
Sustainability Management and Policies

- We recognize that sustainability activities of SAP are a sound business case.
- We hold ourselves accountable through our policies, goals, and audit programs.
- To help our customers to run more sustainable businesses, we strive to become an exemplar ourselves by transforming our own processes and integrate holistic thinking.

Over the past several years, we made a commitment to move 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 some 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 to help our customers manage their sustainability activities across the value chain. To enable this federated approach, each board area at SAP has appointed a dedicated sustainability contact who reports directly to the respective Global Managing Board member.

One of our primary aims is to demonstrate how sustainability not only aligns with our business objectives, but also benefits the top and 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 financial officer (CFO), who holds the dual role of chief operating officer (COO), is ultimately responsible for this area. In addition, our CFO/COO is the board sponsor for sustainability.

The chief sustainability officer has several major responsibilities focused on our sustainability performance, our efforts to embed sustainability into our core business, and our external relationships and communication. Under their leadership, our sustainability organization works with leaders across SAP to monitor our environmental, social, and economic performance.

ENSURING THAT ROLES, RESPONSIBILITY, 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, contributing to our integrated reporting, and stimulating new sustainability initiatives in other parts of the organization
- A team of sustainability experts that design and integrate sustainability into new or existing industry or line-of-business solutions
- Development and solution management professionals creating specific SAP solutions for sustainability
- Global services and support employees

- Dedicated sustainability contacts per board area that focus on board area-specific opportunities to embed sustainability into their respective business
- A Corporate Social Responsibility (CSR) 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 supplier evaluation
- IT operations professionals, who cover issues such as working environment and energy consumed by data centers
- Facility management professionals, who design and manage our facilities based on environmental standards (LEED)
- Local teams in the SAP Labs locations around the world that oversee a range of sustainability projects
- Sustainability communications employees
- Sustainability marketing professionals
- An investor relations team that informs the investment community about our holistic company approach
- A network of local sustainability champions who dedicate 10% of their work to drive sustainability in their respective fields

MANAGING OUR MATERIAL ASPECTS

Responsibilities related to material aspects are managed as follows:

- **Human capital management:** 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.
- **Intellectual capital management:** Included in the solution and technology portfolio through a central portfolio team. Customer loyalty is measured by a dedicated team reporting to the Executive Board member responsible for sales; account managers are responsible for the relationships with their customers.
- **Security and privacy:** Privacy and data protection is 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 cybersecurity task force has been established. In addition, the corporate audit department now has a dedicated security audit team.
- **Financial performance:** The Executive Board retains ultimate responsibility for revenue growth, profitability, and financial stability of the company.
- **Business conduct:** These responsibilities lie with our Global Governance, Risk, and Compliance department, as well as Legal Compliance and Integrity Office (LCIO). The SAP Global Delivery and Export Control Policy clearly defines the management approach and governance ensuring compliance

with import and export regulations relevant for SAP solutions and technology.

- **Climate and energy:** The responsibility for this topic lies within the sustainability team, managed by our chief sustainability officer. The Global Environmental Policy, which was updated in July 2015, lists our 8 environmental targets, including our carbon emissions target, the purchase of 100% renewable electricity for all facilities and data centers, and the increase of electric vehicles in our company car fleet. 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.

DEFINING OUR COMMITMENT THROUGH POLICIES

Our commitment to make SAP a more sustainable company and to manage our impact is defined in our global policies, which can be found online on our Sustainability at SAP section on the public Web site SAP.com. Our policies are applicable to all SAP subsidiaries and are approved by the Executive Board.

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 key performance indicators (KPIs), 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 KPIs 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, 33 SAP locations worldwide – in Austria, Brazil, Bulgaria, Canada, Czech Republic, France, Germany, Hungary, Ireland, Israel, Italy, South Africa, and the United States – have received 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 public Web site 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

Our efforts to become an exemplar of sustainability mainly focus on two areas to affect 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

Employees learn about sustainability through workshops, special events, and other activities aimed at deepening the understanding of our holistic approach to sustainability while connecting to current global trends such as the ratification of the 2030 Sustainable Development Goals in 2015. In addition, deep-dive sessions are offered on areas such as sustainable enterprise mobility, procurement, IT, health, and diversity and inclusion as well as volunteering. We embedded the topic of sustainability into onboarding training for new hires as well as manager training. In addition to our overall sustainability dashboard, every employee can see our environmental performance through specific dashboards detailing impact, such as statistics on printing and commuting. In addition, we also focus our efforts on helping employees understand the relevance of sustainability – not only to their workplaces but also to their daily jobs and our core business – through workshops dedicated to specific organizations and functions within the company.

In 2015, we facilitated open dialog through coffee-corner sessions, virtual all-hands meetings, guided inspirational pavillon tours, and social media. Employees could find out how sustainability is connected to our vision to help the world run better and improve people's lives. They learned of examples through customer impact stories as well as role model stories by SAP leaders and employees. We measure the success of our initiatives through our annual People Survey. In 2015, 90% of our employees agreed with the statement "It is important for SAP to pursue sustainability" compared to 91% in 2014 (and 77% in 2009). 80% of our employees stated "I actively contribute to SAP's sustainability goals," up from 74% in 2014 (and 46% in 2009).

LEADING THE CHANGE

Our leaders also have a key role to play in helping us become more sustainable. For this reason, we continue 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 in addition to employee engagement and satisfaction. The sustainability dashboard, created originally for senior leaders in 2013, helps our employees explore the connections between non-financial and financial performance with breakdowns and benchmarks. Employees can see how their team's business travel contributes to our 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 also helps create transparency on the social performance of our company. Since our last upgrade to the SAP product SAP Smart Business cockpit, executive edition, employees have automatic access to this data.

NETWORK OF SUSTAINABILITY CHAMPIONS

While sustainability requires strong leadership, it cannot be mandated from the top. Our employees help 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 to help the world run better and improve people's lives.

Business Conduct, Ethics, and Integrity

- Our established compliance management system includes detailed policies and procedures for ensuring ethical business conduct.
- Communication and training safeguard a common understanding of what we mean by compliance.
- Our Legal Compliance and Integrity Office enforces compliance to our policies and codes of conduct.

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 includes detailed 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 company 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 2015 additional employee groups were included in this training, such as employees in supporting roles including Corporate Affairs and Global Marketing. 1,103 employees in Global Marketing and 145 employees in Corporate Affairs were trained with an online module. These online training modules are available in nine languages. In addition, 20,213 employees in SAP's P&I group completed an online training on governance for customer commitments. We also continued education on intellectual property (IP), covering how we protect SAP's IP rights and the rights of third parties 2,401 employees completed our IP online training. All online modules include a knowledge test. The Legal Compliance and Integrity Office also held 106 classroom training sessions with 2,633 participants. In our annual Code of Business Conduct Certification 54,507 employees were invited to participate in the certification of the SAP Code of Business Conduct for Employees and 52,588 completed the certification. We established a collaboration with the HR onboarding teams so that general compliance information on relevant policies is included in the onboarding sessions run by HR for new hires. 6,302 new hires joined these sessions in 2015.

In 2015 we launched a compliance communication campaign where we inform all employees in quarterly newsletters on compliance focus topics. We provide general information on the topic, current cases that are in the press and a section for self-reflection where employees are confronted with a hypothetical compliance case. Links to compliance related information are also included, such as our Whistleblower anonymous reporting system, the Legal Compliance and Integrity Office, Corporate Audit, and SAP global policies. We also run polls in the Portal on compliance related questions periodically throughout the year. In addition, this year, based on a new question in the people survey, 73 % of our employees feel encouraged to report on circumstances that could result in criminal fines for individuals or SAP. In 2016 we will benchmark our results against the results of other companies who asked the same question.

- 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 Legal Compliance and Integrity Office conducts awareness calls and meetings
- Local managers send e-mails to their subsidiaries
- Local Codes of Business Conduct are available in local languages where necessary.
- All global policies and guidelines and additional information are available on SAP Corporate Portal

As part of the new SAP Global Security Policy, a mandatory training covering Information Security Fundamentals was rolled out to all employees in November 2015.

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, a Legal Compliance and Integrity Office-DoA, including Compliance approval, is in place.
- **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:** Detailed description of all IFRS accounting matters across entire SAP group.
- **Segregation of duty:** Applies to all IT processes

Additional policies or commitments related to sustainability are under the responsibility of the respective line of Business and can be found at *Our Sustainability Commitments*.

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 96 SAP entities in 67 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. Based on that we determine a risk ranking of countries. To monitor our processes, the Legal Compliance and Integrity 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. In 2015 the outcome of stakeholder interviews run by the Global Governance Risk and Compliance organization was integrated into a scenario based risk assessment that will be launched beginning of 2016 in all SAP countries.

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. Globally we ensure compliance to export controls, embargo and sanctions list with a formalized approval process for sales of all software solutions, which is regularly audited by external parties as well as internal audits.

ENFORCING POLICIES THROUGH OUR LEGAL COMPLIANCE AND INTEGRITY OFFICE

The Legal Compliance and Integrity Office oversees the SAP Code of Business Conduct for Employees ("Code"), as well as all other related policies and our anticorruption program. Since January 1, 2015, the Chief Compliance Officer reports directly to the SAP Group CFO. The direct reporting line to the CFO recognizes the 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, at least annually, 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. Our compliance program was audited and certified according to IBWPS 980 by KPMG in 2012 with regular internal audit follow-up in 2015.

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 Legal Compliance and Integrity Office. In 2015 we piloted respective employee self-service scenarios in Germany and North Americas. Other countries to follow.
- The Legal Compliance and Integrity 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 Legal Compliance and Integrity 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*)
- Legal Compliance and Integrity 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 24 hours per day and 7 days a week, 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

A former Vice President of Sales who was employed by SAP International, Inc., pled guilty and was sentenced to prison for participating in a scheme to violate the Foreign Corrupt Practices Act (FCPA). SAP terminated his employment in April 2014 after learning of his misconduct. The U.S. Department of Justice (DOJ) declined to pursue criminal charges against SAP. The U.S. Securities and Exchange Commission (SEC) instituted administrative cease-and-desist proceedings regarding a books and records and internal control violation of the Securities Exchange Act of 1934. To settle this matter, SAP has agreed to forfeit the \$3.7 million in profits, plus interest thereon, generated in connection with the inappropriate transactions. SAP's settlement with the SEC does not involve any financial penalty or substantive bribery charge against the company.

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 (Afln). Afln 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.

Public Policy

- SAP advises governments on how to drive innovation and address societal challenges through the effective use of digital technologies.
- SAP maintains government relations offices around the world.
- We are a member of several trade associations across the globe.

SAP has developed trusting 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 Belgium, France, Germany, Russia, and the United Kingdom, with Belgium hosting our European Union (EU) 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, India, Saudi Arabia, South Africa, and the United Arab Emirates.

SAP engages 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 a primary goal of promoting the adoption of cloud computing and the creation of a single market for cloud services in Europe.

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 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 High Level Group of the European Innovation Partnership for Smart Cities and Communities to foster sustainable development. Together with the German Chancellor and the Federal Minister of Economics, SAP actively engages in Germany's National IT Summit, which has an overall objective to promote and implement the digital agenda in Germany.

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 addresses the skills gap globally through initiatives such as our SAP University Alliances and SAP Skills for Africa programs, Africa Code Week, EU Code Week, the EU Grand Coalition for Digital Jobs, and the Business Backs Education global advocacy campaign. Together with the Bipartisan Congressional Historically Black Colleges and Universities (HBCU) Caucus, and before members of the U.S. Congress, SAP executives presented Project Propel, an elite SAP initiative to build next-generation talent for the digital enterprise.

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 enterprise mobility.

MEMBERSHIPS IN TRADE ASSOCIATIONS

SAP is a member of several trade associations across the globe, including the U.S. Chamber of Commerce; National Association of Manufacturers; Organization for International Investment; TechAmerica; Information Technology Industries Council; Association of Climate Change Officers; BITKOM; Federation of German Industries; VDMA; Plattform Industrie 4.0; Deutschland sicher im Netz e.V.; Transatlantic Business Council; DIGITALEUROPE; European Roundtable of Industrialists; 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 eligible employees in the United States to support political candidates at the state and federal level. Consistent with U.S. law, SAP SE exercises no control over or influence in the SAP America PAC. SAP America PAC expenditures are transparent and available on the website for the U.S. Federal Election Commission.

Security, Privacy, and Data Protection

- Security, Privacy and Data protection are one of SAP material aspects.
- We address security holistically throughout the software development process and solution provisioning of our cloud solutions.
- Our global data protection and privacy policy secures data privacy in a world of increased access to personal data.

While enabling our customers to Run Simple by tackling 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 a key element of our success. This trust extends to the high quality and security of our entire suite of products and services, 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

Security has always been a very important topic for SAP and our customers. That is why we introduced a secure software development lifecycle to address security holistically throughout the development process.

Our strategy includes:

- A comprehensive global security expert team leading and guiding our development units to build at a high security level from the start of the product planning phase
- 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 react rapidly to reported vulnerabilities
- Security-related service offerings from our service and 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 to oversee the security of our data centers and development organization

SECURE CLOUD COMPUTING

With cloud offerings, our core business applications are now available to everyone, from the largest enterprises to the smallest businesses. Security and data protection principles as well as related requirements are especially critical in the cloud, and we view trust in our security and data protection practices as an important differentiator for the cloud business. Our cloud operations meet international standards for availability, security, and data protection that are among the highest in our industry. Currently, SAP is adding new data centers and consolidating existing data centers to efficiently meet customer demands in the cloud business and meet preferences for local and regional options. Our data center strategy is built on using our own data center locations as well as using co-location providers – both applying similar security and data protection requirements. Throughout all of our data center locations and our worldwide operations, we comply with the European Data Protection Regulation, which provides a very high level of protection, 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, technical, and operational security measures, which are among the highest in the industry. We also have measures to ensure that access to information is limited to a need-to-know basis and meeting a required set of privileges, and that all information is classified to reflect its level of confidentiality and is encrypted as appropriately as possible. 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 have been certified in many areas, including data center operations, software operations, business continuity, and internal inspection. Certifications include SOC1 Type II, SOC2 Type II, ISO 27001, ISO 22301, and BS 10012, among others.

MOBILE SECURITY

To help our customers meet the diverse challenges of enterprise mobility head on, SAP Mobile Secure solutions provide robust mobile device management, mobile application management, and mobile content management. Through these advanced solutions, data, mobile apps, and content can be locked down to meet the strictest security requirements and ensure good protection if a mobile device is lost or stolen. These solutions manage and secure deployments of mobile devices for companies of any size, 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. We adhere to our SAP 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 a top priority of our Executive Board and our legal entities must abide by internal policies and applicable privacy laws.

With regards to data protection requirements, significant changes are expected subject to the upcoming European Data Protection Regulation. Furthermore, SAP is affected by the consequences of the decision of the European Court of Justice (ECJ), which declared Safe Harbor invalid, so that data transfers from within the European Union (EU) to the United States are no longer permitted based on Safe Harbor.

Further, recent landmark decisions by the ECJ on data protection matters, as well as official statements made by the European data protection supervisory authorities require SAP to carefully review our globalized business practices. Most importantly, the ECJ on October 6 ruled that data transfers by European companies to data processors in the United States can no longer be based on Safe Harbor. While SAP has not widely relied upon Safe Harbor, the data protection supervisory authorities have challenged the legality of other transfer mechanisms, such as the Standard Contractual Clauses used by SAP on the same grounds by which the ECJ has declared Safe Harbor invalid. The data protection supervisory authorities have threatened to start enforcement activities as early as end of January 2016 against European companies that still transfer data to the United States (or grant U.S. companies remote access to systems containing personal data in the EU) based on a transfer mechanism that the authorities consider invalid. Enforcement activities against SAP or against SAP customers

because of services and products that SAP provides with the help of our U.S.-based entities and/or U.S.-based suppliers could lead to fines, civil liability, loss of customers, damage to our reputation, and could have an adverse effect on our business, financial position, profit, and cash flows.

Furthermore, SAP already offers an option for our customers by which customers can elect to have their personal data processed in and accessed from within the European Union/European Economic Area (EU/EEA) and Switzerland exclusively. The EU Access service from SAP is available for on-premise systems and a growing number of cloud solutions.

In 2015, SAP did not experience 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.

Sustainable Procurement

- SAP's on premise and cloud procurement solutions support our company in achieving our sustainability goals.
- Our Global Procurement Organization fosters and encourages sustainability throughout the entire supply chain.
- SAP solutions help make our customers and suppliers more sustainable businesses.

SOURCING FROM SUSTAINABLE SUPPLIERS TO FURTHER IMPROVE OUR PERFORMANCE

SAP not only promotes sustainability within the company, but also goes further to work with suppliers in procuring the most sustainable products possible. Throughout, we seek to buy products and services only from suppliers that meet high environmental and social standards. Furthermore, SAP started to partner with the 'Made in a Free World' initiative in order to identify and eliminate potential child and forced labor in our supply chain. Such procurement practices help us create a positive impact and provide levers through which we can reduce our emissions. In addition, working with suppliers that demonstrate a commitment to sustainability enables us to comply with the requirements of our own customers and to lead by example as well.

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

DESIGNING AND UPDATING POLICIES TO MEET THE HIGHEST ENVIRONMENTAL AND SOCIAL STANDARDS

To drive progress throughout our supply chain, SAP has made sustainability an integral part of our Global Procurement Policy, to which all procurement employees must adhere. Our goal is making sustainable procurement a seamless part of our Global Procurement Organization, thereby supporting SAP's overall sustainability goals. This integration involves a continual

evaluation of trade-offs among economic, environmental, and social aspects of our sourcing decisions.

SAP makes social and environmental criteria mandatory in the selection process for new suppliers. To help realize these sourcing practices, a section on sustainability has been added to our global master contracts, asserting the right to receive information from our suppliers in advance on labor rights, health, safety, environmental protection, and other key sustainability issues to protect and comply with our daily business with regards to sustainability.

In addition, our suppliers are required to accept the SAP Supplier Code of Conduct. This code is designed to be based on international standards that are relevant to our industry, including but not limited to, the Electronic Industry Citizenship Coalition (EICC) and the United Nations Global Compact. It contains provisions regarding human and labor rights, corruption and bribery, waste, water, air, and materials.

For applicable goods and services, SAP sources suppliers that provide such goods and services on a local basis, for example, for the food available in our cafeterias. In our SAP Innovation Center in Potsdam, for example, we offer regional and local products. By using predominantly local products in our catering, we demonstrate that we support regional agriculture and thus have a positive impact on the environment.

ASSESSING THE ENVIRONMENTAL AND HUMAN RIGHTS PERFORMANCE OF SUPPLIERS

As part of our supplier management program, within a pilot program running for the USA we ask all new SAP suppliers, just as all our direct suppliers worldwide with an annual spend above € 10k (reached in the reference year 2014) to answer sustainability related questions, which cover their sustainability strategy, dedicated company targets to drive environmental and social improvements, ISO 14001 certification and ensuring of human rights and labor standards. The answers help us to identify risks in our supply chain, as well as areas where we can work with our suppliers to improve performance. We also document the diversity of our suppliers in the United States quarterly.

Our screening has helped to confirm there are no major risks or significant negative impact related to social or environmental performance. As a result, the intervals to conduct additional in-depth impact assessments can be extended. When we identify risks, we assert the right to conduct on-site audits.

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 INCENTIVES TO SELECT PREFERRED SUSTAINABLE PRODUCTS

We remain conscious about what we purchase to run our business, and make it easy for our employees to do the same. Employees can easily identify and buy sustainable IT and office supplies from our SAP Ariba catalog. We have flagged these products with a "green leaf" to help employees make the right decision when buying products needed for everyday business. The green leaf represents products that 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 completely green office supply catalog.

We provide various information on CO₂ emissions for business flights during the booking process with our Concur solution. Through this transparency, our employees can reconsider the CO₂ emissions of business flights in their decision making process.

CO-INNOVATING TO BENEFIT OUR SUPPLIERS AND SAP

Since the beginning of the sustainability team in 2009, our procurement organization has worked closely with key suppliers and internal SAP organizations such as solutions and development to encourage sustainable practices in their respective businesses. We have continued to work directly with suppliers in key areas to ensure measurable improvement:

- **Enterprise mobility:** SAP offers the option of a full year rail travel ticket in Germany, as an alternative to our company car option.
- **Electric vehicles:** See chapter Energy and Emissions.
- **Bicycles:** SAP has begun offering leased bicycles to employees in Germany. SAP has now leased 1,094 bicycles at the end of 2015.
- **Food catering:** We defined key performance indicators (KPIs) 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 and cocoa supply is organic and fair trade. Rollout is planned for selected locations worldwide. Using water dispensers instead of plastic bottles is already standard in most of the locations and should be implemented in all the remaining ones in 2016.
- **Renewable energy:** See chapter Energy and Emissions.
- **Recycling paper:** We now use 100% recycled paper in Germany and in the whole EMEA region. Furthermore, we plan to finalize the rollout globally in 2016, at the latest.
- **Paperless invoicing:** We are achieving a reduction of 150,000 paper invoices annually by utilizing e-invoicing available in cloud solutions from SAP Ariba. Also the travel expense reimbursement process proceeds fully paperless with receipts being scanned by the end users for the countries where original receipts are not needed for archiving.
- **Sustainable events:** In 2015, some events such as CeBIT in Germany were powered by 100% renewable electricity. In 2016, our SAP Development Kick-Off Meeting (SAP d-kom) will be run as a sustainable event. Together with an event agency, we will create a state-of-the-art approach and define KPIs to measure the initiative.
- **Green office materials:** SAP now offers alternative environmental friendlier office materials products in their catalogs. These products are marked with a green leaf; on average one third of our office materials purchased in Germany in 2015 is considered green.

Human Rights and Labor Standards

- SAP respects, supports, and upholds global standards regarding human rights.
- The SAP Global Human Rights Commitment Statement focuses on three main areas: our employees, our ecosystem of partners and suppliers, and our solutions.
- We enforce our standards through targeted training, an auditing process, and grievance procedures.

UPHOLDING STANDARDS FOR OUR EMPLOYEES, OUR ECOSYSTEM, AND OUR SOLUTIONS

As a signatory of the United Nations 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 (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 a SAP Global 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 is 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 are committed to regularly updating the commitment statement and implemented some changes in 2015. As a result, the statement now includes stronger guidance for employee behavior and accountability for each topic, as well as clear

references to our other guidelines (SAP Global Health and Safety Management Policy; SAP Data Protection and Privacy Policy, among others).

We based this commitment statement on a global impact assessment that entailed interviewing stakeholders to assess the issues of greatest importance to SAP. For example, 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 through our SAP Global Human Rights Commitment Statement and SAP 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 conducted in 2015, 76% of employees characterize the climate within SAP as one of trust. 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.

To that end, our 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 (HR), 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. In 2015, we conducted a labor audit in our locations SAP China Labs and AGS operations in Shanghai and Beijing. There were no material findings within the audit. However, areas for improvement were identified and include establishing an employee council, enhancing air quality inside the buildings, and increasing awareness of team-building events.

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 Legal Compliance and Integrity Office (LCIO). 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, the ombudsperson is the main contact person for our global employee base to address issues and settle disputes. This work includes the investigation of employee complaints and the mediation of fair settlements. All employees can reach out to the ombudsperson on a confidential basis. The ombudsperson 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 LCIO oversees our antibribery 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 are represented by works councils. The councils consist of elected union members and non-union members. The councils have the right to be consulted by SAP management on topics that define the work environment and work processes. These include HR initiatives, talent development, payment and benefits, equal opportunities, changes in work or IT processes, privacy protection, and health and safety protection.

Other works councils exist in Belgium, France, Ireland, Italy, the Netherlands, Slovenia, Spain, and the United Kingdom. In addition, since 2012, we have a European Works Council (now SAP SE Works Council Europe) representing employees from all SAP subsidiaries in Europe. This body must be informed or, in special cases, consulted, on important transnational issues.

Collective bargaining agreements with unions are only made in countries where legally required. Overall, about 50% 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 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 require suppliers and partners, respectively, to uphold human and labor rights and to provide a safe and healthy work environment to employees. In addition, we work collaboratively with our suppliers on the implementation of these codes, 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 related SAP Product Standards as well as in the SAP Data Protection and Privacy Policy. In addition, to support inclusion

efforts worldwide, we follow the recommendations of the current versions of the Web Content Accessibility Guidelines and Section 508 of the United States Access Board when designing our products and services.

Waste and Water

- SAP continues to reduce our global e-waste.
- We invest in technology for the composting and recycling of organic and other waste.
- We increase efficiency by using gray water and by installing waterless restroom fixtures.

CREATING A GLOBAL APPROACH TO 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 types 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 range of mobile devices that we use to develop our software. A sustainable procurement program complements our waste reduction efforts by offering sustainably produced IT equipment. Despite the significant growth of the company, we were able to reduce the ratio of laptops or PCs per user to a ratio of 1.09 (approximately 90,000 devices in use) in 2015 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 2015, we continued our engagement with one of the world's most sustainable companies as our e-waste disposal partner. This partner adheres to ISO 14001 standards and ensures that we have one uniform disposal process for e-waste. In addition, we support the reuse of "gently used" IT equipment internally if applicable through used equipment shops in some countries (in Germany and the United States). All other used equipment is resold or recycled in an environmentally friendly manner depending on the condition of the equipment (recycling quota for Germany: 99%).

COMPOSTING AND RECYCLING OUR ORGANIC AND OTHER WASTE IN LOCATIONS WORLDWIDE

In addition to e-waste, we estimate that we generated approximately 18 kilotons of waste in our offices, cafeterias, and product packaging worldwide in 2015 (2014: 12 kilotons).

To reduce this waste, we run comprehensive recycling programs for our offices and cafeterias. For example, we process leftover food in our Walldorf headquarters in an external composting plant. The SAP Labs location in Bangalore, India, has installed an "organic waste converter" to recycle organic waste from its larger food services and cafeteria operations into odor-free, homogenized compost. At SAP offices 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 three years. At SAP offices in Dublin, California, applying the same leading practice resulted in 95% waste diversion near the end of 2015. The SAP office in Vancouver is now approaching 81% waste to landfill diversion using the same leading practices. SAP America headquarters in Newtown Square, Pennsylvania, is currently in the zero waste program development. As our zero waste practice proved successful, we continue to roll it out and transfer these experiences to all our other sites across the globe as part of our ISO 14001 program across SAP, starting in North America.

Beyond recycling, we try to use more sustainable materials in our business. For example, while we seek to encourage electronic download of our software, we package our software compact discs in cardboard and paper instead of plastic when customers request a physical disk. By end of 2015, employees in our EMEA locations only use recycled paper, and we are seeking to expand the availability and use of recycled paper globally. From 2009 to 2015, we have reduced our paper usage by almost 25% 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 2015, we continued our rollout of a new secure pull printing system on devices in public printing rooms that started in 2014. Employees must bring their ID badges to the public printing

room to activate a job – thereby heightening awareness and adding a step to the printing process. At the end of 2015, we finished the global rollout with more than 56,000 employees using this secure pull printing method. Since Q3/2014, our printing volume has been reduced by 13.7 million pages. A printing dashboard – available to all SAP employees – shows the company's progress in reducing paper consumption on global, regional, and country levels.

In 2016, we plan to pilot an employee mobile app that will give employees their personal carbon footprint. The app will provide key figures such as number of printed pages or total gas consumption of a company car. We expect this will further create awareness towards the employees and will support the effort of changing working behaviors to act even more sustainable.

USING GRAY WATER, INSTALLING WATERLESS FIXTURES, AND APPLYING 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 1,060,000 cubic meters of water worldwide in 2015 (2014: 972,000 cubic meters). As part of our efficiency efforts, we use rain and run-off water for irrigation and toilets in Walldorf, Germany, and other office locations. In some of our offices in Brazil, Canada, India, Israel, Singapore, Switzerland, and the United States, we have installed waterless restroom fixtures, flow restrictor valves, and reduced-flush or dual-flush toilets. For example, at SAP Labs in São Leopoldo, we reduced 37% of potable water consumption, optimizing sewage treatment operation when compared to 2014. A few of our offices are located in areas with significant water scarcity. In locations such as Ra'anana, Israel, or in Bangalore, we address this issue with dedicated water management efforts that range from sound water management and reuse of treated sewage water to employee awareness campaigns.

Employees and Social Investments

- At SAP, we encourage the well-being of our employees and our organization so we can master the challenges of a digital and global workplace.
- We enable our people to perform at their best so they can help our customers succeed in the digital economy. At SAP, everyone is a talent.
- Our “How We Run” set of behaviors describes how we get things done and is at the very heart of our culture.

OUR HR STRATEGY IS BUILT FOR OUR PEOPLE

At SAP, we put our customers at the center of everything we do. It is our employees who are helping our customers succeed in the new digital economy and enabling us to become THE cloud company powered by SAP HANA. Therefore, we are fully committed to the people side of our business.

As digital advances change customer expectations, they also fundamentally change the ability of our employees to have a greater share of voice in defining their own work experiences. Today's talents expect a diverse, agile, and yet highly personalized workplace that is in line with individual needs. They expect inspiring and caring leaders who can rethink how we collaborate to drive innovation. Similarly, they expect meaningful learning and career opportunities – all of which are powered by pervasive technology.

Our human resources (HR) strategy is to create a culture that is able to deal with the complexity, speed, and volume of a digital workplace – a culture that inspires innovation, leads change, and creates ultimate employee satisfaction. We want employees to learn and grow, leaders to engage and develop amazing talent, and organizations to be simple and agile. With our three guiding principles of simplification, standardization, and customer satisfaction, we stay focused on our ultimate goal, which is a seamless, simple employee experience. Ultimately, our HR strategy supports the creation of an HR organization that is built on cloud technology to Run Simple.

GETTING THE RIGHT TALENT IN THE RIGHT PLACE AT THE RIGHT TIME

To support SAP's transformation to THE cloud company powered by SAP HANA, it is important to understand what it means to operate with a cloud mindset. Part of this transformation means not only changing the way we hire new talent, but also developing and retaining our employees.

In 2015, approximately one quarter of all external hires are considered “early talents” (hires with professional experience of up to two years). This success is due to ambitious early talent hiring targets, increased hiring activities in areas of diversity, expanded use of the SAP SuccessFactors Recruiting solution as our recruitment management system as well as the continued recognition of SAP as an employer of choice. In fact, SAP was recognized in Brazil, Greater China, India, and Japan by the Great Place to Work Institute, and named by Forbes as a “Best Employer” in 2015.

Once we hire new talent, we make sure that the onboarding experience is an engaging and inspiring one. To this end, we offer dedicated new-joiner programs. In addition, we closely collaborate with 2,300 universities on international events such as student meet-ups, info days, or coding events, such as InnoJams, and many other events through our SAP University Alliances program.

Another cornerstone in our efforts to recruit early talent is our vocational training program, which allows students to work towards their university degree while gaining valuable SAP business experience at the same time. The program has a clear

focus on IT related areas such as Development, Services/Consulting and IT. As of October 2015, 880 vocational training students were enrolled in the program that originally started in Germany. A few years ago, we extended the program into key markets such as China and India, and added Hungary, Ireland, and the United States recently. In 2015, 210 vocational training graduates around the world started their professional careers with an SAP contract. Overall, we measured a conversion rate for vocational training students of 63% in 2015 (2014: 59%). The high-performance ratings of the students after graduating prove the success of the program.

In the area of people development, we continue with our philosophy of “everyone is a talent” that came to life in 2013. Major achievements are:

- Simplifications to our performance management process and tools to further improve the overall employee experience in our cloud-based Success Map tool
- Development offerings for specific groups such as early talents, experts, and fast-track employees
- Introduction of Career Success Centers around the world that provide dedicated career development support
- Introduction of a globally consistent succession management approach for executive roles

To fund our continued investments in growth areas including cloud, SAP HANA, and business networks we scaled back in areas where we see no significant growth in the future. As part of this program, roughly 3,000 employees moved into new jobs or left SAP. To manage these transitions while remaining people-centric, we use a mix of measures, including voluntary and early retirement programs that have proven very successful.

The overall retention rate in 2015 was 91.8% (2014: 93.5%). We define retention as the ratio of average number of employees minus voluntary attrition to the average number of employees (in full-time equivalents). High retention is something we are aiming for as reflected in all our activities to drive high employee engagement.

ENGAGING OUR PEOPLE THROUGH IMPACTFUL AND INSPIRATIONAL LEADERSHIP

At SAP, we see leadership as a profession. We make leaders accountable, and create a consistent leadership culture across the organization to ensure the engagement and advancement of our people.

Our leadership principles (ensuring customer success, driving simplicity, developing amazing talent) remain the foundation for leadership at SAP. With the demands of digitization, our leaders must operate with a comprehensive end-to-end view that focuses on delivering both immediate and long-term value for customers while optimizing operations. However, our leaders also need to focus on attracting and retaining talent with the

right skills and digital mindset in a competitive market where digital skills are scarce.

In 2015, we continued to move the needle of leadership trust measured by our People Survey 2015 that ran in October. In 2015, the overall leadership trust score for people leaders, which uses the Net Promoter Score (NPS) methodology, was 52.3% compared to 46.8% for 2014 against a target of 51%. For 2016, we are committed to keep the 2015 leadership NPS value of more than 52%.

We need leaders at every level who internalize what it will take to achieve our strategy, have the mindset to amplify the intelligence and capabilities of everyone around them, and have the ability to accelerate business transformation. In 2015, we mandated a three-day program for all our top leaders that resulted in each leader creating an individual plan for how they will lead SAP’s transformation. In 2015, we also launched a flagship program for first-level people leaders who are responsible for guiding 75% of SAP’s workforce. Corresponding programs go live in the first quarter of 2016 for mid- and executive-level leaders. All programs are mandatory for people leaders who aspire to advance in their career.

In July 2015, leaders and selected high-performing employees participated in a virtual leadership summit with a focus on cascading consistent messaging for SAP’s digital business framework. This provided critical alignment for our strategy and the channels to communicate it throughout SAP. The summit included an in-depth financial update, positioning and messaging for the digital business framework and an aggregate report of the recently completed leadership assessments for the top 250 leaders.

MAKING LEARNING A COMPELLING EXPERIENCE FOR EVERYONE

Our learning culture supports employees at all levels and roles in their learning efforts. Building on our philosophy of “everyone is a talent,” we want to maximize the skills of all our employees. 2015 was a major year for learning at SAP, with a focus on stronger governance and increased transparency on how we spend our learning funds.

Professional development offerings (self-paced online programs that include language learning as well as technical and soft-skills training) are open to all employees. In addition to learning portfolios offered by board areas, virtual self-paced programs support employees building impactful development plans that meet their career goals. Our peer-to-peer learning portfolio includes coaching, mentoring, job shadowing, and facilitation opportunities. Our Global Coaching program received the 2015 International Coaching Federation Prism Award. Similarly, our Global Customer Operations (GCO) University program won the Brandon Hall Gold Award for Excellence in Sales Performance.

In 2015, we also hosted many learning culture workshops as well as virtual and in-person coffee corner sessions worldwide as an opportunity to foster exchange with peers and managers.

CREATING AN ENVIRONMENT THAT DRIVES INNOVATION, PERFORMANCE, AND ENGAGEMENT

It is our goal to create an environment and a workplace that drives innovation, high performance, and employee satisfaction; we do so by providing the following benefits and activities:

- In 2015, SAP again offered a Share Matching Plan (SMP) that enables employees to purchase discounted shares and receive additional matching shares. Employees also received Restricted Stock Units (RSUs) under the Employee Participation Plan (EPP), as well as a Stock Option Plan (SOP) that rewards selected employees and executives.
- To help make our employees' lives easier when dealing with people-related topics, we continue to transform our entire HR-IT landscape with the ongoing implementation of SAP SuccessFactors solutions.
- With our "Accelerate Winning in HR" initiative, our HR organization helps support business goals with our domain and functional knowledge. In 2015, approximately 130 HR experts supported sales teams in HR deal engagements. We were able to convey a true "SAP Runs SAP" story to potential customers with our SAP expertise.

As another example, SAP again sponsored "People Weeks," a two-week program designed for employees to learn from each other, exchange ideas, and cultivate a greater connection across cultures, genders, and generations. Under the motto "Shine through the Cloud," the event reached 25,000 employees in 75 locations and 52 countries.

PROMOTING INCLUSION, WELL-BEING, AND SOCIAL INNOVATION

Diversity and Inclusion

An inclusive culture inspires greater innovation, helps us better connect with and serve our customers, fosters employee engagement, and makes SAP a more attractive workplace. At SAP, our diversity and inclusion efforts focus on four key areas:

- Gender intelligence
- Cross-generational intelligence
- Differently-abled people
- Culture and identity

SAP has publicly stated our commitment to achieve a workforce of 25% women in management by the end of 2017. We have made great strides toward our goal, with year-over-year growth from 21.3% in 2014 to 23.6% in 2015.

We offer executive sponsorships for women and strive for a qualified, equally distributed hiring shortlist that aligns with our corporate diversity targets. Additionally, we offer the Leadership

Excellence Acceleration Program (LEAP), a highly respected and award-winning development program that helps prepare high-potential women for leadership roles at SAP. In May 2015, SAP co-sponsored the first Women's Leadership Summit at the SAPPHIRE NOW conference.

Additional initiatives to support female careers at SAP include the Women's Professional Growth Webinar series, the Business Women's Network, and the Women@SAP online community.

For our commitment to gender equality in the workplace SAP America was awarded with the Economic Dividends for Gender Equality (EDGE) certificate as the first technology company in the United States.

Our Autism at Work program, an initiative that enables people with Autism Spectrum Disorder (ASD), continues to gain momentum and recognition. In October 2015, we also launched the program in Australia. Now implemented in eight countries, the program has won numerous accolades including the Catalyst Award of the US organization The Arc, for people with intellectual and developmental disabilities, and others. SAP is committed to having 1% of our total workforce composed of individuals with ASD by 2020. As of today, SAP counts a total of approximately 100 ASD employees. These employees can add enormous value to our ability to innovate with their high attention to detail in development and data analysis and contribute to us as a diverse company.

SAP has also made great strides in other areas such as the advancement of lesbian, gay, bisexual, and transgender (LGBT) rights. The Global Pride@SAP employee network has grown to more than 5,000 members, sponsoring numerous activities and initiatives throughout the year. In April, SAP joined the Human Rights Campaign (HRC) Business Coalition for Workplace Fairness in the United States, supporting the U.S. Employment Non-Discrimination Act (ENDA). SAP earned top scores in the HRC Foundation's 2016 Corporate Equality Index.

In early 2015, our "How We Run" initiative was launched. Its outcome replaced the SAP passions by defining behaviors that describe what makes SAP unique. In a bottom-up approach, employees had the opportunity to define the behaviors that link SAP's culture to its strategy. The result was five distinct behaviors:

- "Tell it like it is"
- "Build bridges, not silos"
- "Keep the promise"
- "Stay curious"
- "Embrace differences"

Health and Well-Being

We invest in extensive employee benefits, programs, and services that truly make people's lives better:

- Corporate Oncology Program for Employees (COPE) is available in Canada, Germany, and the United States. COPE offers employees facing cancer an individual, cost-free tumor analysis and interpretation based on TreatmentMAP™ by our external partner Molecular Health.
- Health Checkup for Executives is a one-day, one-on-one health checkup program for executives.
- Take Charge of Your Health and Well-Being program empowers employees to make the right decisions for their health and well-being.
- Health Ambassador Network is a global network that strengthens our focus on health in office locations and helps identify best practices.
- Local offerings, such as skin screening, on-site gyms and activity classes, mindfulness practice, eyesight testing, and health awareness sessions, are available to employees.

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.

The positive trend of the BHCI continued, achieving 75% compared to 72% in 2014. The BHCI for 2014 was recalculated from 70% to 72% based on two questions in the People Survey concerning work-life balance. The changes were done to simplify the questionnaire and to achieve better comparability against external benchmarks. With the very positive result in 2015, we see the first indications that a health-focused culture has a significantly positive impact on employees. In an ever-changing environment and with SAP's transition into the cloud, we firmly believe that the very good financial results of SAP for 2015 were supported by the BHCI results. Based on 2015 data, a change by one percentage point of the BHCI would have an impact of €75 million to €85 million on SAP's operating profit. For more information, see the *Integrated Performance Analysis* section of the SAP Integrated Report online.

Engaging in Social Investments

One of the major challenges for SAP and our customers on the digital transformation journey will be ensuring there is enough skilled talent around the world. The demographics are daunting with more than one billion young people on the planet, 85% living in developing countries, and more than 90 million unemployed. At the same time the global economy will be facing a shortage of 40 million highly-skilled workers by 2020. To help bridge this skills gap and support economic development, SAP's social investments focus on equipping the world's youth with the skills they need to tackle society's problems and thrive in the digital economy.

Our corporate social responsibility (CSR) programs do this in two main focus areas: building the capacity of innovative social enterprises that put young people on the path to successful careers, and building a skilled workforce for the IT sector with skills, training or workforce development programs.

A core component of our CSR approach is pro-bono volunteering activities that use employees' core skills for social good. These programs help strengthen leadership competencies while delivering needed services to communities and individuals worldwide. Now in its fourth year, the SAP Social Sabbatical is a short-term assignment for key talents who work in diverse teams to solve business challenges for the education and social entrepreneurship sector in emerging markets. In 2015, the program was expanded to include work with local organizations in an employee's region. As of 2015, more than 40,000 pro-bono service hours were attributed to 163 employees for 57 organizations. These include AhoodooTec, a tech startup in Addis Ababa, Ethiopia, that develops Web applications and mobile apps for secondary school education, and Livox, a Brazilian startup that makes accessibility software to help people with disabilities speak and learn.

SAP launched the very successful Africa Code Week, which trained nearly 90,000 children on coding in one week in October 2015. Young people from 17 African countries took part in the more than 3,000 free coding workshops.

In 2015, the world's eyes were opened to the breadth of the global refugee crisis. SAP's leaders and employees felt strongly that SAP could make an important contribution and committed to a broad holistic approach. The program covered internship opportunities for at least 100 refugees as well as humanitarian assistance. Through employees giving more than €200,000 and CSR commitments, SAP pledged more than €900,000 to immediate relief, long-term education, and integration projects to assist refugees. In addition, SAP joined forces with the Grammy-award winning band Imagine Dragons to launch the One4 project under the hashtag #One4. Imagine Dragons donated the proceeds from their song "I Was Me" to the UN Refugee Agency (UNHCR). Further, SAP is donating 10 U.S. cents for every download up to the first five million downloads from iTunes.

Listening to Our People

Our past People Survey scores revealed that our employees were committed to executing the strategy but needed support to translate the strategic direction into their daily lives. Subsequently, we decided to continue our focus on this key topic in 2015. Across the five waves of our quarterly strategy checkpoint survey in 2014 and 2015, there was a steady increase in strategy adoption. By the end of September, more than 8 out of 10 employees say they are aware of the strategy, understand it, and are committed to executing it. We continue to measure the success of strategy adoption in 2016, along with the adoption of the key cultural elements that are the How We Run behaviors and leadership principles.

To measure the achievements of these respective initiatives, we conducted our People Survey from October to November. We are able to link our financial and non-financial performance to employee engagement. A change by one percentage point of the

Employee Engagement Index (EEI) would have an impact of €40 million to €50 million on SAP's operating profit. For more information, see the *Integrated Performance Analysis* section of the SAP Integrated Report online. Employee engagement remains one of SAP's corporate objectives, along with growth, profitability, and customer loyalty.

The 2015 People Survey results are extraordinarily positive. The Employee Engagement Index shows a steady increasing trend (81%, up by 2pp). This is the highest EEI score since 2010. The employee satisfaction went up in nearly all aspects and questionnaire items.

As a company that sets out to make the world run better and improve people lives, we cannot stop here. Based on the survey results, we decided to focus, in particular, on two areas in 2016: our efforts to simplify our processes and our ability to innovate. Employee engagement will remain one of our Company-wide strategic goals, and thus we remain committed to achieving 82% in 2016. This is an ambitious goal since in comparison to external norms as the current level of engagement is already in the top 10%. Similarly, we focus on the simplification of HR service offerings with our internal HR Run Simple program. The measurement of our internal HR customer satisfaction delivers actionable insights for prioritizing the strategic investments and deployment of resources as well as for creating efficiency through continuous improvements or decommissioning of services.

HEADCOUNT

On December 31, 2015, we had 76,986 full-time equivalent (FTE) employees worldwide (December 31, 2014: 74,406). This represents an increase in headcount of 2,579 FTEs in comparison to 2014. The average number of employees in 2015 was 75,180 (2014: 68,343).

We define 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 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 temporary employees is not material.

On December 31, 2015, the largest number of SAP employees (44%) were employed in the Europe, Middle East, and Africa (EMEA) region (including 23% in Germany and 21% in other countries of the region), while 29% were employed in the North America and Latin America (Americas) region (including 21% in the United States and 8% in other countries of the region) and 27% in the Asia Pacific Japan (APJ) region.

Our worldwide headcount in the field of cloud and software decreased less than 1% to 14,991 FTEs (2014: 15,074). Services counted 15,085 FTEs at the end of 2015 – an increase of 3% (2014: 14,639). Our R&D headcount saw a year-over-year

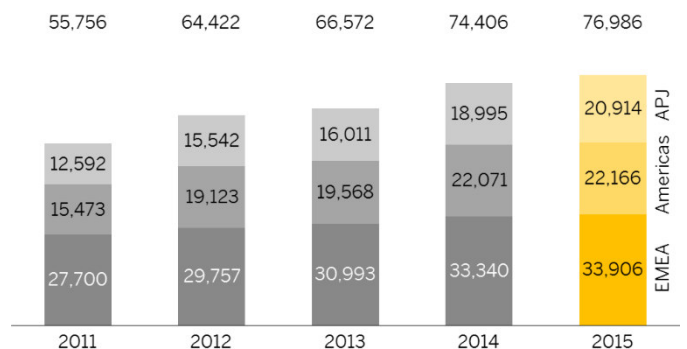
increase of 11% to 20,938 FTEs (2014: 18,908). Sales and marketing headcount grew by 1% to 18,206 FTEs at the end of the year (2014: 17,969). General and administration headcount stayed constant at 5,024 FTEs at the end of the year (2014: 5,023). Our infrastructure employees numbered 2,743 FTEs – a decrease of 2% (2014: 2,794).

In the Americas region, headcount (FTEs) increased by 95, or less than 1%; in the EMEA region, the increase was 566, or 2%; and in the APJ region, it was 1,919, or 10%.

Our personnel expense per employee increased to approximately €135,000 in 2015 (2014: approximately €115,000). This rise in expense is primarily attributable to an increase in salaries, employee-related restructuring expenses, share-based payments, and a significant rise in the share price in 2015. 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 we employ, see the Notes to the Consolidated Financial Statements section, *Note (7)*.

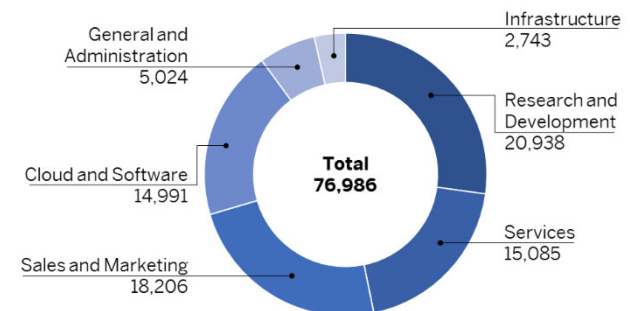
Number of Employees

Full-Time Equivalents (FTEs)



Employees by Functional Area

Full-Time Equivalents (FTEs)



Environmental Performance: Energy and Emissions

- We continued to procure 100% renewable electricity in 2015.
- Carbon emission offsets were introduced for business flights.
- We continued to drive the expansion of the environmental management system (ISO 14001).

In 2015, we made significant progress toward our goals for the reduction of greenhouse gas emissions, taking advantage of the digitalization and green technology trends that are driving transformational changes across the global economy. These trends can have a significant impact on energy consumption and greenhouse gas emissions. We are applying these trends to our own business and helping our customers apply them to their businesses. For example, by enabling business model transformation, using advances such as smart grids and the Internet of Things, SAP is helping connected digital business networks reduce overall carbon footprints.

STRENGTHENING OUR “GREEN CLOUD”

We see that energy consumption in data centers is closely related to innovation and customer adoption of our solutions. 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 CO₂ offsets. In assessing our environmental impact, we focus on energy usage throughout SAP, as well as greenhouse gas emissions across our value chain.

REDUCING GREENHOUSE GAS EMISSIONS

Our goal is to reduce the net greenhouse gas (GHG) emissions from our operations to levels of the year 2000 by 2020. This target includes all direct and indirect emissions from running our business (GHG Protocol 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 choose to

focus on those emissions over which we have direct control or ability 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 commitment for 2020, we have derived annual targets for our internal operational steering. Despite integrating new acquisitions in 2015, our total net emissions decreased to 455 kilotons CO₂ (2014: 500 kilotons). This decrease stems primarily from a reduction of business flights and compensation with carbon emission offsets. We are effectively compensating the emissions from those customer systems that have moved into our green cloud. Given the large size of our customers' CO₂ footprints and our growth strategy in the cloud, we see significant potential to reduce both our own and our customers' environmental impact.

Since the beginning of 2008, our focus on carbon emissions has generated a cumulative cost avoidance of €346 million, compared to a business-as-usual scenario. This leads to an avoidance of €124 million in the past three years, with €39.8 million avoided in 2015 alone.

INVESTING IN ENVIRONMENTAL INNOVATIONS

We are pursuing new strategies to contend with the ongoing tension between growth in our business and our goal to reduce our emissions. One such approach is the introduction of carbon emission offsets for business flights in 2015. In addition to avoiding and reducing overall business flights, we began, in the second half of 2015, to offset selected business flights in the United States, as this is the country with the greatest number of business flights. This offset effort resulted in a compensation of 35 kilotons of CO₂.

SAP continues to invest in technology that enables virtual collaboration, supporting our efforts to reduce the need for employees to travel. In addition to our TelePresence and video conferencing platforms, new collaboration rooms based on the Skype for Business communications platform bring new features that enable teamwork across borders and time zones. More than 100 collaboration rooms have been installed throughout SAP with more planned for 2016. Because more employees adopt video chat as their preferred method of communication, more than 1,200 meeting spaces have been equipped with 360-degree cameras – giving remote participants a more interactive experience. Skype for Business also enables each employee to video chat from their computer.

To further decrease car-related emissions, we plan to increase the portion of electric vehicles (or alternatives) in our company car fleet from the current 1% to 20% by 2020. At the end of 2015, we have 57 charging stations and 55 pure electric vehicles in our company car fleet at our headquarters in Walldorf, and approximately 300 e-cars globally. Our company car initiatives address a dilemma that has grown in recent years. As a result of our business expansion, the number of SAP employees eligible for a company car has increased annually. We want 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, all our electric company cars charged at SAP are powered with 100% renewable sources. In Germany, for example, we provide employees with an incentive to switch to electric alternatives by offering a battery subsidy that offsets the costs of using an electric vehicle. We believe that our electric car initiative will play a critical role in helping achieve our 2020 carbon reduction goal.

In 2015, emissions caused by SAP products in use at the sites of more than 300,000 customers were almost 15 times larger than SAP's own footprint, meaning these products caused approximately 6,800 kilotons of CO₂. By using 100% renewable electricity, we dramatically broaden our sustainability efforts and align them with our cloud strategy, reducing the carbon emissions of our cloud solutions to zero.

We continued to realize the benefits of our investment in the Livelihoods Fund, a unique investment fund whose returns

consist of high-quality carbon credits. Several years ago, we made a commitment to investing €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, agroforestry, and rural energy. In eastern India, for example, the fund helped communities plant fruit trees to diversify food sources and address the overcultivation of soil. Instead of a charitable donation, we have made a long-term investment that brings benefits to society, the environment, and SAP. In 2015, we received carbon credits from the fund, which helped us to offset our carbon footprint by 23 kilotons.

Another important program in 2015 was the further implementation of ISO 14001 in SAP locations throughout the world. This well-accepted environmental management system is now in place at 32 of our locations worldwide, including our North America headquarters in Newtown Square, Pennsylvania, as well as in Palo Alto, San Francisco, Sunnyvale, and Dublin, California, both in the United States; and other countries including Austria, Canada, Czech Republic, France, Germany, Israel, Italy, and South Africa. New sites in Singapore and Switzerland, as well as Rio de Janeiro and São Paulo in Brazil, were certified in 2015. To act more quickly and achieve consistency, we created a template to roll out in other sites, enabling us to efficiently build a large global network where different sites interact and share best practices. Our goal is to continually increase the number of certified locations; we aim for total full-time equivalent (FTE) coverage of 70% by 2018. By end of 2015, SAP had an environmental management system (ISO 14001) in place in 15 countries and 32 single sites. This represents a total FTE coverage of 22.2%.

MEASURING OUR TOTAL ENERGY CONSUMED

Because our energy usage drives emissions, one of the most important measures for us is 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 965 gigawatt hours (GWh) in 2015, compared to 920 GWh in 2014.

This increase is due to growth in our workforce and 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 supplement our servers. This additional cloud operation, along with accompanying servers and facilities, consumes more energy. At the same time, we believe this shift has the opposite effect for our customers that are now able to simplify their technology and save energy through our shared infrastructure. This reduces overall IT-related energy consumption through our highly energy-efficient cloud provisioning.

OPTIMIZING EFFICIENCY IN OUR DATA CENTERS

Data centers are at the heart of how SAP provides solutions to our customers and represents a significant part of our total

greenhouse gas emissions. 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 and the adoption of our technology innovations and solutions towards our customers. We continue to drive efficiency and innovation around buildings, data center operations, and infrastructure. For example, in one of our largest data centers in St. Leon-Rot, Germany, we received an energy efficiency certificate from TÜV Rheinland, a leading provider of technical, safety, and certification services, with an efficiency score of 98.7%. One hundred percent of our energy usage that provides internal and external computation power comes from renewable sources. Our total data center electricity consumption at both our internal and external sites increased from 179 in 2014 to 249 GWh in 2015. In recognition of the exemplary actions SAP has taken to improve our data centers, we were awarded the European Datacentre Sustainability Award in 2015.

REINFORCING OUR RENEWABLE ELECTRICITY STRATEGY

Our commitment to 100% renewable electricity in all of our internal and external data centers and facilities is one of the most significant steps toward making our operations more sustainable. In 2015, we mainly focused on wind and, to a lesser extent, on biomass. While we produce a small amount of renewable electricity through solar panels in some locations, we rely primarily on the purchase of renewable electricity certificates (RECs) to increase the renewable electricity in our energy mix. We procure RECs regionally that add value and drive change in the electricity market, adopting high-quality standards in our procurement guidelines that are aligned with two non-governmental organizations (NGOs). For example, we 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 in the production of renewable electricity. Furthermore, SAP is not considering RECs from power plants that are currently supported by governments. As a vintage requirement, we define that renewable electricity must be produced in the same year or the year before the reporting period will be applied.

In 2015, SAP joined the green initiative RE100 and is now one of the global corporations that have signed on to the RE100 initiative. RE100 is led by The Climate Group in partnership with CDP (formerly Carbon Disclosure Project) and the goal of the campaign is to have 100 of the world's most influential businesses committed to 100% renewable electricity.

GRI Index and United Nations Global Compact

The social and environmental data and information included in the SAP Integrated Report 2015 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	UN Global Compact Principles
Strategy and Analysis			
G4-1	Letter from the CEO		
Organizational Profile			
G4-3	Overview of the SAP Group	√	
G4-7	Investor Relations		
G4-8	Customers	√	
G4-9	Headcount; Subsidiaries, Associates, and Other Equity Investments; Consolidated Financial Statements	√	
G4-10	Chart Generator		6
G4-11	Human Rights and Labor Standards	√	3
G4-12	Sustainable Procurement	√	
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	Memberships	√	
G4-16	Memberships	√	
Identified Material Aspects and Boundaries			
G4-17	Subsidiaries, Associates, and Other Equity Investments All entities are covered by the report.	√	
G4-18	Materiality; About This Report	√	
G4-19	Materiality	√	
G4-20	GRI Content Index; Environmental Non-Financial Notes; Social Non-Financial Notes	√	
G4-21	GRI Content Index; Environmental Non-Financial Notes; Social Non-Financial Notes	√	
G4-22	Environmental Non-Financial Notes; Social Non-Financial Notes	√	
G4-23	Environmental Non-Financial Notes; Social Non-Financial Notes	√	
Stakeholder Engagement			
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	√	
Report Profile			

General Standard Disclosures	Links and Content	External Assurance	UN Global Compact Principles
G4-28	About This Report	√	
G4-29	March 20, 2015	√	
G4-30	About This Report	√	
G4-31	Contact		
G4-32	GRI Content Index	√	
G4-33	Independent Assurance Report; Governance for Integrated Reporting	√	
Governance			
G4-34	Governance; Sustainability Management and Policies	√	
Ethics and Integrity			
G4-56	Business Conduct	√	10

GRI Index and United Nations Global Compact

The social and environmental data and information included in the SAP Integrated Report 2015 is prepared in accordance with the core option of the international guidelines G4 of the Global Reporting Initiative (GRI).

Consolidated Disclosures

DMA and Indicators	Links and Content	Omissions	External Assurance	Boundaries	UN Global Compact Principles
Material Aspect: Business Conduct					
DMA	Sustainability Management and Policies; Business Conduct;		✓		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	
Material Aspect: Climate and Energy					
DMA	Sustainability Management and Policies; Sustainable Procurement; Energy and Emissions		✓		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 (www.cdp.net)			SAP+outside	7
EN3	Energy and Emissions Environmental Non-Financial Notes		✓	SAP	8,7
EN4	Energy and Emissions			outside	8
EN5	Energy and Emissions		✓	SAP	8
EN6	Energy and Emissions		✓	SAP	9,8
EN8	Waste and Water	Our operations are not water-intensive. Therefore, we do not report on the sources of water withdrawal.	✓	SAP	8,7
EN15	Energy and Emissions; Chart Generator; Environmental Non-Financial Notes		✓	SAP	8,7
EN16	Energy and Emissions; Chart Generator; Environmental Non-Financial Notes		✓	SAP	8,7
EN17	Energy and Emissions; Chart Generator; Environmental Non-Financial Notes		✓	outside	8,7
EN18	Energy and Emissions		✓	SAP+outside	8
EN19	Energy and Emissions		✓	SAP+outside	9,8
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
Material Aspect: Financial Performance					
DMA	Sustainability Management and Policies; 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
Material Aspect: Human Capital Management					
DMA	Sustainability Management and Policies; Sustainable Procurement; Human Rights and Labor Standards		✓		6,5,4,3,2,1

DMA and Indicators	Links and Content	Omissions	External Assurance	Boundaries	UN Global Compact Principles
LA1	Employees and Social Investments; 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-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 2015, the TMQ was 3.4 (4.2 in 2014). We also measure the accident rate per one million working hours. In 2015, this value increased to 2.2 reportable accidents per one million working hours (2.7 in 2014).	Injuries, diseases, lost days, or absenteeism are not a material issue for SAP as we track our Business Health Culture Index on a global basis.		SAP	
LA9	Employees and Social Investments	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	Employees and Social Investments 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	Employees and Social Investments	The split by gender is proprietary information for SAP.	✓	SAP	6
LA12	Employees and Social Investments; Chart Generator		✓	SAP	6
LA14	Sustainable Procurement		✓	outside	
HR4	Human Rights and Labor Standards		✓	SAP	3
HR5	Human Rights and Labor Standards		✓	SAP	5
HR6	Human Rights and Labor Standards		✓	SAP	4
HR10	Sustainable Procurement		✓	outside	2
N/A	Leadership	Our leadership principles (ensuring customer success, driving simplicity, developing amazing talent) remain the foundation for leadership at SAP. We calculate the overall leadership trust score for people leaders, which uses the Net Promoter Score (NPS) methodology based on results from our annual people survey.	✓	SAP	
N/A	Social Investments	Our social investment strategy leverages our talent, technology and capital to create long-term, sustainable change. In 2015, we continued to focus on two areas that are critical to both SAP and society: education and entrepreneurship.	✓	SAP + outside	
N/A	Business Health Culture Index	Our Business Health Culture Index (BHCI), based on our People Survey, assesses the degree to which our workplace culture supports people's wellbeing, work/life balance, and organizational health. In 2015 our BHCI result was 75%, compared to 72% in 2014.	✓	SAP	
Material Aspect: Intellectual Capital Management					
DMA	Sustainability Management and Policies; Customers				
PR5	Customers			SAP	
Material Aspect: Security and Privacy					

DMA and Indicators	Links and Content	Omissions	External Assurance	Boundaries	UN Global Compact Principles
DMA	Sustainability Management and Policies; Security and Privacy		√		
PR8	Security and Privacy		√	SAP+outside	1