



About This Report

SAP's report has been prepared in accordance with the Sustainability Reporting Guidelines G3.1 of the Global Reporting Initiative (GRI), who also confirmed that the requirements of meeting application level A+ are met. In addition, the report has been prepared by applying the principles of inclusivity, materiality and responsiveness as defined in the AA1000 Accountability Principles Standard. Furthermore, the Greenhouse Gas footprint data is based on SAP's own internal criteria and on the Greenhouse Gas Protocol Standard.

The report has been independently verified by KPMG Sustainability. Reasonable assurance was obtained on the 2011 data related to Greenhouse Gas footprint, total energy consumption, renewable energy, women in management, employee retention, employee engagement and business health culture index. In addition to that KPMG Sustainability provided limited assurance on whether the remaining information in the report is fairly presented in accordance with the reporting criteria as well as on the alignment with the principles of inclusivity, materiality and responsiveness as defined in the AA1000 Accountability Principles Standard.

The report has been created to provide an integrated overview of SAP's performance relevant to all stakeholders over the long and short term horizon.

The content of the report has been based on our evolving materiality analysis based on continuous stakeholder engagement, re-alignment to strategy development and in pursuance of our strategy to integrate sustainability into our business model, management systems and corporate strategy.

For more information on how we define materiality, see our [materiality assessment](#).

Our purpose and strategy

At SAP, our purpose is to help the world run better and improve people's lives. In designing our strategy to realize this purpose, we have looked at two main areas: sustainability and innovation. We have incorporated these core pillars into every aspect of our business: our [solutions](#), our own [operations](#) and our [social investments](#). These enable us to achieve what many have historically believed to be in opposition -- sustainable growth and profitability.

We start with ourselves. Several years ago, we established metrics to measure our progress, from our reduction of carbon emissions to our increased engagement of employees. These indicators reflect an expansive view of sustainability because we believe that to create change, we must address a wide range of issues, including our workplace culture and how we develop our talent.

We continue to work toward a goal of reducing our carbon emissions to their 2000 level by 2020, even as our business continues to grow. We have also set a target to increase the percentage of women in management at SAP to 25% (from the current 18.7%) by 2017, a reflection of our belief that sustainability demands a diverse workforce. And we have committed to positively impacting 1 million lives in countries around the world through our talent, technology and capital. Our strategy is shaped by our commitment to thinking not just about short-term profitability, but long-term impacts.

To learn more about our progress, go to [this page](#).

Integrating sustainability into our business strategy

Our focus on sustainability and innovation allows us to seize new opportunities. We see enormous opportunity in our core business and how we serve our customers. Ultimately, our vision translates to improving people's lives. For example, on top of managing and analyzing information, our software enables companies to save energy and resources. It helps keep toxic chemicals out of a child's toy, and reduces the risk of factory accidents.

In our report last year, we spoke of an important shift – instead of developing a sustainability strategy, we are focused on making our corporate strategy sustainable. We are well positioned to do this, as our core strength has always been to manage resources. Now we are managing resources that are increasingly constrained, such as energy.

Accordingly, we are driving sustainability by innovating in each of our five key categories: applications, analytics, mobile, cloud, and database and technology. One example is our Manufacturing Integration and Intelligence application, which provides greater visibility into operations in such critical areas as safety, energy usage, unit performance, and inventory, thereby improving companies' performance and producing significant cost savings. To read more about our solutions, please see our [CEOs letter](#).

Our solutions are helping our customers integrate sustainability into their own strategies and operations, so that they can become more profitable while creating positive change. As they evolve their practices, they help us realize our own vision and multiply our impact.

The innovation link

Our ability to deliver on our strategy lies with our ability to innovate. Tackling the world's most complex challenges demands that we approach problems in new ways. We view innovation as the critical link to becoming more sustainable. It keeps us continually improving what we offer our customers. Even setting targets in such areas as diversity and retention reflects a new way of thinking through a sustainability lens. To us, attracting and keeping the best talent is fundamental to our ability to see things differently, listen to shifting customer needs, and continually iterate and improve on what we have done before.

We also recognize the need to be innovative in how we approach creating change. Reaching our goals is not straightforward and won't happen overnight. It involves the complex work of shifting people's habits and our own business culture. For this reason, a key part of our strategy is to develop leaders who can re-imagine the future and inspire others. We aim for every employee at SAP to feel a connection to our vision, and we are fostering greater collaboration. We are also working to create a workplace that helps people reach their creative potential, so that they can contribute in new ways and fuel our innovation. Most of all, we view the engagement of our employees, customers, partners and others in co-innovation as the key to transformation. Our engagement strategy is integral to the design of this report, from our use of social media to our "[What matters to you](#)" section.

Whether we are finding new ways to collaborate or enhancing our employees' health and productivity, we believe this transformation is not just possible, but very much underway at SAP, and we look forward to sharing our ideas – and hearing yours – as we continue to put our strategy into practice.

[Independently Verified by KPMG](#)

Helping the world run better starts with us



Improving our own sustainable performance gives us insight that will help our customers do the same. We have identified key metrics that cover three main areas of impact: environmental, social and economic. Each is critical as we work to create a sustainable future for SAP, our customers and society.

Clicking on the bars below not only reveals our results, but also provides an explanation of how each metric is connected to our overall business strategy: What do employee engagement and health have to do with innovation? Why are we including them in this report? How does sustainability drive financial success? The answers reveal how sustainability is becoming integrated into every part of our company – and, more broadly, how it is transforming the world of business.

Social

	2010		2011
Employee Retention	93	=	 93 %
Women in Management	17.8	↗	 18.7 %
Business Health Culture Index	59	↗	 65 %
Employee Engagement	68	↗	 77 %
Technology For Non-Profits	715	↗	 863
Volunteering Hours	59	↗	 105 k hours
Social Investment	12.8	↗	 16.1 million Euro

Environment

	2010		2011
Greenhouse Gas Footprint	455	↗	 490 kTon
Total Energy Consumed	845	↗	 860 GWh
Renewable Energy	45	↗	 47 %
Data Center Energy	2,746	↗	 2,824 kWh/Employee

Economic

	2010		2011
Revenue-SSRS	9,868	↗	€ 11,346 million Euro
Operating Margin (non-IFRS)	32	↗	 33 %
Customer Satisfaction	7.6	↗	 7.7

SAP Helps Companies Grow Profitably and Sustainably: Delivering solutions to help the world run better

How does software create positive impact? The answer lies with our customers. When they use our solutions to become more transparent, or energy-efficient, protect workers from accidents and address risks in their supply chain, they turn sustainability into concrete actions that benefit workers, communities, the environment and people throughout the world.

We believe that serving our customers provides us with the greatest potential to create positive change. Our solutions focus on five key business areas: energy management, sustainable supply chain, operational risk management, sustainable workforce, and sustainability reporting and analytics. Behind each of these areas are stories about the challenges – and opportunities -- that are redefining the current era of business. Whether they are evaluating an efficiency project or ensuring that toxic substances don't wind up in a child's toy, our customers are helping to drive this transformation.

In [2011](#), we saw a huge increase in the number of those customers telling their own story. In over 100 settings (webcasts, events, written stories), customers told their own story how SAP is helping them achieve their sustainability goals. To read about some of these customer experiences, click on the stories below – each of which corresponds with one of the five business areas where we see the greatest potential for impact. You can also click through to read about how, one by one, SAP technology is enabling companies around the world touch millions of lives by turning risk into opportunities for greater efficiency, new value creation, and greater profitability.

Energy and Environmental Resource Management

5.7

million tons of estimated carbon reductions, saving \$550 million in energy cost

Sustainable Supply-Chain and Products

900

million consumers are estimated to live safer & healthier, protecting \$5.5+ trillion in product...

Operational Risk Management

>5

million people work more safely, and companies more efficiently manage \$8 billion in accident...

Sustainable Workforce

60

million employees attracted & developed, an estimated \$2.5 trillion investments in employees

Sustainability Reporting and Analytics

10

out of the top 10 companies on the Dow Jones Sustainability Index run better with SAP

Helping to improve people's lives around the world

We believe that technology and innovation can do more than drive our own success, but help create economic opportunity for people throughout the world. These two goals appear to us as one and the same. Our own sustainable future hinges on our ability to build new markets, cultivate talent, and encourage entrepreneurship that fuels the creation of jobs, economic growth and the demand for IT services.

To address these priorities and maximize our impact, we have refined our approach to focus on how we can enhance education for underserved youth and propel "emerging" entrepreneurs. Such entrepreneurs have a great idea for a new business and are poised to bring it to scale, but need an infusion of capital, technology, mentorship or other support to reach success.

Aligning our efforts with our strengths and business strategy

Education and entrepreneurship align with our core strengths and strategic direction. For years, we have collaborated with universities worldwide, providing our software and technology training. We understand the needs of tomorrow's entrepreneurs and can provide them with the technology they need to move forward. Increasingly, we are serving small and medium-sized businesses through our mobile and on-demand solutions, which provide greater efficiency, speed and flexibility to compete in today's fast-paced global economy.

Our efforts benefit SAP as well as people and communities. As youth become educated, they become our potential future employees. They may contribute to our customers or other entrepreneurial ventures, thereby building a stronger business ecosystem. In addition, the next generation of entrepreneurs could evolve into our customers.

At the same time, exposure to young people and entrepreneurs feeds our own innovation. Members of our leadership team in India recently met with local leaders who are improving people's lives through new business models. One organization helps women who have been waste-pickers at Mumbai's largest dump to develop new skills. "We found outstanding examples of leadership from unconventional sources," says a member of our team, who is working to foster the cross-pollination of ideas between such social entrepreneurs and SAP.

Mobilizing our talent, technology and capital to create deeper impact

We have three main pillars for fulfilling our vision: engaging our talent, leveraging our technology, and investing our capital. These strategies work in tandem. In citing barriers to success, youth and entrepreneurs frequently point to a lack of technological expertise, role models, and real-world experience. We are cultivating skills-based volunteering by tapping our employees to act as mentors and business coaches. And we are providing our technology so that non-profits have access to cutting-edge tools.

Where we are heading: Working to realize our vision

We still have more work to do. Just as our strategy did not emerge overnight, neither will our results. While we have committed to focusing on education and emerging entrepreneurs, we are in a transition and face the challenge of coordinating programs worldwide. We will rely on strong leadership to manage our partnerships and teams on the ground as we seek to deepen our impact.

We are still evolving how we measure this impact, a complex undertaking that poses a variety of questions. What does it mean to impact a life? How do you quantify what is difficult to define? While we improved our methodology in 2011, it could be even more rigorous. In the future, we plan to specify that more of our social investments, such as our technology donations, align with education and emerging entrepreneurs.

We will also look more closely at the outcomes of our efforts to better understand – and report on -how we are impacting people's lives. For example, we are developing criteria for such metrics as the number of high-quality jobs that have been created as a result of our programs. We will also seek to measure benefits for SAP, such as increased sales of our products in our target markets.

New pilots and a focus on the long-term: Our plans for 2012 and beyond

Currently we are looking at the entrepreneurial landscape in India and Brazil, the two countries where we will first focus our efforts. We are conducting interviews to understand what it will take for small and medium-sized businesses to thrive in these regions and are developing new partnerships. In 2012 we will make strategic investments in India and Brazil, as well as investigate future expansion in other parts of the world.

At the same time, we are pursuing projects to deploy our technology and talent, including:

- We are piloting a sabbatical program for high-performing employees to spend concentrated time working with entrepreneurs. Small teams of next-generation leaders will travel to emerging markets to work closely with NGOs on social innovation projects.
- We are introducing Technology Showcases in which SAP will partner with NGOs to help transform organizations through technology and innovation. In 2012 our first partner will be Endeavor, a leading NGO devoted to working with high-impact entrepreneurs.
- We will continue to develop opportunities in which we can deploy all three pillars of our strategy -- our technology, talent and capital -- to heighten our impact.
- We will host several "social innovation jams" in 2012. Centered on the challenges stemming from the global population reaching 7 billion, our first jam in the fall of 2011 engaged teams of SAP employees and others to generate ideas for spurring economic and educational opportunities.

Finally, we are committing to work over time. Our social investments reflect the challenge of sustainability more broadly – to balance short-term needs with long-term thinking. We can only create lasting impact by laying a strong foundation upon which to build in the future. While our vision is ambitious, we believe it is fundamental to fulfilling our purpose to create a better-run world.