Sustainability at SAP

Decarbonization in the Software Industry

Corporate Sustainability | SAP SE
22nd October 2024

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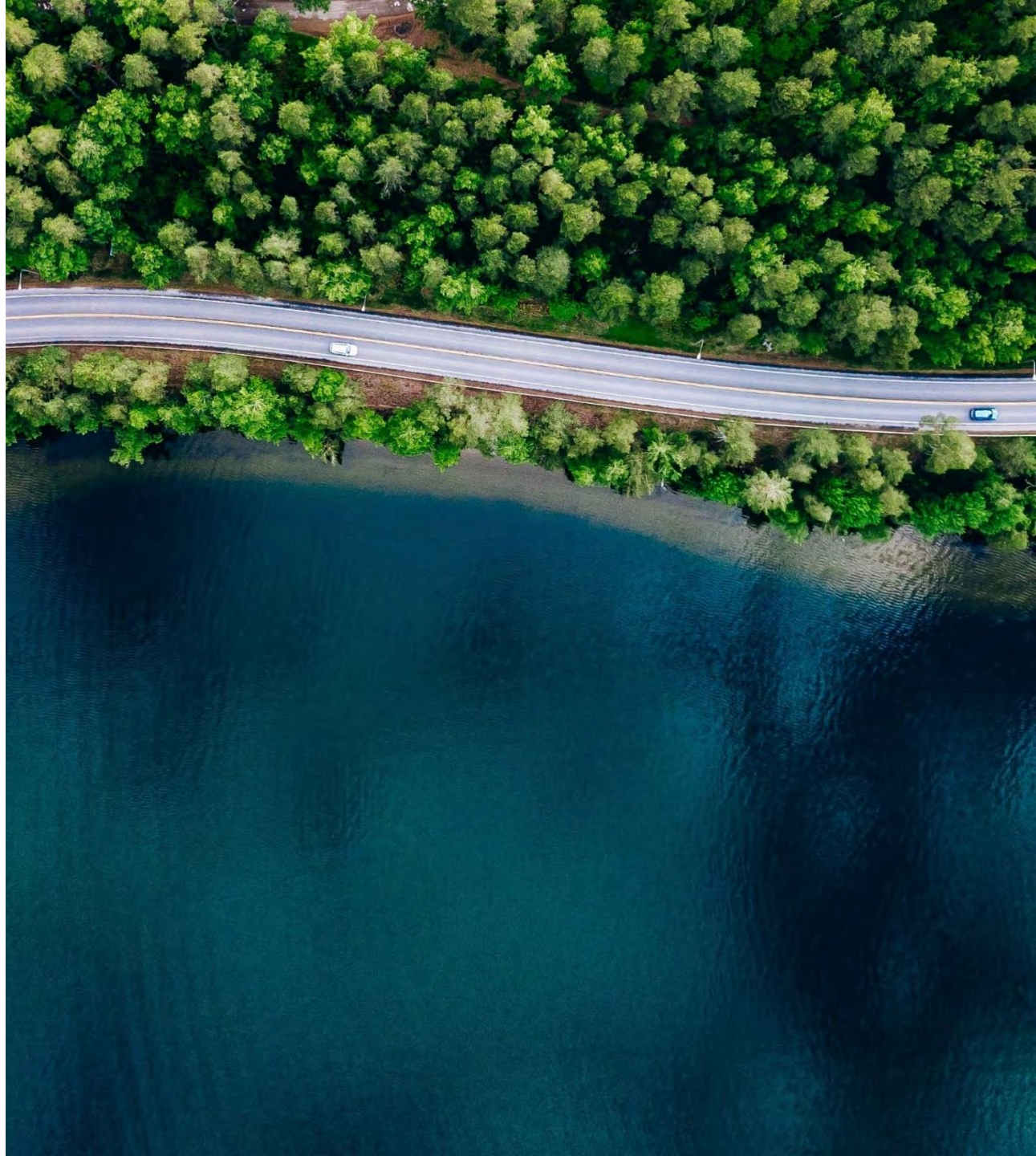

Agenda

01

Overview Sustainability at SAP

02

SAP as Exemplar – Selected Initiatives

03

SAP as Enabler – Product Portfolio

"We are the greatest problem solvers to have ever existed on Earth. If working apart, we are a force powerful enough to destabilise our planet. Surely working together, we are powerful enough to save it."

Sir David Attenborough
Documentary maker and environmentalist.
Speech at COP26 in Glasgow, 2021

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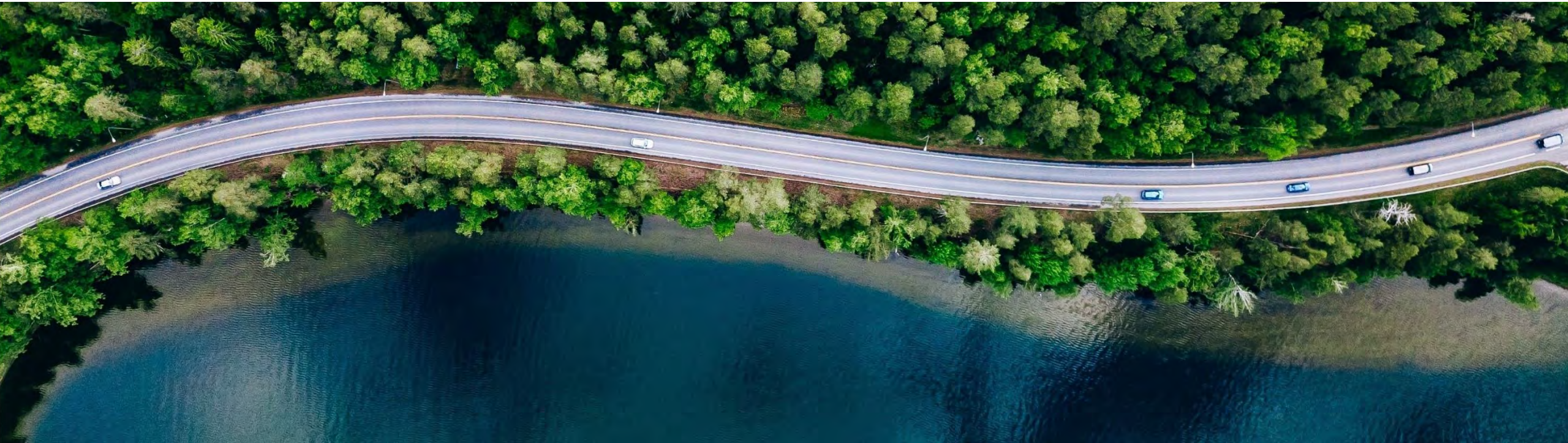
01 Overview Sustainability at SAP



The world's largest provider of Enterprise Application Software

Key facts

- €29.52bn total revenue, thereof **€11.43bn cloud revenue**[1]
- Only **Fortune 50** global tech company **headquartered in Europe**
- **>100,000** employees across the globe

Customers

- **99 of the 100 largest companies** in the world are SAP customers
- SAP customers generate **87% of total global commerce** ($46 trillion)
- **SMEs make up for 80%** of SAP's customers

Portfolio

- Solutions for **26 industries** and **12 lines of businesses**
- **2 dedicated offerings** for large and mid (RISE and GROW)
- **AI embedded** across the portfolio

Innovation and ecosystem

- Global **ecosystem** with **>25,500** SAP partner companies
- **SAP.iO:** Support for **>600** external startups
- **Sapphire Ventures:** Invested in **>200** IT start-ups

All figures as of October 18, 2023 – for more information visit SAP.com

Strong position in key markets

Worldwide market position by revenue, 2022[2]

Cloud ERP

#1 Enterprise Resource Planning

#1 Manufacturing and Operation Management

#1 Financial Management Systems (FMS)

Lines of Business

#1 Procurement

#1 Supply Chain Management

#2 Human Capital Management

#3 Digital Commerce

BTP

#1 Data Management (Excluding DBMS[3])

#2 Analytics

1. Full Year 2022; 2. Calculations performed by SAP. Gartner®, Market Share: All Software Markets, Worldwide, 2022, April 2023. GARTNER is a registered trademark and service mark of Gartner, Inc. and/or its affiliates in the U.S. and internationally and is used herein with permission. All rights reserved.;
3. Database Management System; 4. SAP internal
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SAP’s Approach to Sustainable Impact

Coming from SAP’s purpose and vision, Sustainability is a core pillar of SAP’s corporate strategy

SAP’s Purpose

Help the World Run Better and Improve People’s Lives

SAP’s Vision

We bring out the best in every business

SAP’s Strategy

Agility

Sustainability

Value Chain

Creating positive social, environmental and economic impact while respecting planetary boundaries and human rights

Exemplar

Leading by example in our own sustainable business operations and practices

Enabler

Providing products and services that support meeting the sustainability challenges and capitalizing related opportunities of customers

Holistic Steering and Reporting

Climate Action ⇄ Circular Economy ⇄ Social Responsibility

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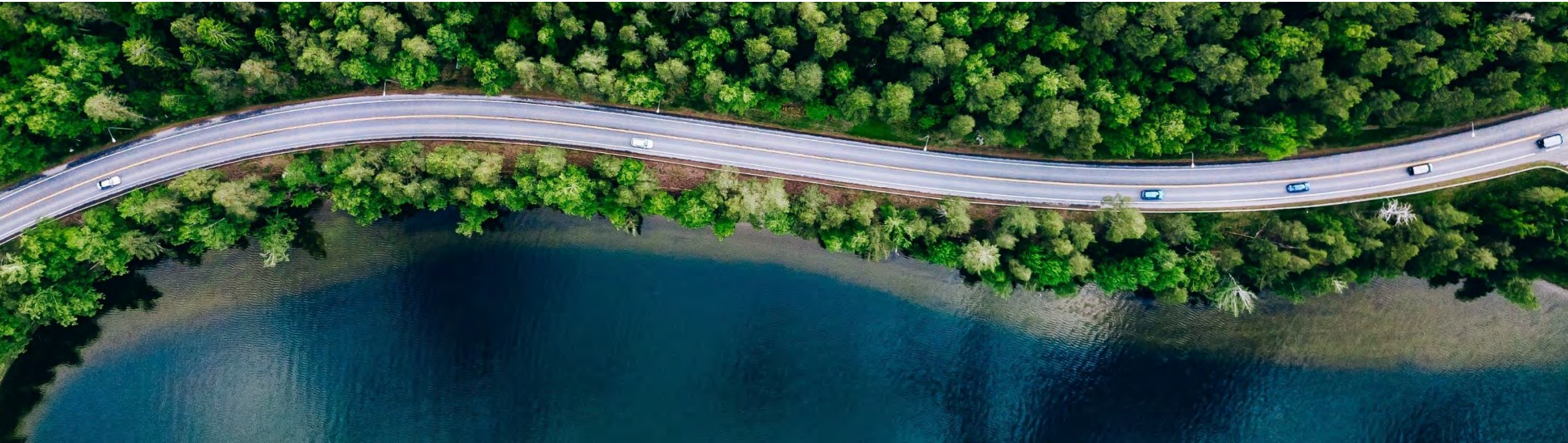
02 SAP as Exemplar – Selected Initiatives



Key Milestones of Sustainability at SAP

2030 — Net Zero Emissions along the value chain

2024 — Introduction of Climate Finance Contributions to reduce more CO2 than we annually emit

2023 — First Human Rights Officer
ESG KPIs became part of board compensation

2022 — Commitment to Net Zero emissions along value chain in 2030
Launch of SAP Sustainability Solutions Portfolio

2021 — First Global AI Ethics Policy

2020 — Single-use plastics phase-out in own operations

2019 — Founding Member of the Value Balancing Alliance

2017 — Science-Based Climate Target approved by SBTi for 2050

2015 — Introduction of internal carbon price & embracing Sustainable Development Goals

2014 — Powering all data centres and facilities with 100% renewable electricity since 2014

2013 — Sustainability Dashboard

2012 — First Integrated Report & Global CSR strategy
First Human Rights Commitment Statement

2009 — Sustainability becomes long-term strategic goal
Carbon Emission (first reduction target) & Human Rights (First commitment statement)

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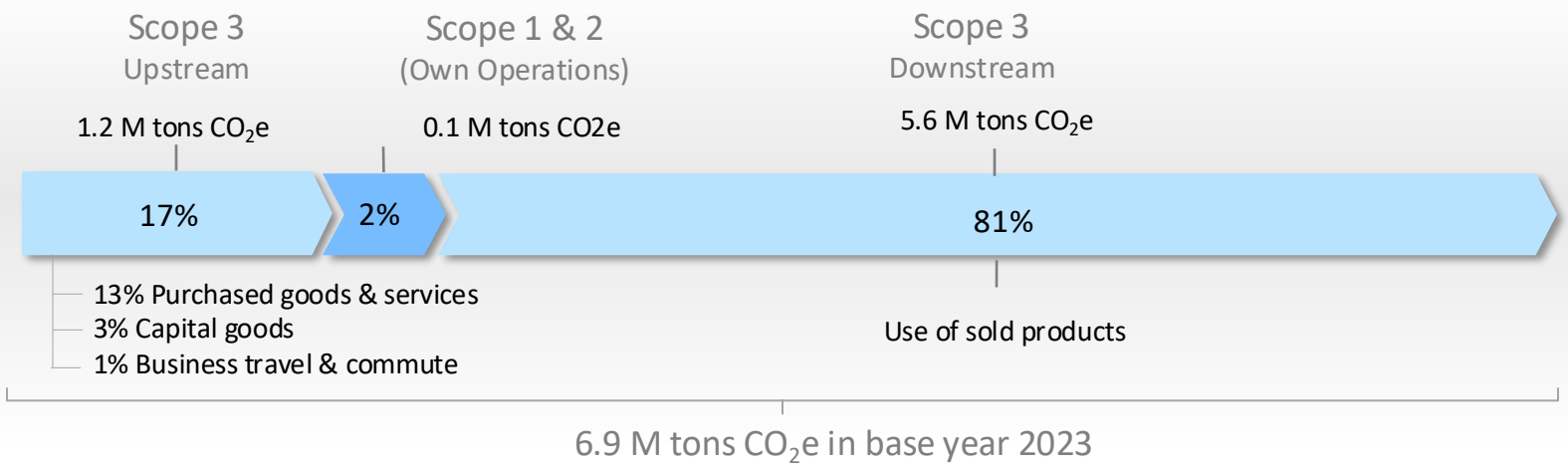
SAP's Climate Strategy

1. Net Zero 2030

Achieve net-zero emissions across our value chain in line with a 1.5°C future in 2030

Committed business ambition in line with SBTi Net-Zero Standard* to:

- Reduce our greenhouse gas emissions across our value chain (including scope 1,2 and 3) by at least 90% by 2030
- Neutralize residual 10% emission via removals in 2030



Graph reflects GHG using a market-based approach. For details see Integrated Report

2. Climate Finance Contribution Beyond Net Zero

Finance climate projects to reduce and remove more CO_2 than we annually emit (through our own operations and business travel)

Committed financing to:

- Support climate projects beyond our value chain
- Take responsibility for our yet unavoidable emissions from our own operations and travel activities on SAP's path to net zero

*First framework for corporate net-zero target setting in line with climate science published by the Science Based Targets initiative

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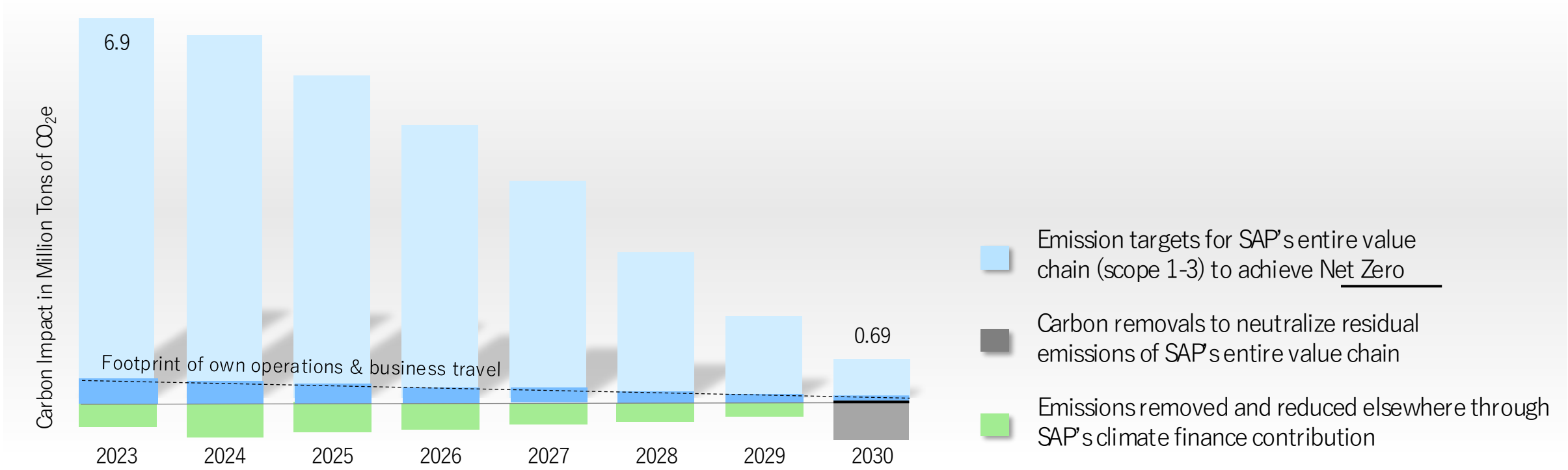
Visualization of SAP's Path to Net Zero



Graphic and 2024-2029 sub targets for illustration purposes only

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Climate Action
Top Initiatives to Become Net Zero by 2030

Supply Chain

- **Supplier Engagement**

Engage with suppliers to reduce and optimize GHG emissions along our upstream value chain

- **Low Carbon Procurement**

Low carbon products and services by our (key) suppliers (e.g. Hyperscalers, Travel)

- **Carbon Investments**

Investing in technical & nature-based solutions, e.g. the Livelihoods Carbon Funds

Operations

- **Emission-Free* Fleet**

Successful implementation of emission-free car fleet and new sustainable mobility alternatives

- **Energy & Environmental Management Systems** (ISO 14001/ 50001)

Improve the env. performance of our own operations and drive energy efficiencies

- **Policies and Governance**

Steering by embedding net-zero requirements into policies, finance processes and incentives structures

- **Carbon Pricing**

Work on internal carbon pricing concepts beyond business flights

Cloud Transformation

- **Cloud Transformation**

Accelerating the transformation of on-premise to cloud

- **100% Renewables**

Reinforce commitment to power internal and external data centers with 100% renewable electricity

- **Data Centers**

Drive additional energy measures and efficiencies in our data center management

- **Clean IT**

Strengthen sustainable programming to reduce the energy consumption of SAP solutions

**Emission-free refers to vehicles that do not emit exhaust gas or other pollutants from the onboard source of power*

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Sustainability is Multi-Dimensional

Sustainable business transformation requires action on many fronts

Strategy & Goals

From sustainability strategy to sustainable business strategy

- Integrated Reporting with financial and non-financial KPIs
- Three sustainability objectives part of board compensation
- CO2 target setting,, based on 1.5º science-based target

Organization & Processes

Take into account sustainability when assessing risks, opportunities and impact

- Dual approach – top-down and bottom-up
- Federated internal governance model
- External advisory panel
- From context of work to content of work
- Shift of perception - from tree hugger to innovation drivers

IT & Processes

IT as catalyst within and across companies to include sustainability in SAP's business architecture

- Implementation of SAP's sustainability solutions into our application landscape and processes, e.g.:
- SAP Sustainability Control Tower (SCT) co-innovation process in broader Green Ledger framework

Portfolio

Helping customers to become more sustainable (Enabler)

- Provide a comprehensive portfolio of ERP-centric, cloud-based, and AI-enabled sustainability solutions embedding into core business processes (see next slides)
- Cultivate spot innovations via entrepreneurial programs

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Thought Leadership Partners & Impact Networks

SAP engages in partnerships and networks across regions and industries – to learn, exchange, and magnify our impact

Across Action Areas

World Business Council for Sustainable Development

World Economic Forum

econsense

Holistic Steering and Reporting

value balancing alliance

systain

WIDER SENSE

WifOR INSTITUTE

Climate Action

LIVELIHOODS FUNDS ACT TODAY FOR A BETTER FUTURE

1t.org

offsets, reforestation & sustainable development

CLIMATE GROUP RE100

renewables

Circular Economy

ELLEN MACARTHUR FOUNDATION

Social Responsibility

BSR

United Nations Global Compact

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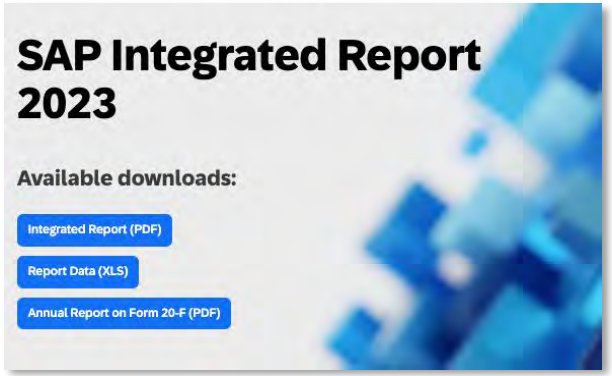
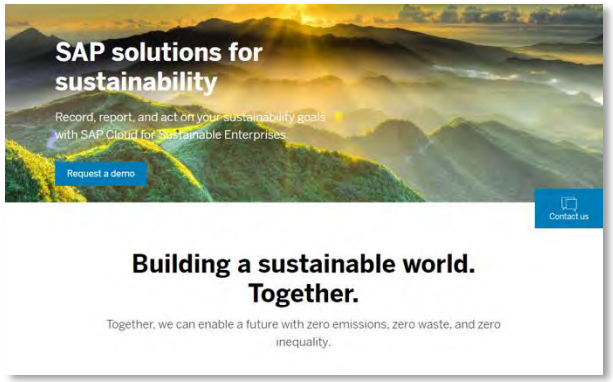
Key Resources



SAP Integrated Report
www.sapintegratedreport.com



SAP Sustainability
www.sap.com/sustainability

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Thank you.

Contact information:

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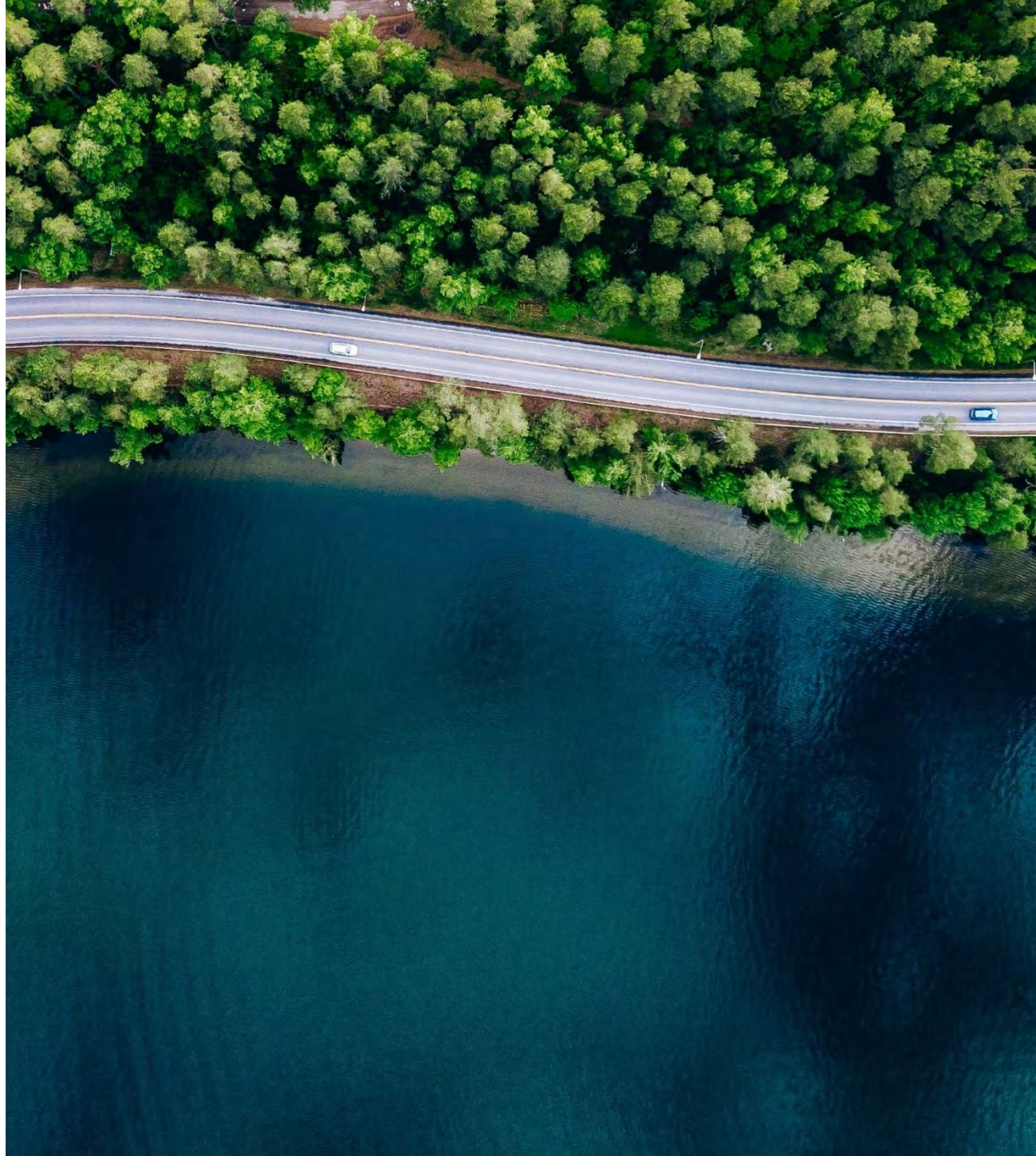

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