Digital Sovereignty

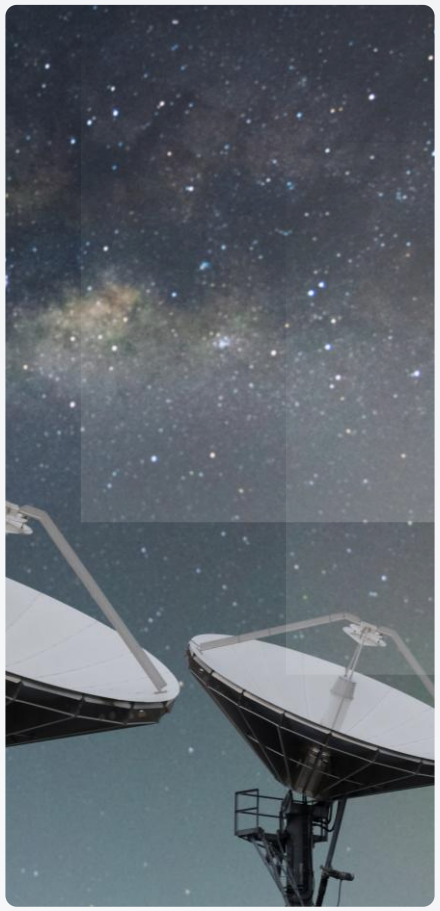
Mary Carol Falk | Head of Product Strategy for SAP Sovereign Cloud

October 6, 2026

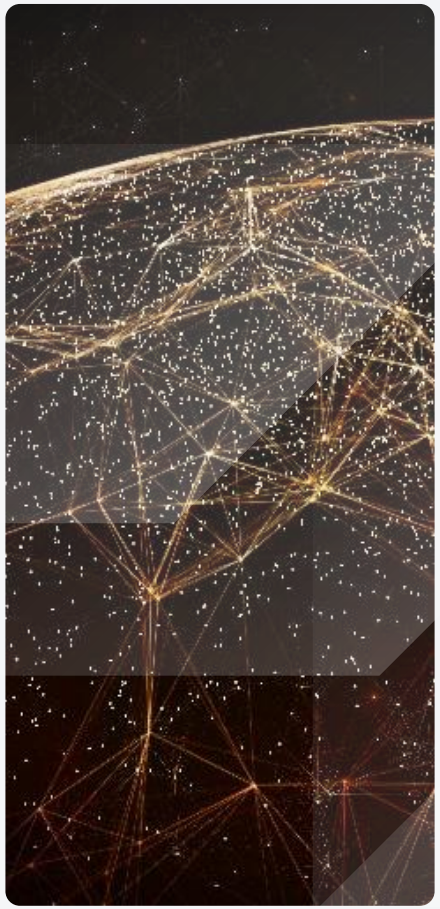
Digital Sovereignty

From a compliance issue to a strategic imperative

for economic security and resilience.



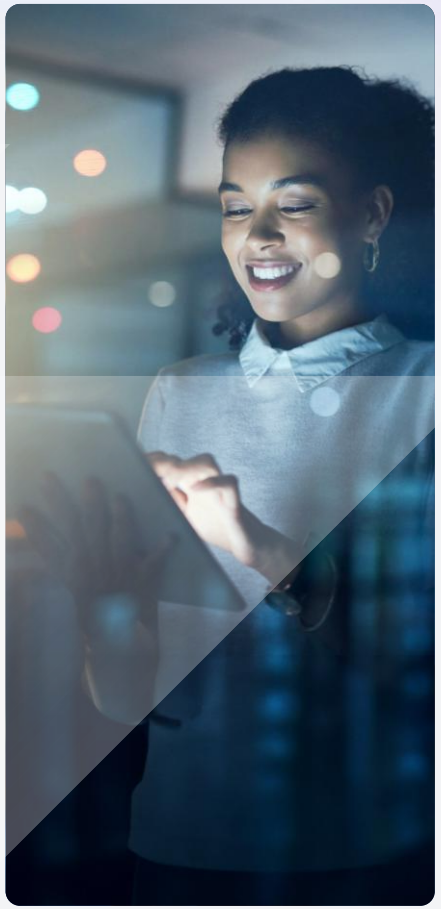
Geopolitical Fragmentation



Regulatory Complexity



Cybersecurity Threats



Competitiveness and Innovation

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But what is Sovereignty?

Unlike other IaaS/PaaS/SaaS products on the market, Sovereign products come with a legal definition . . .

This definition is still evolving, especially within the EU

This leaves each of us to determine our own path



Regulatory Complexity

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What makes something Sovereign? What is even available today?

Where does data reside?

Who has control and/or access?

Who operates it?

AI

Software

Platforms & Tooling

Infrastructure

Hardware

How was it made?

Who owns it?

What are the risks?

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Concrete Steps

Identify what is most important to you as a company based on your regulatory requirements and appetite for risk

Determine what your target is and build towards it

Be ready to adapt!
New technology, geopolitical developments, business needs

Pick providers who have a similar approach

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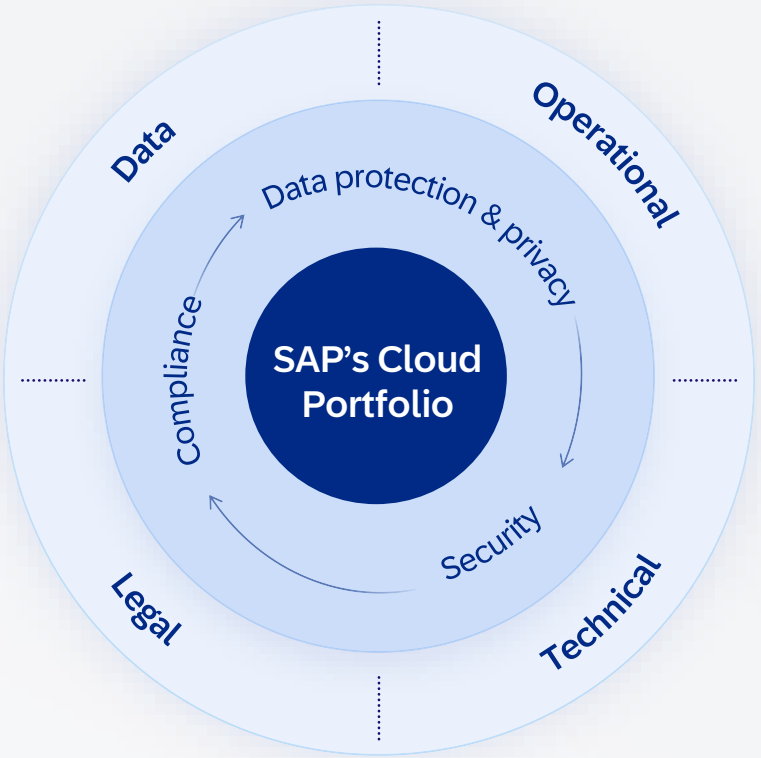
SAP's Approach to Sovereignty: The Four Pillars

DATA

All data (incl. telemetry) is stored within country or approved countries – preventing unauthorized cross-border transfers & adhering to critical infrastructure requirements.

LEGAL

Governance stays aligned. Legal entities are based locally or in approved countries, and ownership, control and influence risk by foreign authorities is mitigated.[1]



OPERATIONAL

Operations stay local[2]. Only approved personnel, local nationals or those from trusted countries, handle administration & maintenance. Mandatory security clearance for personnel handling classified data.

TECHNICAL

Control planes (incl. all tooling) are locally deployed & managed. Logical separation of tenants through encryption, or physical separation. Data centers must implement enhanced security protocols.

 1 depends on respective country regulation | 2 local or approved country

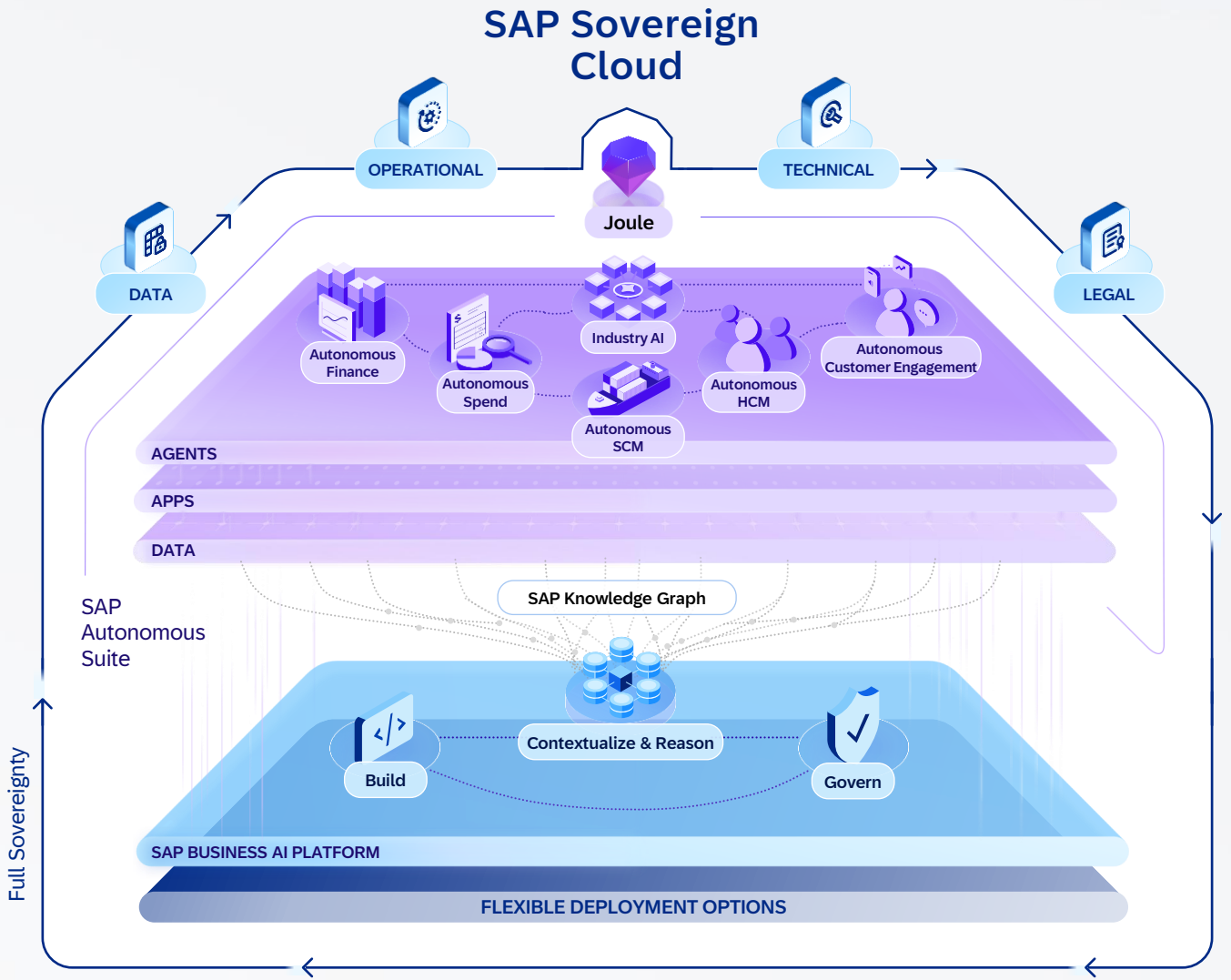
Sovereignty on a Spectrum

	Public Deployment	Select Sovereign Capabilities	SAP Sovereign Cloud
DATA	SAP selects location based on available services & latency *Optional: Data protection services*	Data residency with local infrastructure – *Optional: EU Access; data protection serv.*	✓ All data (incl. telemetry) in country or approved country
OPERATIONAL	Global Operations	Global Operations – *Optional: EU Access*	✓ Nationals, security-cleared personnel & facilities
TECHNICAL	Global control plane; robust security, compliance & privacy controls	Global control plane; robust security, compliance, and privacy controls	✓ Local control plane, security-hardened software
LEGAL	No specific sovereign controls	No specific sovereign controls	✓ Foreign Ownership Control and Influence mitigated as needed

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✓ Fully addressed Controls available No specific sovereign controls

SAP's Take on Digital Sovereignty



For SAP, **Sovereignty** ...

1. ...is a **strategic decision:** Balancing risks, regulatory obligations, and innovation goals.
2. ....goes beyond infrastructure – it depends on **control & resilience across every cloud layer**.
3. ...is about **customer choice & flexibility:** Access to global innovation under trusted local conditions.
4. ...is not about isolation but choosing **the right partner**.

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Thank you