SAP Procurement as a Catalyst to Build a Company-wide Sustainability Practice

ASUG Mid-Atlantic | Oct 19, 2023

Alan Salgado

Solution Architect
CNT Management Consulting Inc

Shivank Rao

Consultant
CNT Management Consulting Inc

aSUG

Sponsored by:

ECNT
Management Consulting

ASUG

Agenda

- **Introduction**
- The need to address the business impact on people and society
- SAP Zero Inequality with Social Responsibilities and our capabilities
- SAP approach to make measurable impact
- Questions & Answers

CNT Management Consulting – By the Numbers

400+
SAP Consultants at ten global Locations

100+
Million EUR global Revenue 2022

24+
Years of Success and Innovation

250+
Customers in EMEA, Americas, APAC

75+
S/4HANA Projects in 40+ Countries

50+
Implementations of SAP Cloud Solutions

SAP Gold Partner

SAP Pinnacle Awards 2021 Winner

CNT Portfolio

ECNT
Management Consulting

SAP Business Transformation

- #rise2s4 conversion package to RISE with SAP
- #run2s4 conversion package ECC to SAP S/4HANA
- SAP S/4HANA Public Cloud
- SAP S/4HANA pre-studies and roadmaps
- SAP S/4HANA greenfield implementations
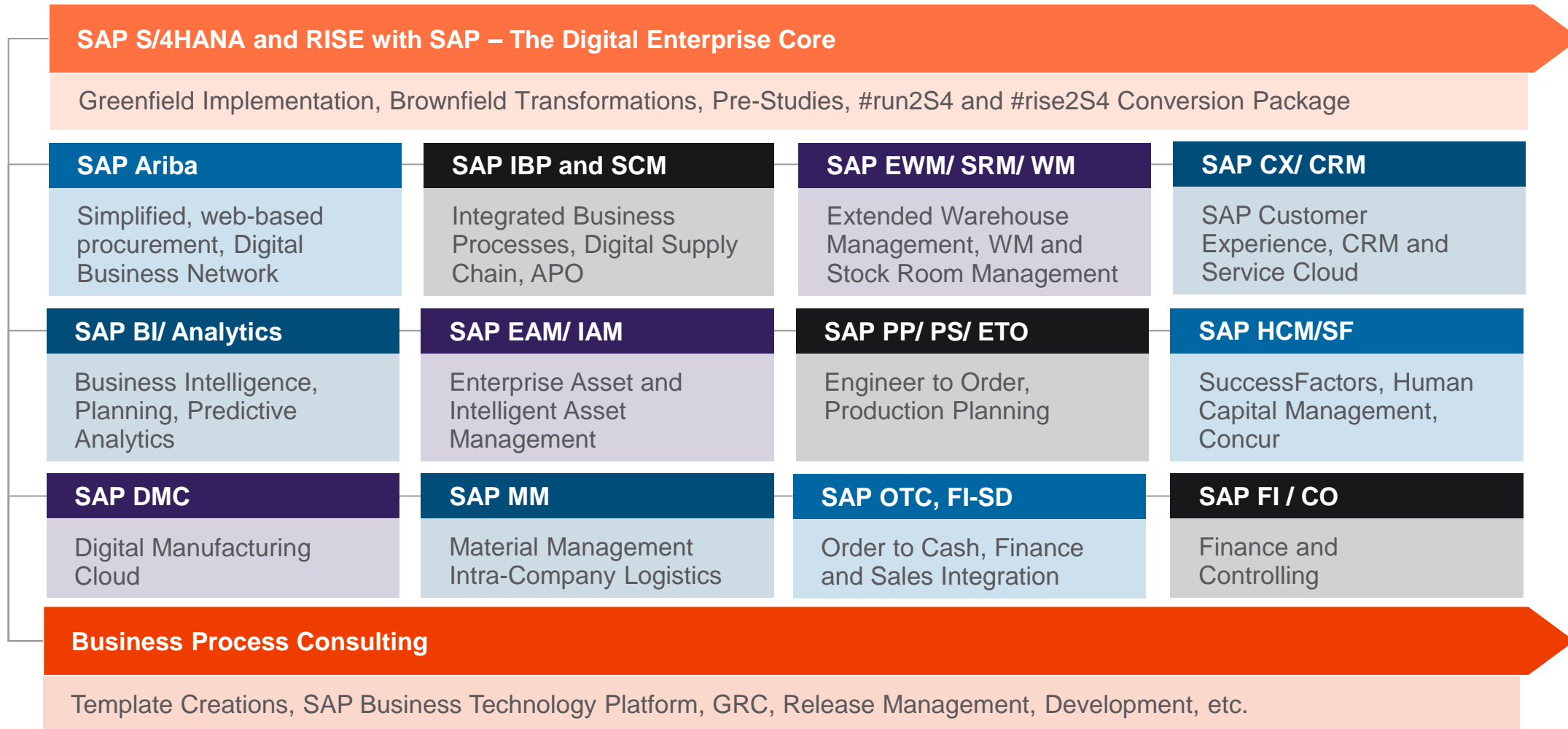- SAP S/4HANA brownfield conversions

SAP Consulting

- Functional SAP consulting
- Global business processes and templates
- End-to-end SAP implementations and rollouts
- Integration management
- SAP master data and data migration
- Program-, project-, and change management

SAP Cloud Solutions

- SAP S/4HANA Cloud and RISE with SAP PCE
- SAP Ariba / Spend and SAP Business Networks
- SAP CX, CS / Customer Experience, Service Cloud
- SAP IBP/ Integrated Business Planning
- SAP SuccessFactors and Concur
- SAP DMC/ Digital Manufacturing Cloud
- SAP BTP/ Business Technology Platform

CNT is an SAP implementation firm covering the complete SAP spectrum

ASUG

SAP Competences

SAP S/4HANA and RISE with SAP – The Digital Enterprise Core

Greenfield Implementation, Brownfield Transformations, Pre-Studies, #run2S4 and #rise2S4 Conversion Package

SAP Ariba	**SAP IBP and SCM**	**SAP EWM/ SRM/ WM**	**SAP CX/ CRM**
Simplified, web-based procurement, Digital Business Network	Integrated Business Processes, Digital Supply Chain, APO	Extended Warehouse Management, WM and Stock Room Management	SAP Customer Experience, CRM and Service Cloud

SAP BI/ Analytics	**SAP EAM/ IAM**	**SAP PP/ PS/ ETO**	**SAP HCM/SF**
Business Intelligence, Planning, Predictive Analytics	Enterprise Asset and Intelligent Asset Management	Engineer to Order, Production Planning	SuccessFactors, Human Capital Management, Concur

SAP DMC	**SAP MM**	**SAP OTC, FI-SD**	**SAP FI / CO**
Digital Manufacturing Cloud	Material Management Intra-Company Logistics	Order to Cash, Finance and Sales Integration	Finance and Controlling

Business Process Consulting

Template Creations, SAP Business Technology Platform, GRC, Release Management, Development, etc.

CNT maintains dedicated competence teams for the different SAP areas

CNT Awards and Recognitions by SAP

Winner of the 2021 SAP Partner Pinnacle Award*

Quality Award 2022
Rapid Time to Value
[Rosenbauer]

Quality Award 2022
Rapid Time to Value
[UBM]

Quality Award 2022
Business Transformation
[Pfeiffer]

Quality Award 2021
Time to Value
[Bachem]

Quality Award 2021
Business Transformation
[Pfeiffer]

Quality Award 2021
S/4HANA Transformation
[Boehringer Ingelheim]

Quality Award 2019
Cloud Transformation
[Porr Group]

Quality Award 2019
Fast Delivery
[Porsche]

Quality Award 2018
Fast Delivery
[TANN Group]

Quality Award 2018
S/4HANA Innovation
[Listroj]

Quality Award 2018
Business Transformation
[Hoerbiger]

SAP Partner of the Year 2020
SAP LoB Cloud

SAP Partner of the Year 2019
SAP Quality

SAP Partner of the Year 2019
SAP S/4HANA Move

SAP Gold Partner

CNT is regularly recognized by SAP with Quality Awards

*The SAP Pinnacle Award is awarded to about 20 out of estimated 20k SAP partners every year

Agenda

- Introduction
- **The need to address the business impact on people and society**
- SAP Zero Inequality with Social Responsibilities and our capabilities
- SAP approach to make measurable impact
- Questions & Answers

The Rise of S in ESG

Social factors increase in prominence for companies to maintain their social license

E **S** **G**

Environmental   **Social**   **Governance**

ESG Reporting

© 2023 ASUG Confidential

The Increasing Challenges of Business Impact

Understanding the urgency

Equality and Human Rights

50 million people are estimated to be trapped in modern slavery worldwide: 1 in 4 of them are children, and almost three-quarters are women and girls.

For more information

Health and Safety

Each year, nearly 3 million workers die due to occupational accidents and diseases, and hundreds of millions more suffer non-fatal injuries at work.

For more information

People Sustainability

Human talent, not capital or technology will be the key factor. By 2030, the global human talent shortage will be more than 85 million people.

For more information.

Social Responsibility is more relevant than ever

Companies need to act on sustainability now

Consumers

73%

of consumers say brands must act now for the good of society and the planet, 71% don't believe brands will deliver on their promises.

For more information.

Employees

58%

of employees today say they hold their employer to a higher standard than other companies when it comes to addressing social justice issues.

For more information.

Suppliers

73%

of businesses cannot tell if their suppliers meet any kind of ESG standards, including their own.

For more information.

Investors

51%

of investors surveyed found the S to be the most difficult to analyze and embed in investment strategies.

For more information.

Companies

58%

of organizations that currently have a strong and clear sense of purpose experienced 10% or more growth during the last three years.

For more information.

ASUG

Impact of Society on Business

From Voluntary Frameworks to Regulations

ECNT Management Consulting

European Union

EU: Sustainable corporate governance (SCG). Commission adoption.

EU: Social Taxonomy (Final report released)

EU: Corporate Sustainability Due Diligence. Public Hearing, CSDD. (Possibly 2024)

EU: Corporate Sustainability Reporting Directive, CSRD, (2024)

EU: Taxonomy Regulation (2022)

EU: Conflict Minerals Regulation (2021)

EU: Pact for Skills (2020)

EU: Non-Financial Reporting Directive, NFRD (2018)

EU: General Data Protection Regulation GDPR (2018)

EU: Strategic Framework and Action Plan on Human Rights and Democracy (2012)

Global Frameworks

Human Rights and Child Labour Indices for Battery Passport, GBA (2022)

ISSB under IFRS (2021)

Value Reporting Foundation (merge of IIRC and SASB) (2021)

World Economic Forum (WEF) Stakeholder Capitalism Metrics (2020)

OECD Due Diligence Guidance for Responsible Business Conduct (2018)

Global Reporting Initiative (GRI) Standards (2016)

Task Force on Climate-related Financial Disclosures, TCFD (2017)

UN Guiding Principles on Business and Human Rights UNGP (2011)

OECD Guidelines for Multinational Enterprises

Sustainable Accounting Standards Board, SASB (2011)

ISO 26000-2010: Guidance on Social Responsibility (2010)

UN Principles on Responsible Investment, PRI (2006)

Equator Principles, EP (2003)

UN Global Compact (UNGC) Communication on Progress (CoP) (2000)

ILO, Abolition of Forced Labour Convention, No. 29,105, (1930.1957)

United States-Mexico-Canada Agreement USMCA (2020)

Canada: Justice for Victims of Corrupt Foreign Officials Act (2017)

US: Uyghur Forced Labor Prevention Act (2022)

US: Dodd-Frank Wall Street Reform and Consumer Protection Act (2014)

US: FAR 22.17 Act (2012)

US: California Supply Chain Transparency Act (2012)

US: Tariff Act (1930)

Norway: Transparency Act (2022)

Finland: Act on Contractor's Obligations and Liability (possibly 2024)

NL: Child Labor due diligence law (2022)

NL: International corporate social responsibility ICSR

Germany: Supply chain due diligence Act, LkSG (2023)

Belgium: Duty of care and accountability (2021)

Switzerland: Code of obligations (2022)

UK: Modern Slavery Act (2015)

France: 'Duty of Vigilance' Act (2017)

African Union: Guidelines on Economic, Social and Cultural Rights (2010)

African Union: Human Rights-Based Approach to Natural Resources Governance (2012)

African Union: African Charter on Human and Peoples' Rights (1981)

Australia: Modern Slavery Act (2020)

- Voluntary/obligation framework
- Law and Regulation
- Pending

Increasing Regulation on Human Rights and Social Responsibility

aSUG

Agenda

- Introduction
- The need to address the business impact on people and society
- **SAP Zero Inequality with Social Responsibilities and our capabilities**
- SAP approach to make measurable impact
- Questions & Answers

Zero Inequality with Social Responsibility

A part of the SAP Cloud for Sustainable Enterprises

Business Network	**Industry Capabilities**	**Partner Ecosystem**
for carbon data sharing	to solve your specific challenges	geared towards sustainability

Holistic Steering and Reporting – SAP Sustainability Control Tower

Record – Report – Act

Zero Emissions
with Climate Action

Decarbonize your entire value chain (scope1-3) based on actual business transactions

Zero Waste
with Circular Economy

Incorporate **circularity** into your supply chain & create sustainable business models

Zero Inequality
Focus today

with Social Responsibility

Understand the **impact of** your **business** on **people and the society**

SAP S/4HANA, Customer Relationship Management, Human Experience Management, Spend Management and Business Network

SAP Business Technology Platform

SAP Zero Inequality with Social Responsibility

Sustain equitable, responsible business practices that positively impact people AND our planet.

Equality and Human Rights

Manage increasing requirements around ethical sourcing and comply with human rights due diligence in your supply chain to ensure decent work, reduce inequalities, and mitigate risk.

Health and Safety

Foster a strong culture of corporate safety with centralized risk management. A holistic approach to worker safety that embeds operational risk management systematically across your operations.

People Sustainability

Foster talent and sustain a future-ready workforce by ensuring everyone is treated fairly, and equitably with equal opportunity so the transition towards the green economy is just and that nobody gets left behind.

SAP Solutions Linked to Social Responsibility

Manage business impact and protect your entire value chain with SAP sustainability solutions

Equality and Human Rights

Human Rights Due Diligence
SAP Ariba Supplier Risk Management
Ariba Network

Sustainable Procurement
SAP Intelligent Spend Management suite
SAP Fieldglass

Privacy-by-Design
CX Customer Data Solutions

Health and Safety

Workplace Health and Safety
SAP EHS Health & Safety
SAP EHS Incidents Management
SAP EHS Occupational Health

People safety and Product Compliance
SAP S/4HANA for Product Compliance

People Sustainability

People Sustainability
SAP SuccessFactors Human Experience Management

Future-Ready Workforce
SAP SuccessFactors Learning
SAP SuccessFactors Opportunity Marketplace

ESG Stakeholder Perception
Qualtrics EmployeeXM

Agenda

- Introduction

- The need to address the business impact on people and society

- SAP Zero Inequality with Social Responsibilities and our capabilities

- **SAP approach to make a measurable impact**

- Questions & Answers

Transparency is the first step in solving these challenges

SAP's unique position to be your partner

RECORD

Ensure workforce and human rights transparency across your value chain

88% of the World's Supply Chains networked through SAP

REPORT

Incorporate relevant KPIs and frameworks with built-in audit & assurance

>600 ESG frameworks & standards simplified on extensible data foundation

ACT

Embed responsible business conduct at the core of your business practices

50 years of market leadership in enterprise processes & applications

How we unlock your sustainability transformation

Capabilities

Positive Business Impact

Stage	Capability
Excellence with Sustainable transformation	Continuous Value Stream improvement approach to all business factors; Benchmarking against peers, setting best practices & transformation
Stakeholder Transparency & Collaboration with Partners	Transparent ESG numbers, assumptions, and calculations; Network collaboration with Partners
Gain Insights and Integrate ESG in Business Operations	ESG integrated with all business operations; Insights to understand key social metrics and risks in all business processes.
Visibility Actuals across value chain	Visibility into actuals across all stakeholders.- from the workforce to supplier and community.
Build Trusted Governance	Solutions with integrated audit & assurance; KPIs harmonized with financial periods & reporting
As-is ESG Reporting	Reporting using current data collection & reporting tools; Program estimates on business impact

Sustainability Transformation

SAP Spend Management Soutions

ECNT Management Consulting

SAP Intelligent Spend Business Network

Spend Analysis	Ariba Sourcing	Ariba Contracts	Supplier Management		Ariba Catalog	Ariba Buying
[Classifications, benchmarks, …]	[RFI, RFP, RFQ, Auctions]	[Contract Authoring & Management]	**SLP** [Supplier Lifecycle & Performance]	**Risk** [Supplier Risk, Monitor Issues]	[Simplified Shopping Experience]	[Procurement and Invoicing]

SAP ERP Integration

[CGI, SAP Cloud Connector, Commerce Automation, Supply Chain Collaboration]

asug

SAP Intelligent Spend Business Network (ISBN)
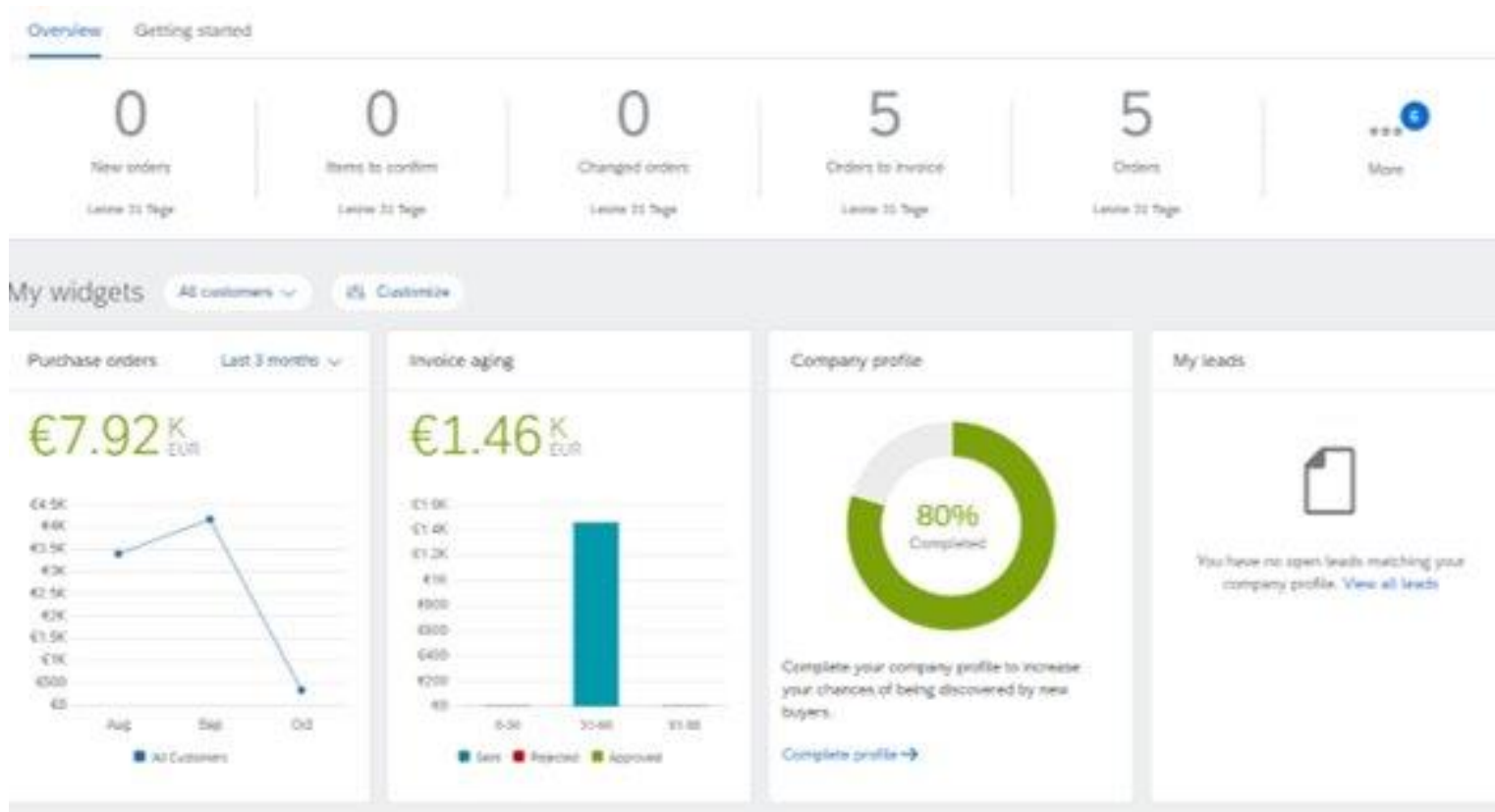
SAP's ISBN connects business partners

- Allows partners to collaborate remotely on transactions

- It enables businesses to monitor supplier compliance with environmental, social, and governance (ESG) standards.

- Helps ensure that the organization holds the necessary information at the right level of detail

aSUG

SAP Supplier Risk & Performance
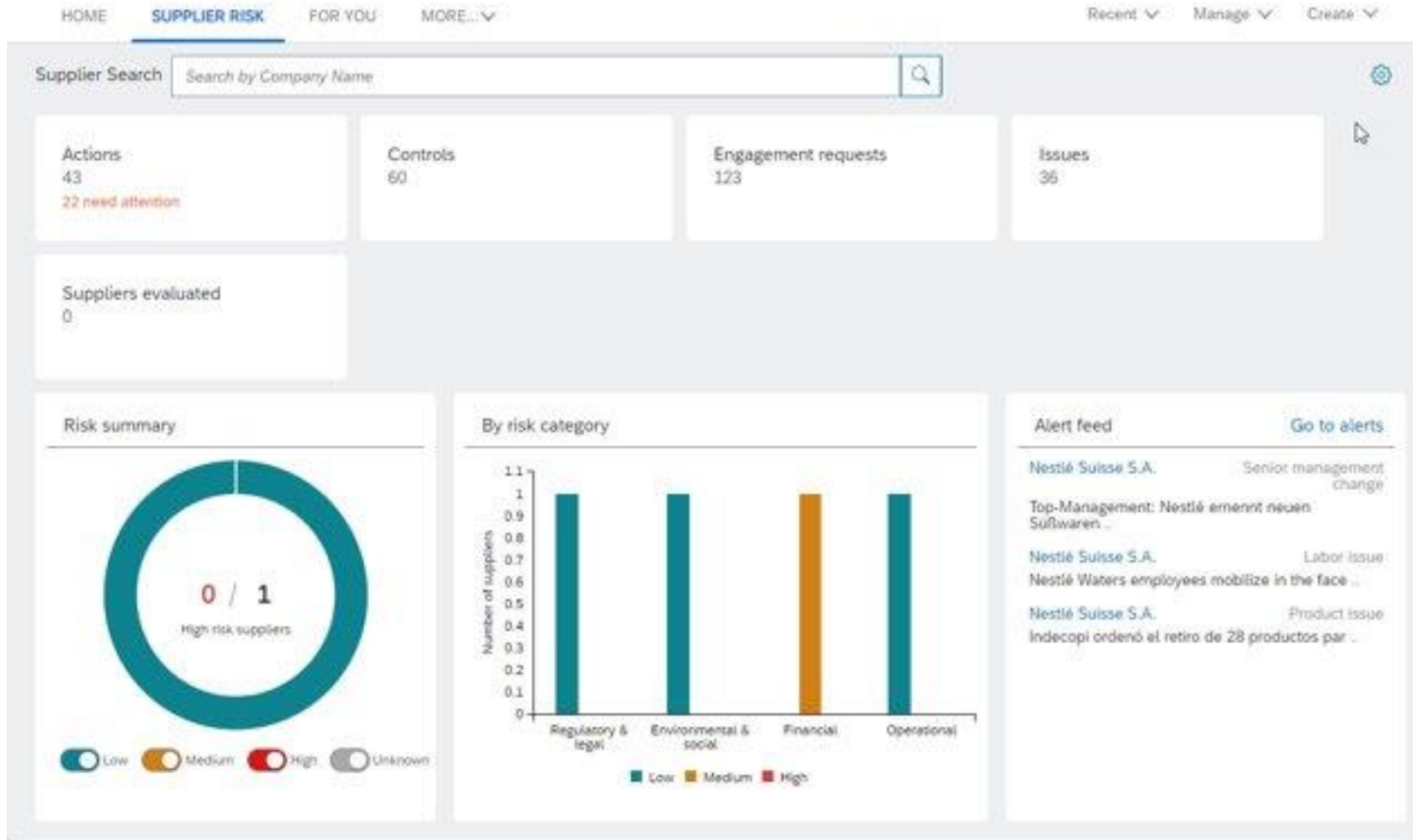
SAP Supplier Risk & Performance Management helps assess and manage supplier sustainability risks.

- Enables businesses to monitor supplier compliance with ESG standards.

- Allows organizations to identify potential risks and take proactive measures to mitigate them.

How is Sustainability integrated with Procurement?

Supplier Risk data and ESG reporting

Data is Gathered in SAP Ariba Risk from different data sources:

- Standard Risk providers
- External Data Providers
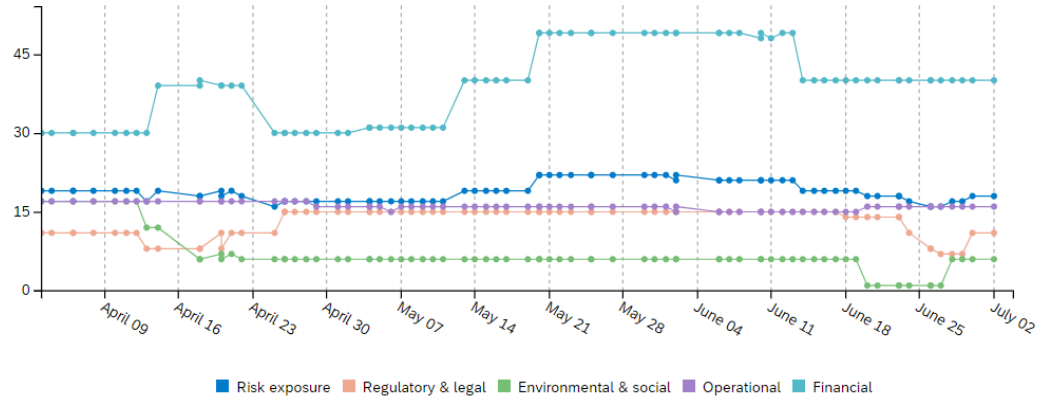
Access to risk information from different processes like Sourcing, Buying and Supplier Management

External Data Providers

Integrate with Ariba Risk to provide real-time data on suppliers

Fulfilment of legal requirements:
- German Supply Chain Act
- EU Taxonomy

Company strategy:
- Present company as "green" and sustainable
- Reach targets for carbon footprint
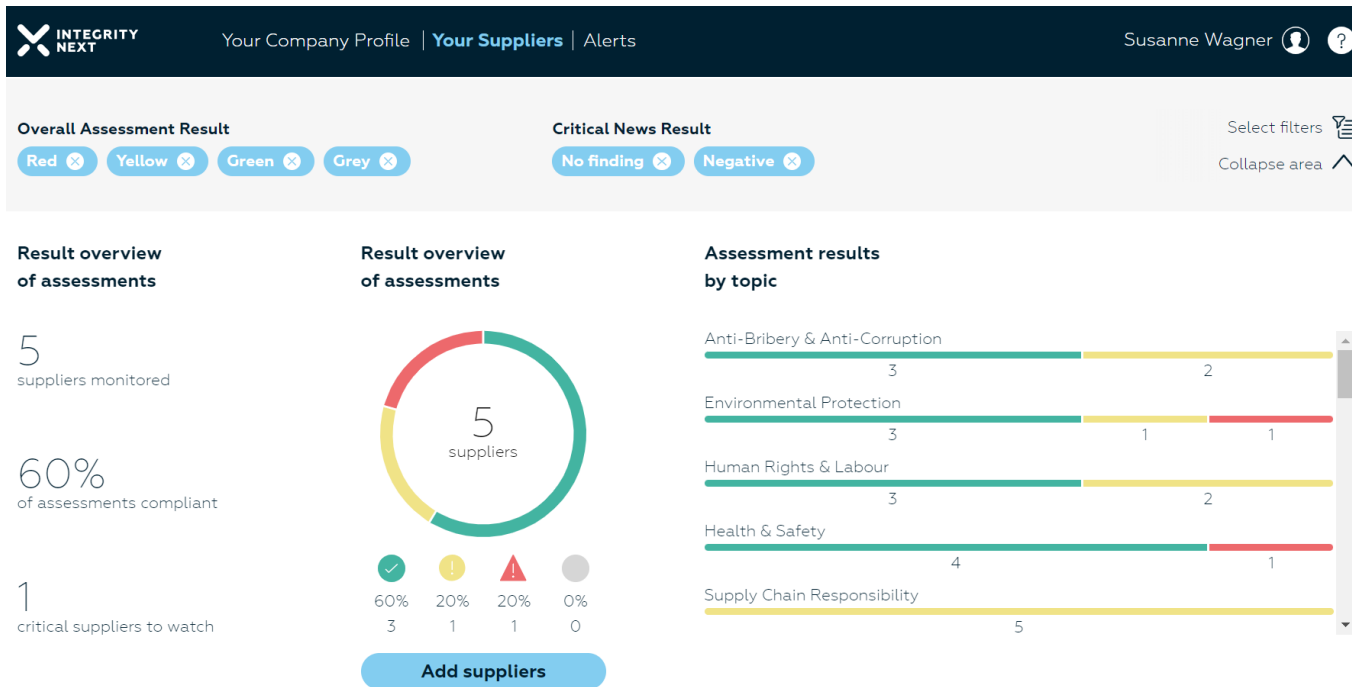- Structure supplier base to be more sustainable

Minimizing risks:
- Recognize supplier related risk earlier
- Avoid disruptions in the supply chain
- Avoid penalties for not fulfilled legal requirements

IntegrityNext External Data CNT Partner

Automatically collect sustainability and compliance information on all your suppliers.

Enrich the supplier profiles in SAP Ariba data regarding sustainability and compliance:

- **Environmental**:
  - carbon footprint, pollution & waste, energy management
- **Social:**
  - child labor, slavery, diversity, health & safety
- **Governance:**
  - corruption & bribery, data protection, cyber security etc.
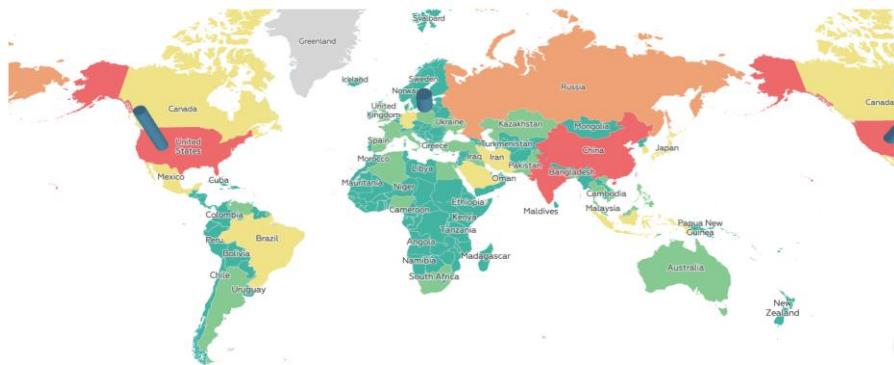
[Homepage IntegrityNext](#)

Sample Data provided by IntegrityNext

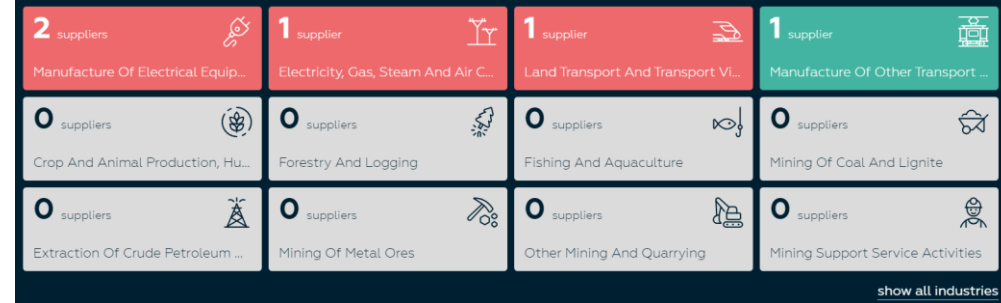## Country Risk – Total Greenhouse Gas

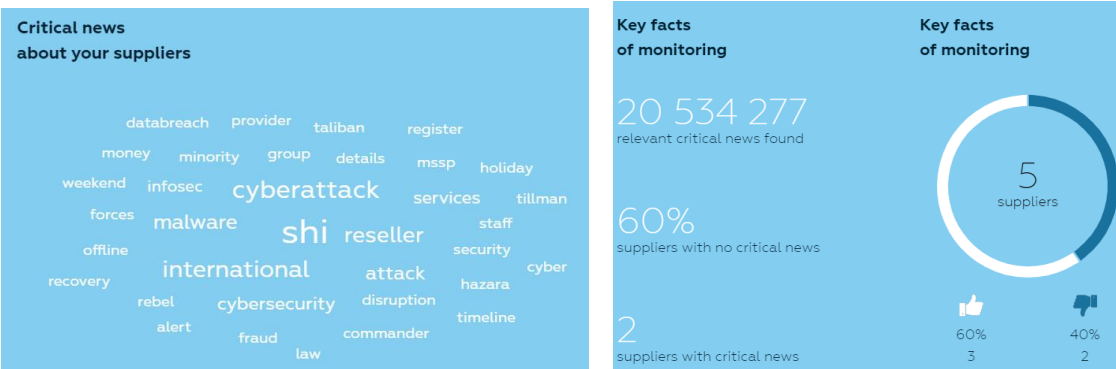

COUNTRY RISK — Total Greenhouse Gas (GHG) Emissions

Industry Risk – Environmental Protection & Health

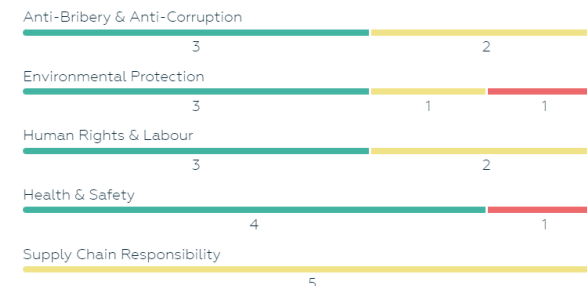INDUSTRY RISK — Environmental Protection & Health

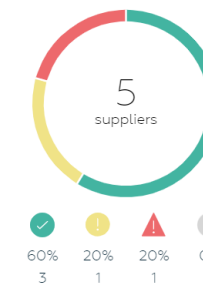|			
2 suppliers — Manufacture Of Electrical Equip...	**1** supplier — Electricity, Gas, Steam And Air C...	**1** supplier — Land Transport And Transport Vi...	**1** supplier — Manufacture Of Other Transport ...
0 suppliers — Crop And Animal Production, Hu...	**0** suppliers — Forestry And Logging	**0** suppliers — Fishing And Aquaculture	**0** suppliers — Mining Of Coal And Lignite
0 suppliers — Extraction Of Crude Petroleum ...	**0** suppliers — Mining Of Metal Ores	**0** suppliers — Other Mining And Quarrying	**0** suppliers — Mining Support Service Activities

show all industries

Critical News & Social Media data

Critical news about your suppliers

databreach provider taliban register money minority group details mssp holiday weekend infosec cyberattack services tillman forces malware shi reseller staff security offline international attack cyber recovery cybersecurity disruption hazara rebel timeline alert fraud commander law

Key facts of monitoring

20 534 277 relevant critical news found

60% suppliers with no critical news

2 suppliers with critical news

Key facts of monitoring

5 suppliers

👍 60% 3   👎 40% 2

Sustainability Assessments

Assessment results by topic

Topic		
Anti-Bribery & Anti-Corruption	3	2
Environmental Protection	3	1 / 1
Human Rights & Labour	3	2
Health & Safety	4	1
Supply Chain Responsibility	5	

Result overview of assessments

5 suppliers

✅ 60% 3   ⚠️ 20% 1   🔺 20% 1   ⚪ 0% 0

IntegrityNext Data in SAP Ariba
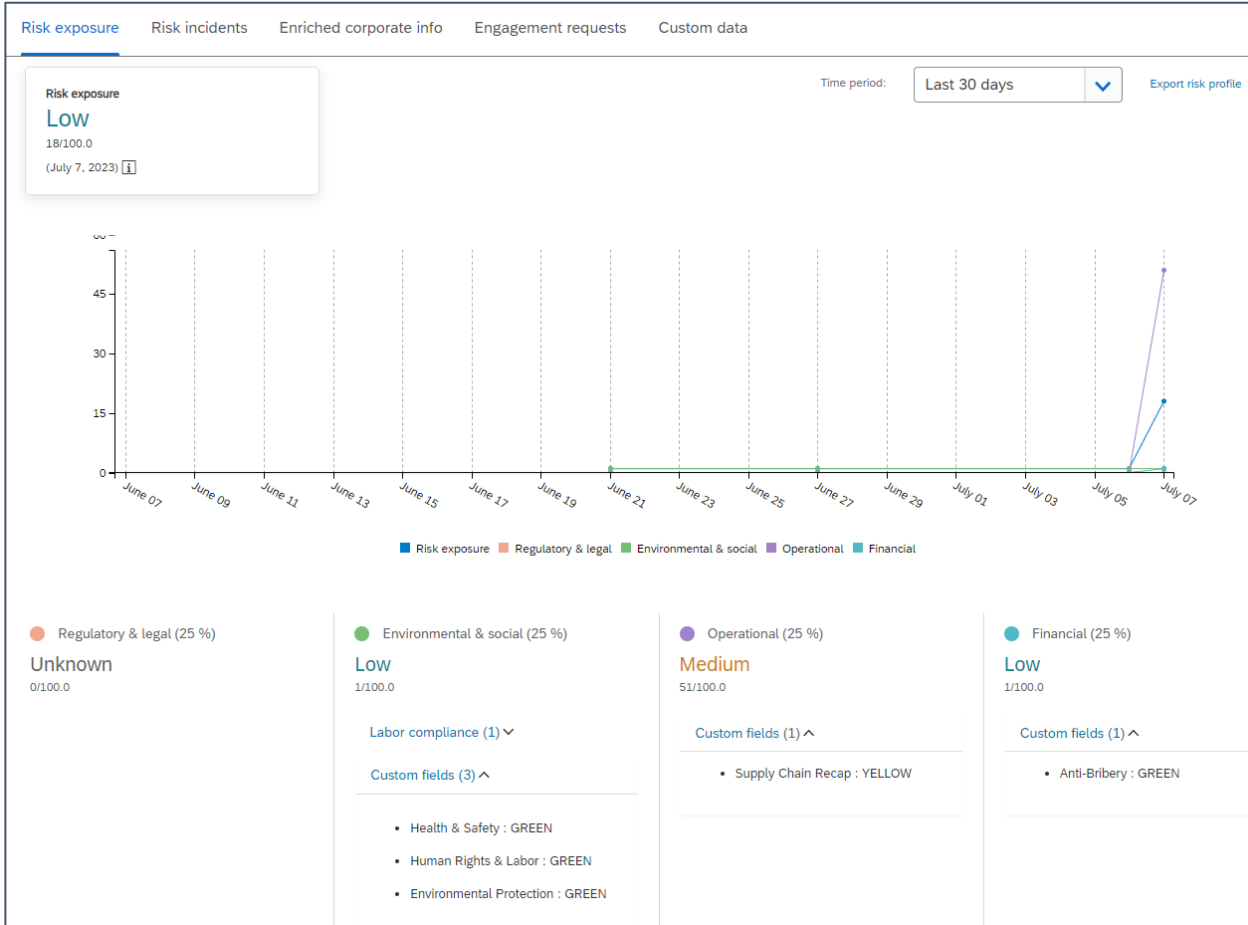
SAP Cloud for Sustainable Enterprise portfolio

- **SAP Sustainability Control Tower**
  Manage sustainability performance by enabling transparency across financial, operational, compliance, environmental, and social key figures.

- **SAP Responsible Design and Production**
  Holistically manage packaging and regulatory risk across global markets and support transition to a sustainable portfolio.

- **SAP S/4HANA for Product Compliance**
  Manage regulatory and sustainability requirements, track registrations and volumes, classify products, and create compliance docs, as well as package, transport, and store hazardous materials properly with accurate labeling.

- **SAP Environment, Health, and Safety Management (EHS)**
  Used to identify, analyze, and mitigate environment, health, and safety risks before they impact employees and customers. Manage chemicals safely, monitor industrial hygiene, and reduce environmental impact.

- **SAP E-Mobility**
  A new cloud-based solution for operating a networked electric vehicle charging infrastructure at scale.

- **SAP Integrated Business Planning for Supply Chain**
  Understand the greenhouse gas (GHG) footprint of your products along the supply network

- **SAP Ariba Supplier Management (SLP & Risk)**
  Used to proactively identify, analyze, and mitigate environment, health, and safety risks before they impact employees and customers. Manage chemicals safely, monitor industrial hygiene, and reduce your environmental impact.

Agenda

- Introduction

- The need to address the business impact on people and society

- SAP Zero Inequality with Social Responsibilities and our capabilities

- SAP approach to make measurable impact

- **Questions & Answers**

Questions?

For questions after this session, contact us at

Alan Salgado, CNT Atlanta
a.salgado@cnt-online.com
+1 (240) 338-0042

Shivank Rao, CNT Atlanta
s.rao@cnt-online.com
+1 (404) 368-7177

aSUG

Thank you.

asug