

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

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Agenda

- **Introduction to CNT Management Consulting**
- 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



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

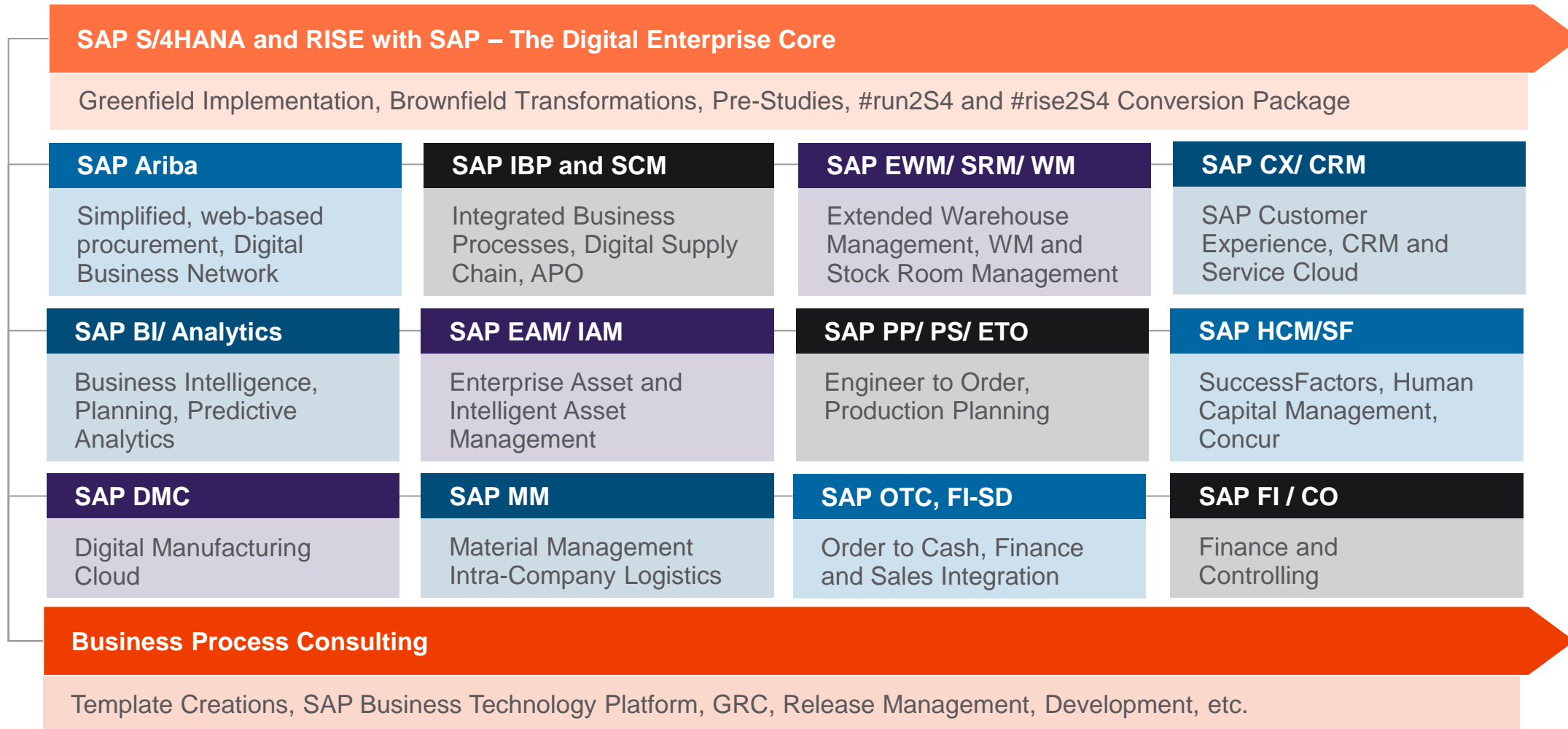
- Functional SAP consulting
- Global business processes and templates
- End-to-end SAP implementations and rollouts
- Integration management
- SAP master data and data migration
- Program-, project-, and change management

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 Management Consulting is an SAP implementation firm covering the complete SAP spectrum

SAP Competences



CNT maintains dedicated competence teams for the different SAP areas

At CNT, Quality is What Matters



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]



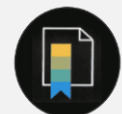
Quality Award 2018
Fast Delivery
[TANN Group]



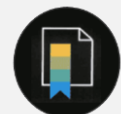
Quality Award 2018
S/4HANA Innovation
[Listroj]



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

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The Rise of S in ESG

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

E



Environmental

S



Social

G



Governance

ESG Reporting

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](#)

Public

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.](#)

Impact of Society on Business

From Voluntary Frameworks to Regulations

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

Belgium: Duty of care and accountability (2021)

UK: Modern Slavery Act (2015)

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

Switzerland: Code of obligations (2022)

France: 'Duty of Vigilance' Act (2017)

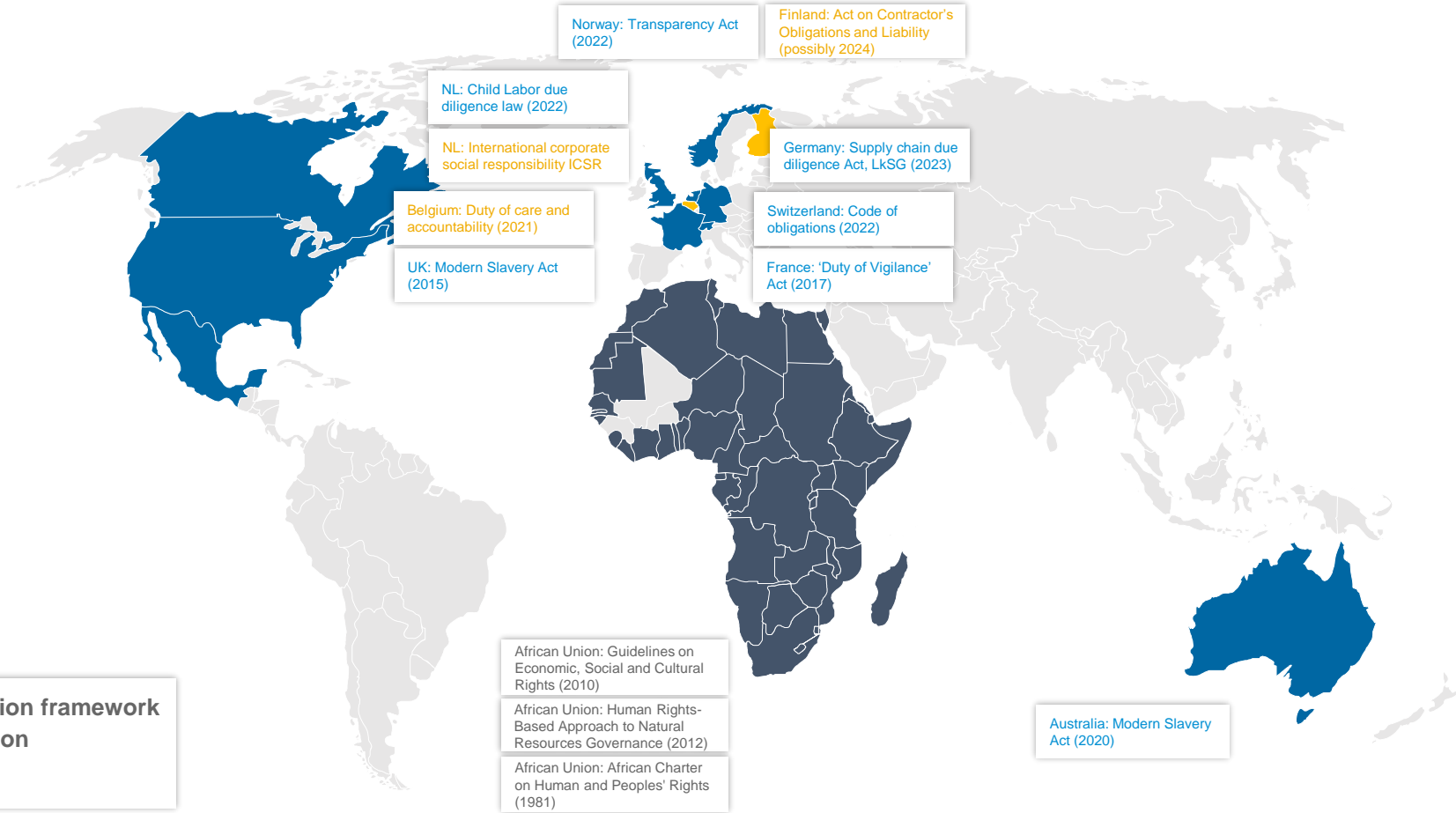
African Union: Guidelines on Economic, Social and Cultural Rights (2010)

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



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)

Increasing Regulation on Human Rights and Social Responsibility

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Zero Inequality with Social Responsibility

A part of the [SAP Cloud for Sustainable Enterprises](#)

Business Network
for carbon data sharing

Industry Capabilities
to solve your specific challenges

Partner Ecosystem
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 with Social Responsibility

Focus today

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

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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



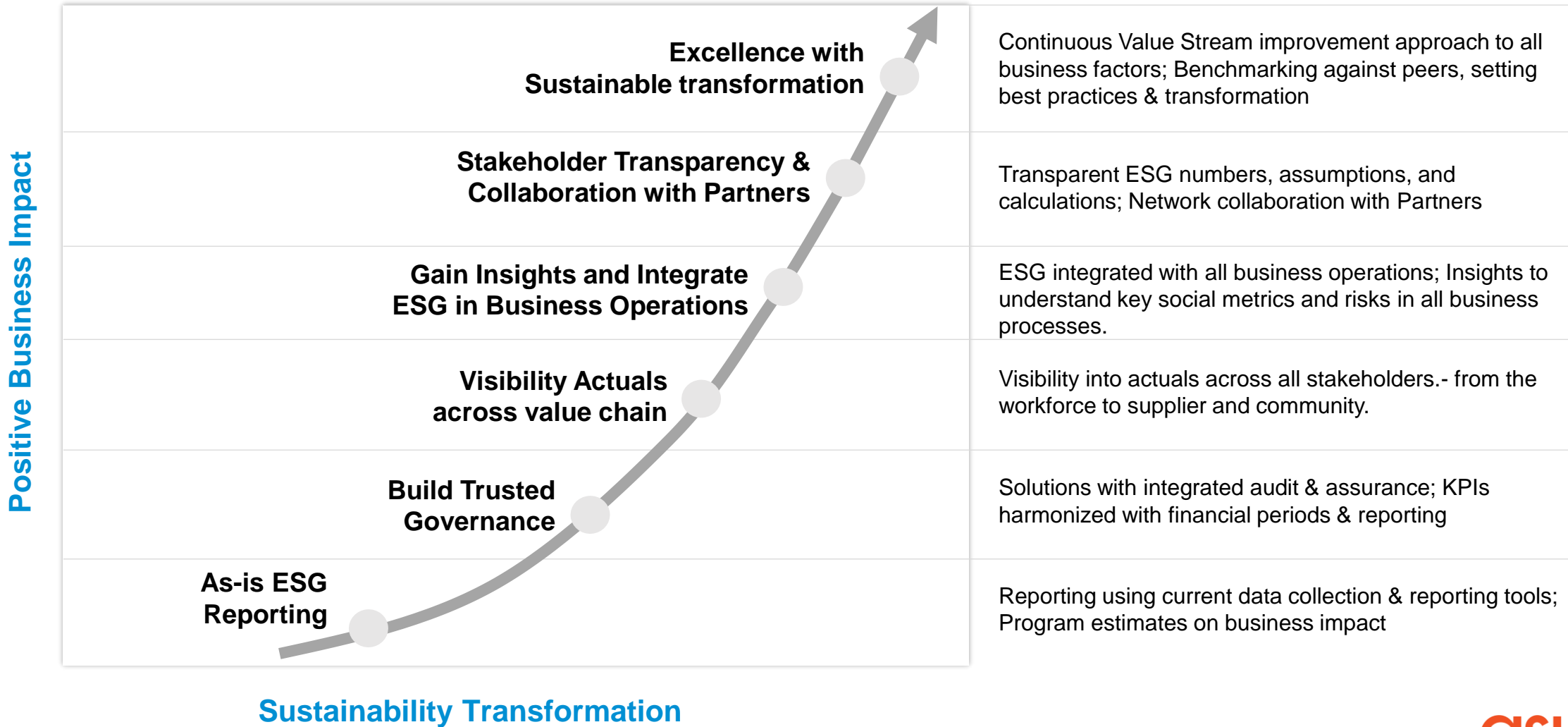
ACT

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



SAP Spend Management Solutions

SAP Intelligent Spend Business Network

Spend Analysis

[Classifications, benchmarks, ...]

Ariba Sourcing

[RFI, RFP, RFQ, Auctions]

Ariba Contracts

[Contract Authoring & Management]

Supplier Management

SLP

[Supplier Lifecycle & Performance]

Risk

[Supplier Risk, Monitor Issues]

Ariba Catalog

[Simplified Shopping Experience]

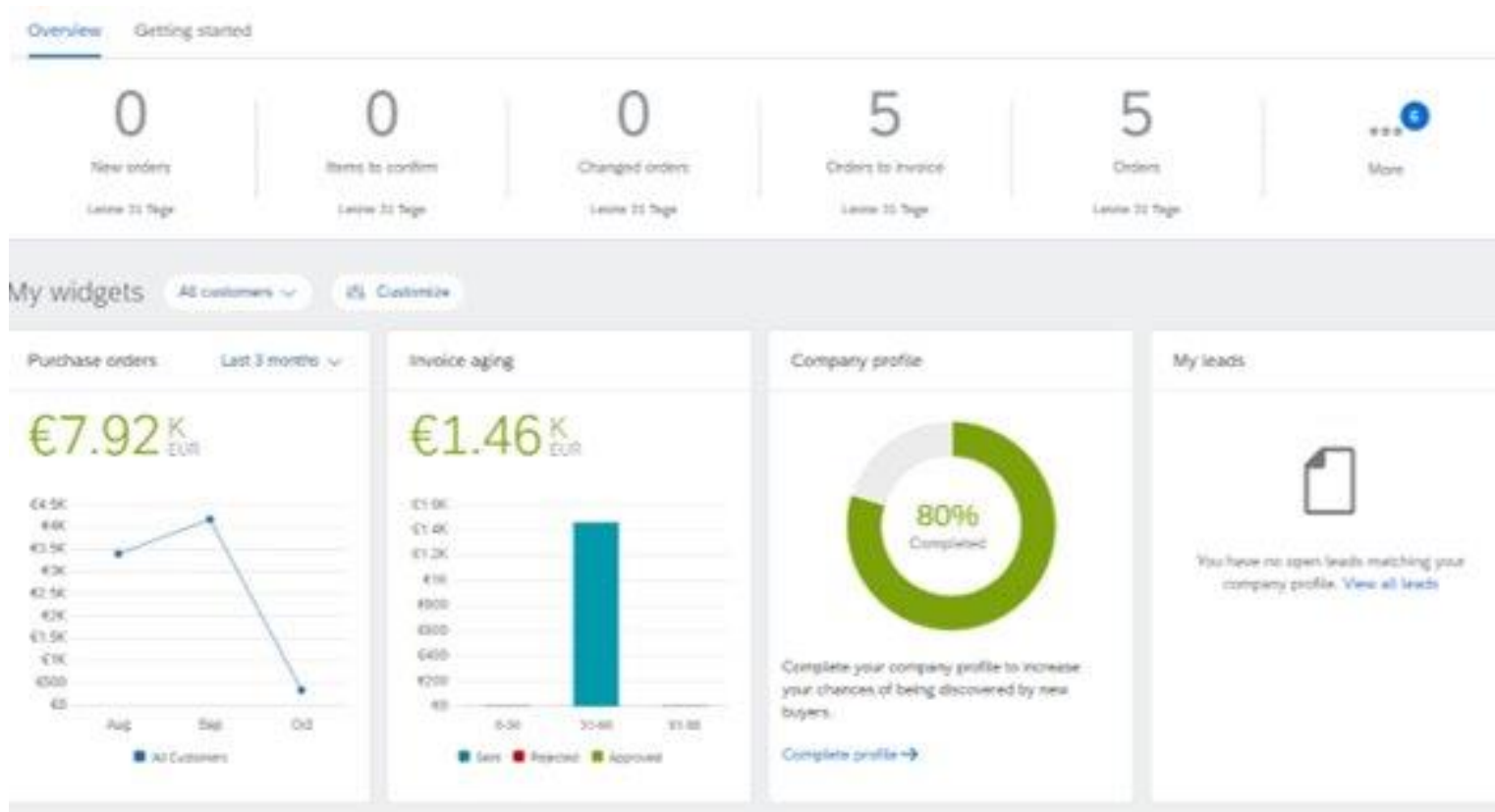
Ariba Buying

[Procurement and Invoicing]

SAP ERP Integration

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

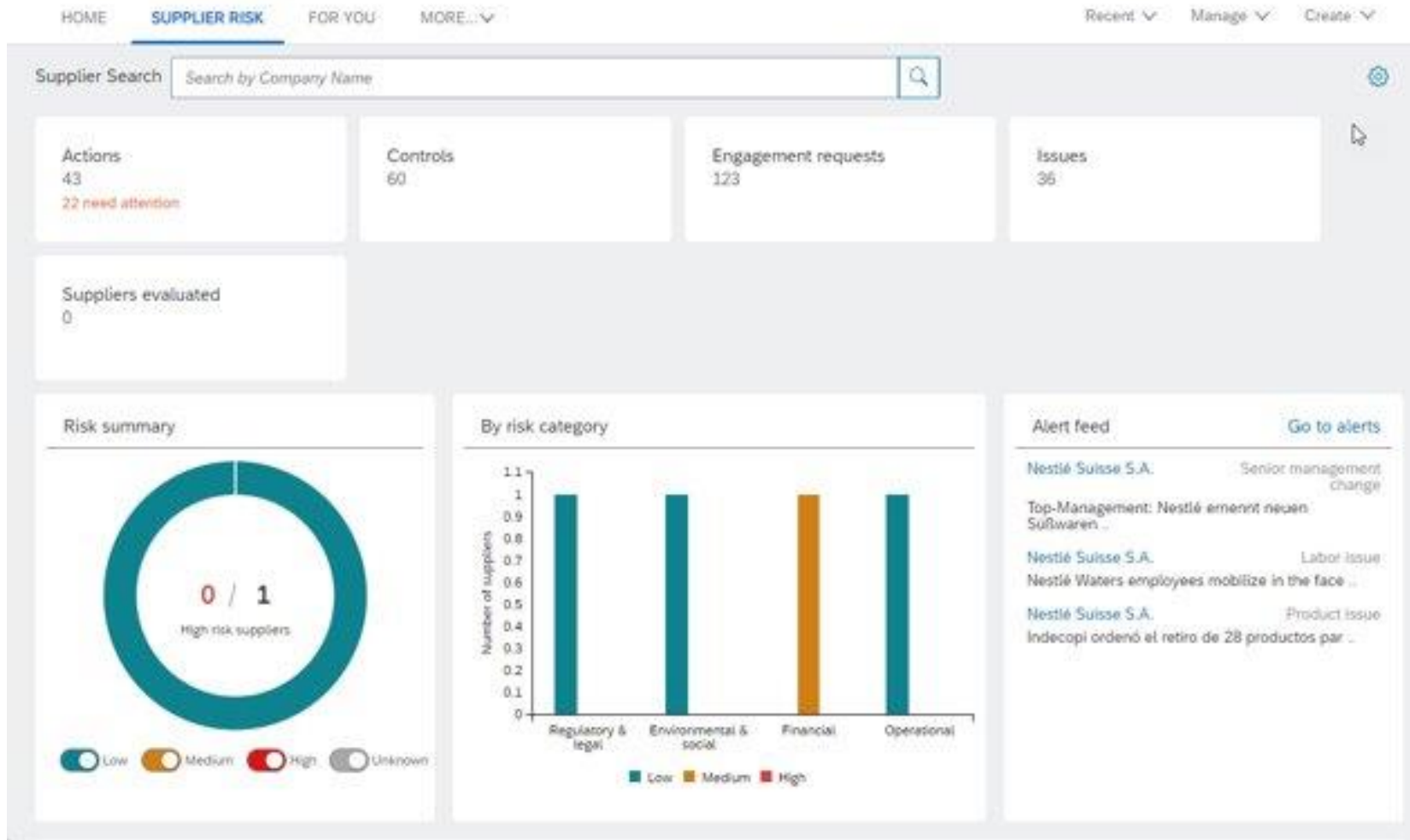
SAP Intelligent Spend Business Network (ISBN)



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

SAP Supplier Risk & Performance



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

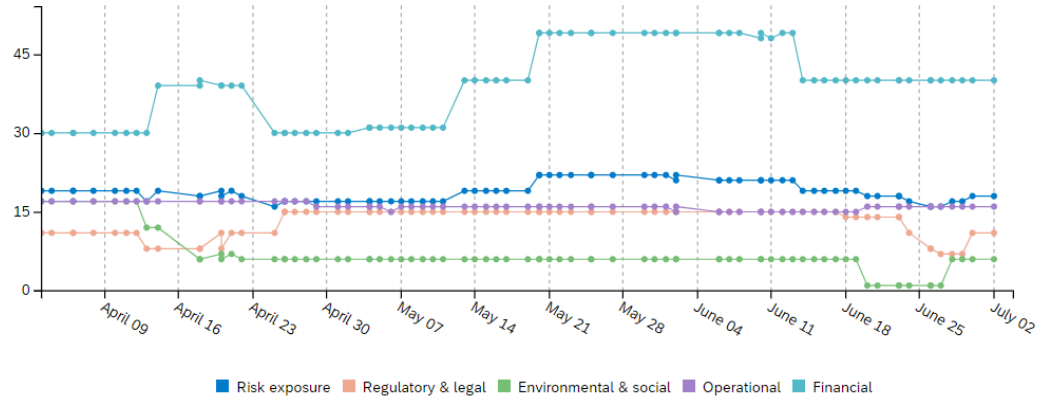
- Enables businesses to monitor supplier compliance with ESG standards.
- Allows organizations to identify potential risks and take proactive measures to mitigate them.

How is Sustainability integrated with Procurement?

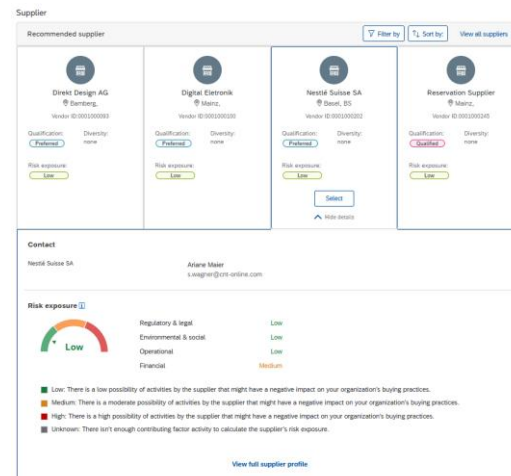
Supplier Risk data and ESG reporting

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

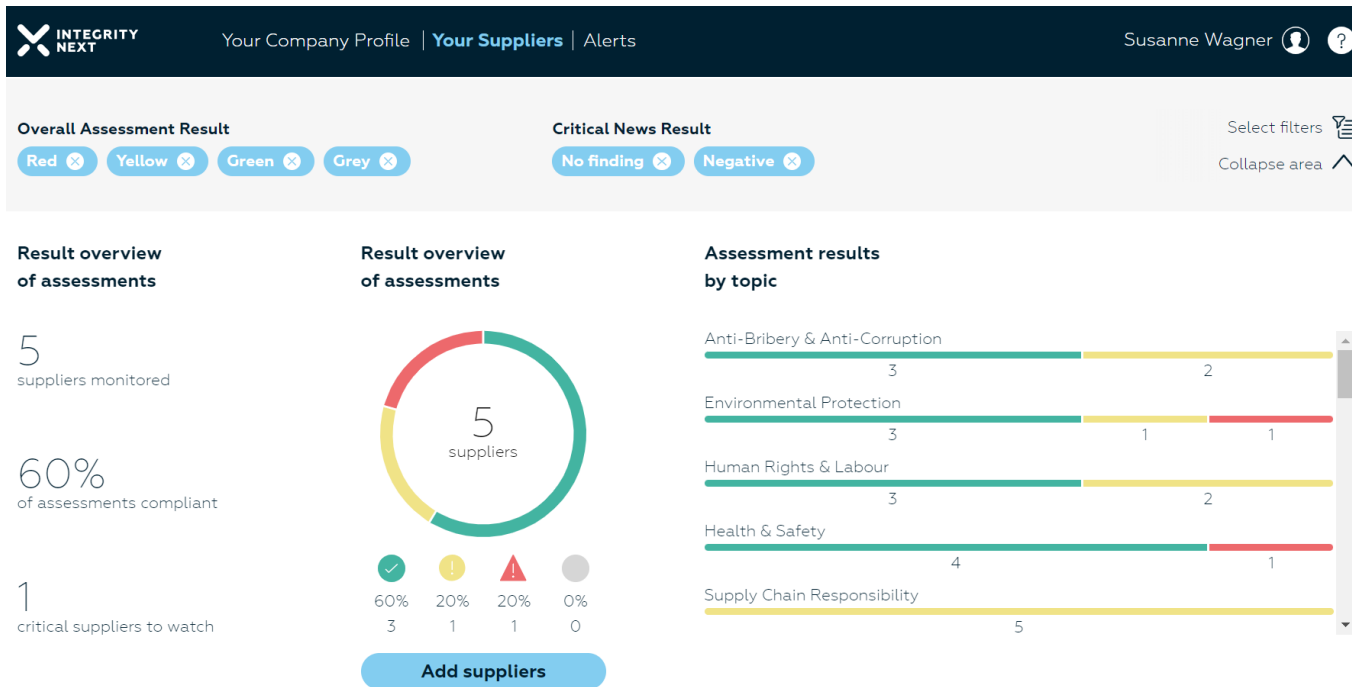


Minimizing risks:

- 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](#)

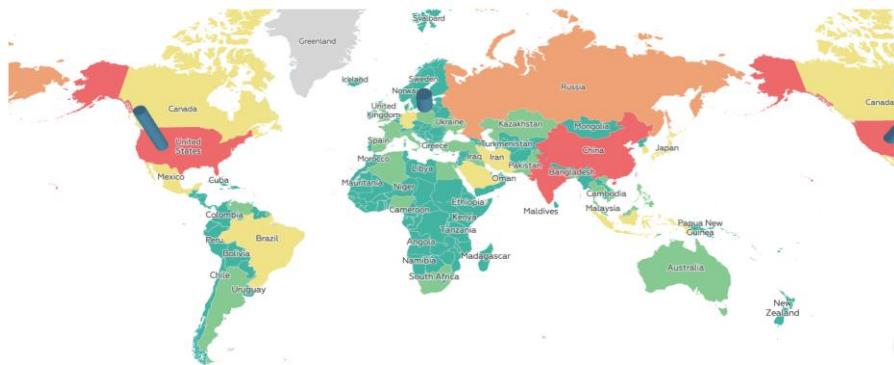
Sample Data provided by IntegrityNext



Country Risk – Total Greenhouse Gas

COUNTRY RISK

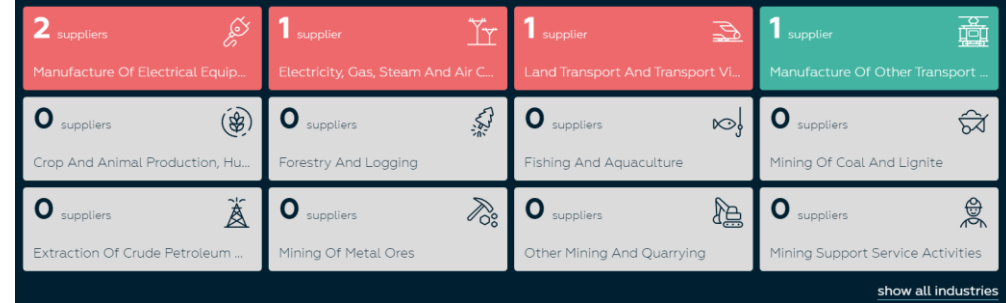
Total Greenhouse Gas (GHG) Emissions



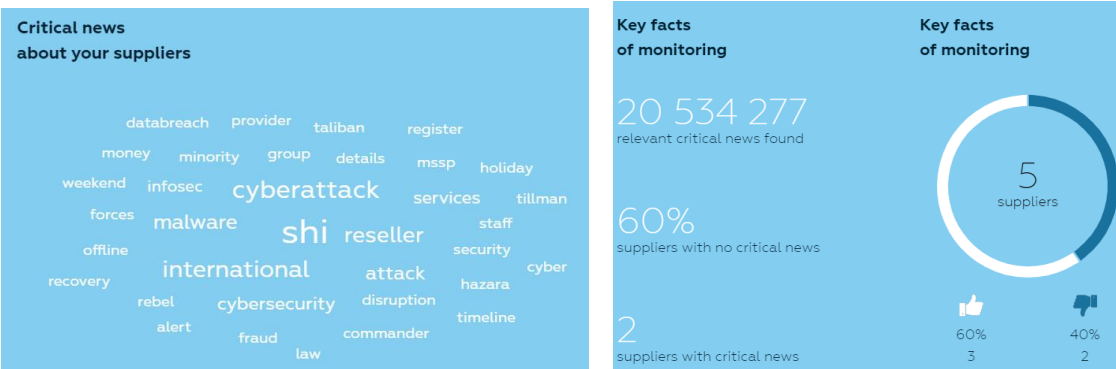
Industry Risk – Environmental Protection & Health

INDUSTRY RISK

Environmental Protection & Health

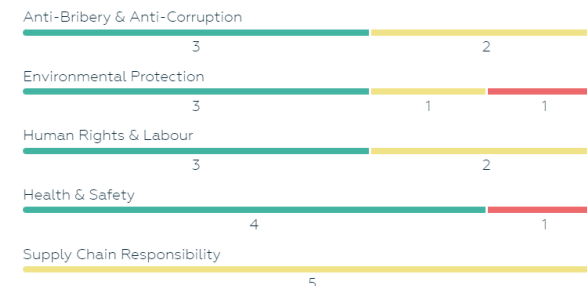


Critical News & Social Media data

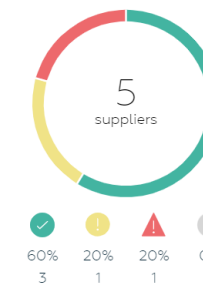


Sustainability Assessments

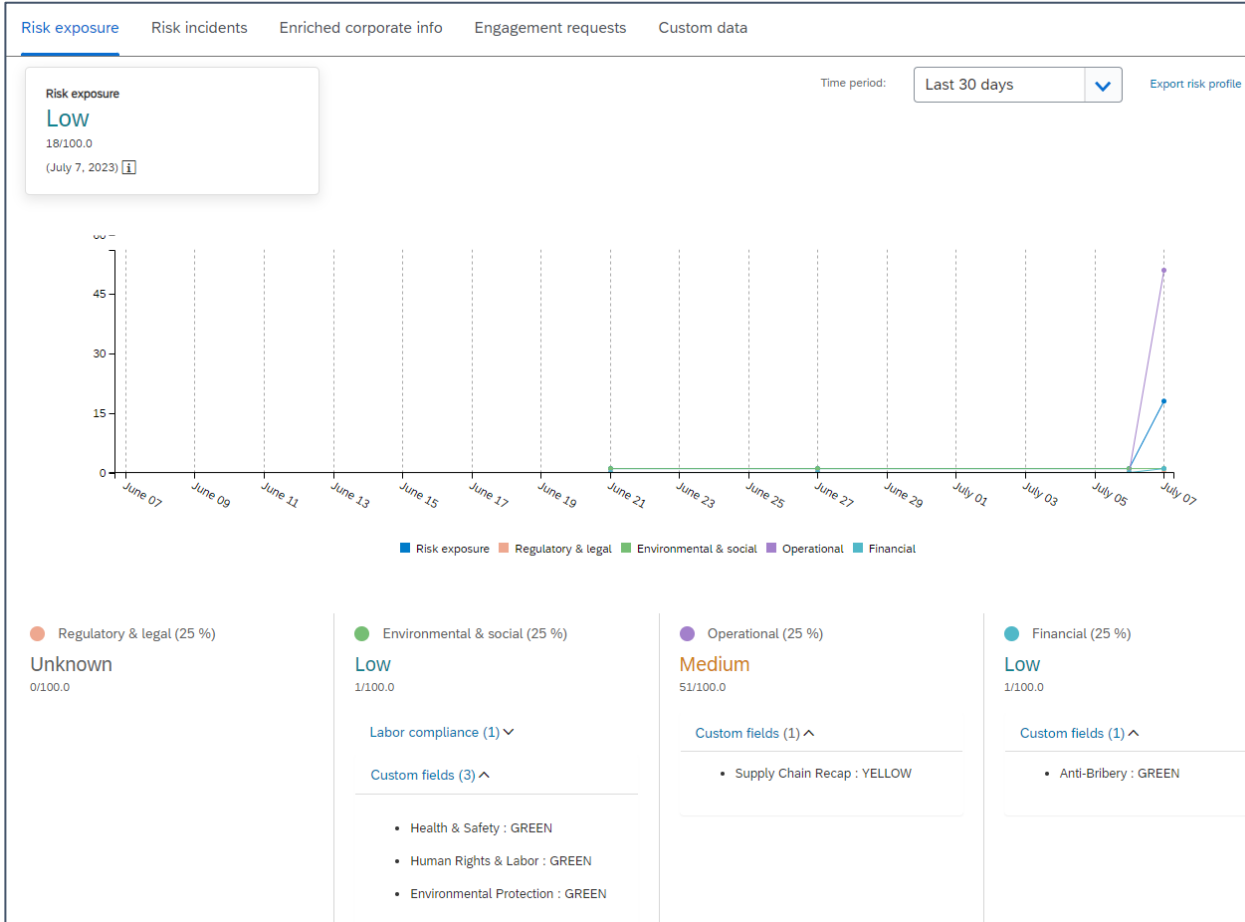
Assessment results by topic



Result overview of assessments



IntegrityNext Data in SAP Ariba



Risk exposure Risk incidents Enriched corporate info Engagement requests **Custom data**

Risk category Risk exposure

Environmental & social (3) Low

Name	Value	Update date	URL	Notes	Source	Contributing
Health & Safety	GREEN	Jul 7, 2023				✓
Environmental Protection	GREEN	Jul 7, 2023				✓
Human Rights & Labor	GREEN	Jul 7, 2023				✓

Operational (1) Medium

Financial (1) Low

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.

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Questions?

For questions after this session, contact us at

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Thank you.