As one of the market leaders in business process automation, with over 82,000 customers in 25 different industries, SAP is in a unique position to help businesses worldwide operate in a more sustainable way. While SAP – like the rest of the software industry – still has more to learn about this topic, it has a significant track record of business process excellence, existing sustainability solutions and an aggressive plan to expand its customer sustainability offerings. Thus SAP is well positioned to help transform businesses across a variety of industries and drive higher efficiencies, lower emissions and more social business practices. SAP aspires to be the market leader in automated sustainable business practices. Unlike other providers, SAP provides integrated sustainability solutions, has a history of co-innovating with customers to address specific challenges, and is a stable, viable, long-term partner.

About Sustainability at SAP

The definition of "sustainability"
The United Nations Brundtland Commission provided a definition of sustainability in general: "Meet the needs of the present without compromising the ability of future generations to meet their own needs." Today, **sustainability is associated with the integration of economic, social and environmental spheres.** Businesses define sustainability as "holistically managing economic, social and environmental risks and opportunities for increased short and long-term profitability."

Sustainability is an important topic for SAP
Sustainability is a keystone of SAP co-CEO Léo Apotheker's strategic agenda. Commitment to this topic is demonstrated further by the establishment of a cross-functional sustainability organization to drive and coordinate all aspects of SAP's sustainability efforts (see below for more details).

SAP's position on the role of IT in terms of sustainability
SAP believes that every company has a responsibility to improve its own operations and become more sustainable, and the company itself is committed to doing that. SAP also believes that IT-led innovation is a critical strategic enabler to help companies respond to the urgent challenge of global sustainability in a manner that enables them to adapt and succeed in a rapidly changing social, economic and environmental context.

The importance of SAP's sustainability efforts to customers and prospects
In the global economy, new business opportunities exist but require increased effort to ensure corporate accountability and responsibility — not only for customers' own businesses, but also for their supply chain. SAP continues to develop solutions, including those in the software area of GRC (governance, risk, and compliance) that enable companies to engage with their entire business networks of partners and suppliers to create a more sustainable extended enterprise. SAP increasingly sees that its customers also expect the company to perform well on sustainability issues as a condition of doing business.

Role of new sustainability organization
In March 2009 SAP announced a new cross-functional sustainability organization to drive and coordinate all aspects of its internal and external sustainability efforts. The organization forms a matrix with SAP's existing corporate functions and thus ensures consistent execution of all sustainability programs. It is led by Peter Graf, SAP's first chief sustainability officer and executive vice president of Sustainability Solutions, who will report directly to SAP Executive Board member Jim Hagemann Snabe. Graf, a 13-year SAP veteran, leads a global team that oversees all sustainability-related initiatives — from the creation of solutions that enable sustainable business processes for customers to SAP's own sustainability operations, including key social, economic and environmental programs. The new sustainability organization and SAP's increased strategic focus on sustainability is fully supported by the SAP Executive Board and co-CEO Léo Apotheker.

SAP has been recognized for its sustainability activities in the past
Sustainability is not a new topic for SAP. In fact, SAP's commitment to sustainability has been recognized by the Dow Jones Sustainability Indexes, where SAP leads the software sector, and the FTSE4Good index. SAP has also been named to the Global Challenges Index, which recognizes transparency and anti-corruption efforts, as well as the Corporate Knights/Innovest "Global 100" list of the most sustainable large companies in the world.

How SAP reports on its sustainability activities

SAP published its first Sustainability Report (pdf) on November 3, 2008. Designated as a "C"-rated report by the Global Reporting Initiative (GRI), the report details SAP's efforts relating to sustainability and corporate citizenship. The next Sustainability Report will be released in May 2009. SAP also annually files its Communication on Progress as part of its commitment to the UN Global Compact, and voluntarily discloses to the Carbon Disclosure Project, Dow Jones Sustainability Indexes, FTSE4Good and many other public queries.

SAP's stance on "Green IT"

SAP is committed to helping its customers practice "Green IT" by enabling them to reduce the energy footprint of SAP solutions in their data centers. Green IT refers to reducing the energy footprint of IT data centers, while sustainability solutions address a company's business processes. Idle servers and the related cooling facilities can comprise up to 90 percent of data center energy consumption, while the software performing an actual business transaction may contribute as little as 10 percent. In order to decrease the use of computing resources the new sustainability organization will drive research and development initiatives to make SAP solutions "greener." In addition, SAP will continue to promote innovative optimization technologies like virtualization together with its ecosystem and help its customers with highly relevant services, such as system landscape optimization.

How SAP decides where to place its development focus when it comes to sustainability

As a matter of course, SAP continuously engages its customers to determine what software solutions enable them to better manage their sustainable business operations. SAP has also reached out to its stakeholders through an innovative online dialogue forum. In addition, SAP works with AccountAbility, a nonprofit sustainability think tank, and Business for Social Responsibility, a nonprofit business association, to engage with stakeholders and gain a broader understanding of public expectations and stakeholder concerns for SAP's responsibility as a good citizen, as well as its responsibility to enable sustainable socio-economic development. In order to carry out this mission, SAP recognizes that it must also do what it can to further reduce its own environmental impact, just as the company helps its customers reduce theirs, and to foster good business practices throughout the industry.

How SAP enables its customers to achieve their sustainability goals

SAP already helps companies across the globe manage resources efficiently and responsibly by optimizing and transforming their business processes. Part of its mission is to enable businesses to implement their sustainability strategies using information technology, thereby contributing to economic development on a grand scale.

- SAP® Environment, Health, and Safety Management (SAP EHS Management) application – Brings together four previous products: SAP® Environment, Health & Safety, SAP® Environmental Compliance, SAP® REACH Compliance and Technidata Compliance for Products. The primary customer issues that are addressed by this product are:
    - People Health & Safety: Supports the management of Health & Safety, industrial hygiene and occupational health processes, as well as compliance for product safety, hazardous substances, dangerous goods and waste management.
    - Emissions Management: Helps to ensure compliance with environmental laws and policies as well as reduce associated costs, efforts and risks on plant and corporate levels.
    - Product Safety & Stewardship: Helps to conform with product and material compliance regulations for all industries and secure the right to market products. Especially for 2009, REACH (Registration, Evaluation, and Authorization of Chemicals) compliance is a new EU regulation on chemicals. The first reporting deadline is November 2010. For 2009, the REACH compliance functionality is available separately to specifically address the urgent need of customers to get this reporting into place.
- Sustainability Performance Management - SAP® BusinessObjects™ Xcelsius Enterprise software allows customers to flexibly and easily set up dashboards to enable easy access to performance and metric information. Coupled with SAP® BusinessObjects™ Strategy Management application, it allows organizations to define and cascade goals and initiatives for improvement and tie them to sustainability key performance indicators (KPIs). The combination of SAP BusinessObjects Xcelsius Enterprise, SAP BusinessObjects Strategy Management and the SAP® BusinessObjects™ Risk Management application together support a Sustainability Performance Management business process.
- SAP® Energy Data Management application – Provides utilities the means to manage energy profiles, offer real-time pricing and complex billing, and optimize energy settlements with the goal to improve energy efficiencies. This product will enable a "Smart Metering" capability between a utility and its customers.
- SAP® Recycling Administration application – Helps ensure compliance with worldwide recycling legislation for packaging, batteries and WEEE (waste electrical and electronic equipment). Because SAP applications are integrated, they can break down barriers to efficiency across different regulations and mandates. These applications reach into existing SAP and non-SAP software to embed compliance functions across the enterprise and beyond, giving businesses the real-time visibility they need to ensure effective business operations and corporate accountability.
- SAP® Supply Chain Management application – Helps companies plan and design their supply chains, consolidate orders and optimize shipments, thus reducing CO_2 emissions and overall energy consumption.

THE BEST-RUN BUSINESSES RUN SAP™

SAP's sustainability solution roadmap for 2009

In March 2009, SAP released extra functionality on SAP EHS Management through its normal enhancement pack process. During 2009, SAP plans to deliver enhanced analytic functionality for improved user experience and reporting capabilities to address additional needs. SAP is also watching developments of proposed Cap & Trade proposals in the United States and intends to develop solutions for existing or future Cap & Trade programs as an extension of its emissions management solution set to address this area. SAP plans to further build on its applications for EHS management, risk management and strategy management by bringing a sustainability performance management solution to the market. Additional products are intended to follow. SAP is continually dialoguing with customers about their current and anticipated needs and seeking co-innovative customers to work with on these developing topics.

How the SAP ecosystem will contribute to SAP's sustainability efforts

SAP has a comprehensive approach to creating an active, profitable ecosystem supporting the sustainability strategy. This spans bringing complementary products to market with partners to give customers end-to-end solutions, engaging service partners to provide skilled implementations and support co-innovation with customers, and working with technology partners on SAP relevant Green IT benchmarks, projects and standards. In addition, SAP teams will work closely with strategic advisors, consultants and content providers offering deep sustainability-related expertise, and will leverage SAP and external communities, like customer communities, Industry Value Networks (IVNs), Business Process Expert (BPX) community, SAP® EcoHub and Enterprise Services Community, to drive co-innovation activities and channels for sustainability solutions.

SAP's carbon footprint reduction targets

In spite of the fact that SAP's carbon footprint is usually smaller than that of organizations in other industries with similar revenue, the company is striving for significant reductions. After analyzing its global environmental footprint, SAP announced its commitment to a 51-percent reduction of its total greenhouse gas (GHG) emissions from its year-2007 published baseline levels of 513,000t CO_2 by year 2020. This will return SAP to its approximate year-2000 emissions level of 250,000t CO_2. SAP initiated its first global GHG inventory in 2008 and will report performance and progress towards the target in its annual sustainability report. Using its own software solutions to monitor and manage its sustainability targets, SAP will achieve this reduction through significant abatement across all scopes of the Greenhouse Gas Protocol, the most widely used international carbon accounting tool. The target will apply not only to SAP's own direct emissions, but also to indirect emissions such as business travel, which was 42 percent of SAP's total footprint in 2007. The company's reduction plans are based on aggressive abatement targets across direct and indirect emissions (scopes 1, 2 and 3 as defined by the Greenhouse Gas Protocol), allowing offsets to be applied only to major indirect emissions sources (scope 3) that are out of the company's direct control. SAP will focus on abatement over offsets and will pioneer and use new technologies that accelerate the abatement of carbon. It therefore does not plan to offset direct emissions or emissions related to energy consumption (scopes 1 and 2).

Specific examples of how SAP will reduce its carbon footprint

Direct greenhouse gas abatement efforts relating to scopes 1, 2 and 3 will include:

- Aggressive targets to reduce company car fuel consumption and office printing/paper usage, and significant investments in high-definition video conferencing in SAP offices worldwide to decrease the need for air travel.
- The purchase of renewable energy.
- Consolidation and virtualization in SAP data centers.
- Investments in and increased use of virtual event infrastructures for large internal and external events. For example, SAP recently ran three large, successful virtual events with a total of over 22,000 attendees, representing a significant decrease in air travel and its related impacts.
- [Scope 3 GHG emissions that remain after abatement will be offset.]

# # #

For more information, press only:
Evan Welsh, +49 (6227) 7-67514, evan.welsh@sap.com, CET
Shabana Khan, +1 (650) 461-1332, shabana.khan@sap.com, PST
SAP Press Office, +49 (6227) 7-46315, CET; +1 (610) 661-3200, EST; press@sap.com
Katja Schroeder, Burson-Marsteller, +1 (212) 614-4981, katja.schroeder@bm.com, EST