LA9	<a href="#">Employees and Social Performance</a>	Training hours split by gender and employee category are not a material issue for SAP as we align our training activities according to the needs of each employee and do not tolerate discrimination.	SAP	✓	6
LA10	<a href="#">Employees and Social Performance</a> For continued employability and managing career endings, SAP has dedicated staff to support generational intelligence. These experts work on continuously improving processes and designing programs for sustaining employability as long as possible; providing training for cross-generation collaboration; managing career endings in a flexible way (for example, part-time options); and keeping employees connected with the company after retirement. SAP also participates in external research studies and networks on workforce demographics to share and learn about best practices in this field.		SAP	✓	
LA11	<a href="#">Employees and Social Performance</a>	The split by gender is proprietary information for SAP.	SAP	✓	6
LA12	<a href="#">Employees and Social Performance; Chart Generator</a>		SAP	✓	6
LA14	<a href="#">Sustainable Procurement</a>		outside	✓	
HR4	<a href="#">Human Rights and Labor Standards</a>		SAP	✓	3
HR5	<a href="#">Human Rights and Labor Standards</a>		SAP	✓	5
HR6	<a href="#">Human Rights and Labor Standards</a>		SAP	✓	4
HR10	<a href="#">Sustainable Procurement</a>		outside	✓	2
<b>Material Aspect: Intellectual Capital Management</b>					
DMA	<a href="#">Sustainability Management and Policies; Customers</a>			✓	
PR5	<a href="#">Customers</a>		SAP	✓	



**Material Aspect: Security and Privacy**

DMA	Sustainability Management and Policies; Security and Privacy; Materiality			✓	
PR8	Security and Privacy		SAP + outside	✓	1