

A person in a grey long-sleeved shirt is sitting at a wooden table, writing on a piece of paper with a black marker. In the background, another person in a dark shirt is gesturing with their hands. The scene is dimly lit with a blue tint.

MINDSET

Experience the Human-Centered Enterprise

Laying the Foundation for Sustainable Decision Making

January 2023

Presented by Marcelo Berger

MINDSET





Today's Agenda

- Intros
- Why Sustainability?
- SAP's Sustainability Portfolio
- SCT Product Examples
- Q&A

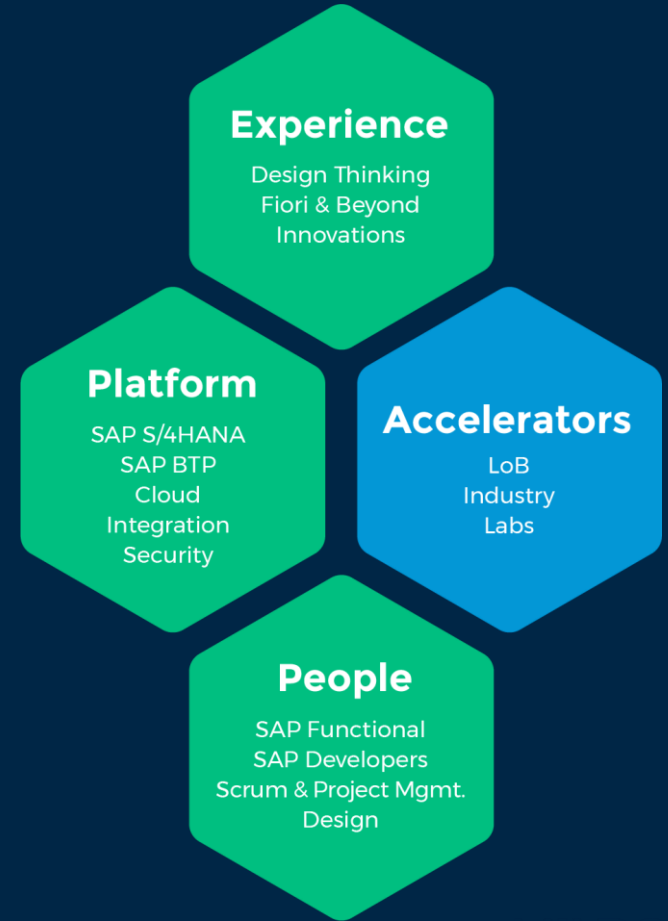
Intros



| Our Mission

Mindset is committed to making the technology experience significantly better at work for everyone.

Reimagine the SAP Experience with Mindset



The Mindset Process



EXPLORE & DISCOVER

Accelerators
Labs
Industry &LoB PoVs
Problem Finding

DESIGN

Design Thinking
Architecture
Business Case
Backlog

DELIVER

Agile / Scrum
DevOps
Continuous Design

MANAGE

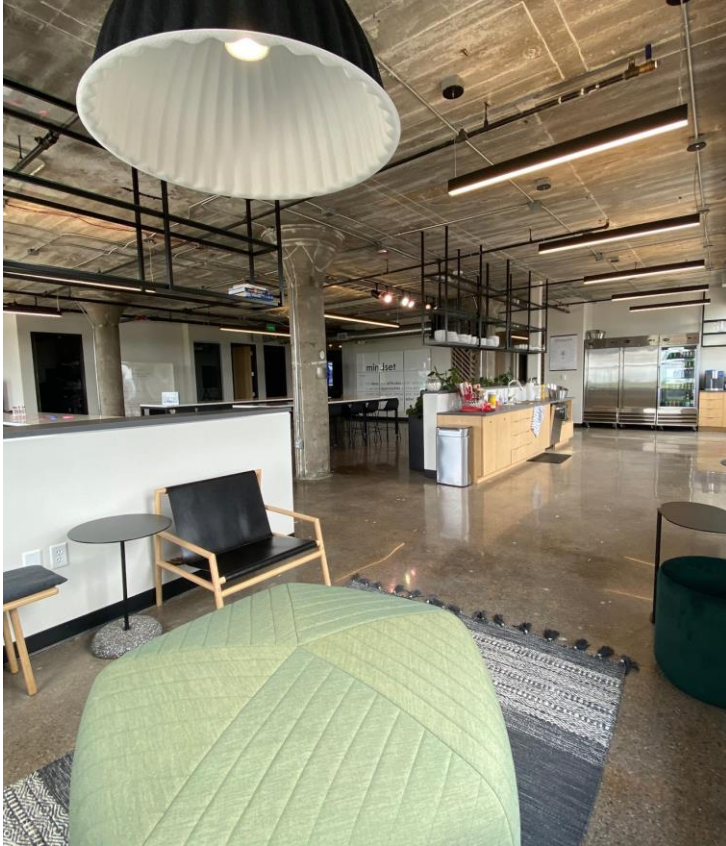
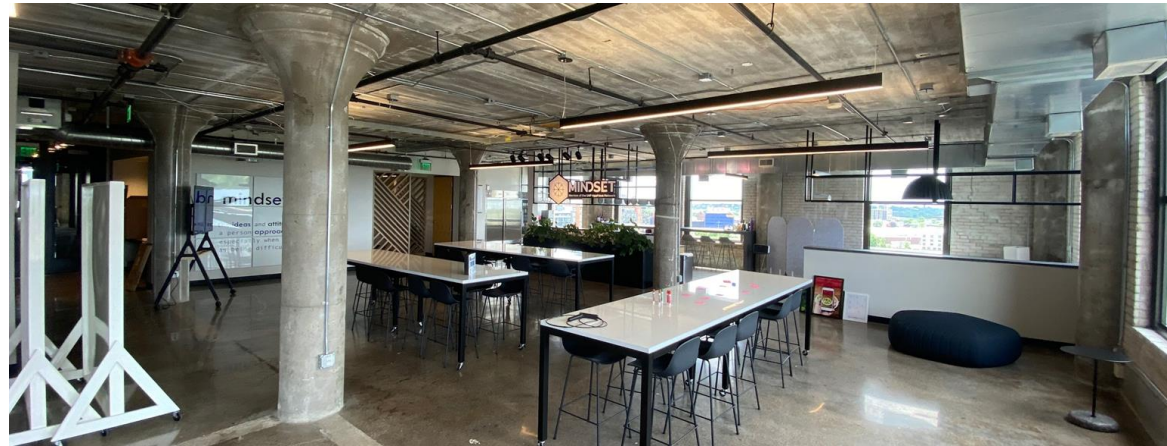
KPI Monitoring
Support
Backlog Grooming



member of the 

 **AppHaus** network

member of the  **AppHaus** network



Why Sustainability?

We all care about Sustainability - but why is it important to accurately showcase our progress?

Answer the following questions about your business:

- How green are your suppliers?
- What goes into making your products?
- Who makes them, where, and under what conditions?
- Prove to me your products are sustainable so I feel comfortable buying them.
- Please provide me with your CO2e data from the first 3 levels of your supply chain.



This is a Worldwide problem to solve now

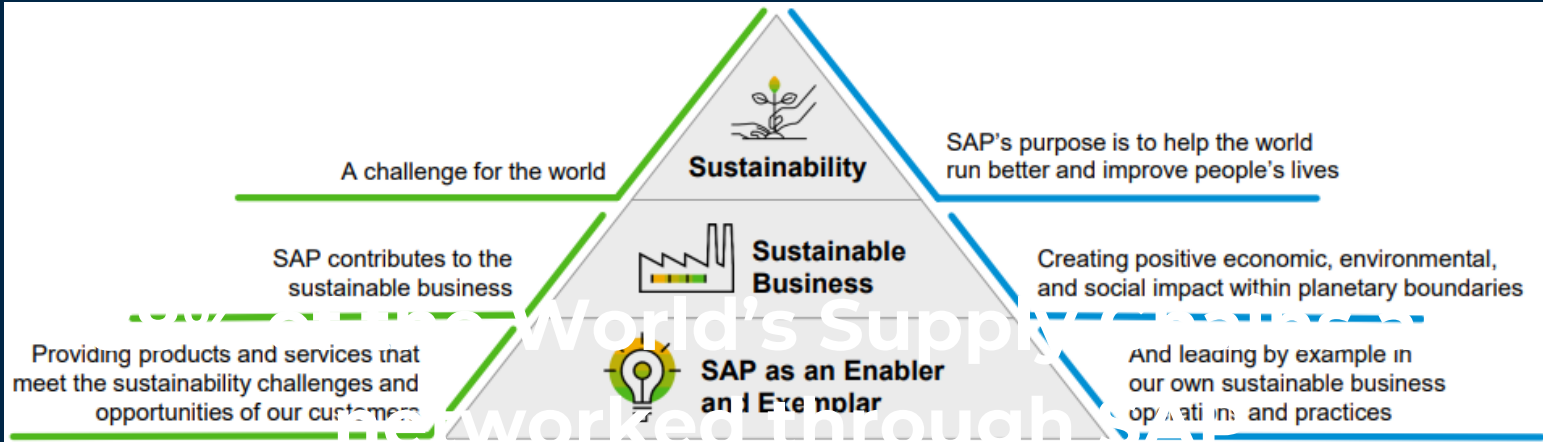
It's not only because we want to do better as companies, but it will soon be required by your government.

1. EU countries are starting to receive letters to provide reporting
2. The US SEC has a timeline for ESG reporting compliance. Some companies have already received official letters and timelines.



SAP's Sustainability Portfolio

SAP for the Sustainable Enterprise



SAP Sustainability Portfolio

Holistic Steering and Reporting

SAP Sustainability Control Tower

Zero Emissions with climate action

- SAP Environmental Management (EHS)
- SAP Product Footprint Management
- SAP E-Mobility
- SAP Landscape Management Cloud
- SAP Concur (Travel Spend Emissions Management)
- SAP Transportation Management
- SAP Treasury and Risk mgmt.

Zero Waste with circular economy

- SAP Responsible Design and Production (RDP)
- SAP S/4HANA for Product Compliance
- SAP Environment Management (EHS Waste Mgmt.)
- SAP Logistics Business Network
- Material Traceability
- Product Lifecycle Management

Zero Inequality with Social Responsibility

- SAP Health and Safety Management (EHS)
- SAP Occupational Health (EHS)
- SAP Incident Mgmt. (EHS)
- SAP Ariba (Supplier Diversity)
- SAP SuccessFactors
- SAP Fieldglass (Contingent Workforce Diversity)
- Qualtrics Employee XM

SAP Sustainability Control Tower

Automated, auditable, compliant reporting with actual data & insights to embed sustainability into business processes

Record: Actuals instead of averages

Record ESG factors with out-of-the-box integration with SAP systems for faster time to value & granular data visibility based on actual data

Report: Audit-ready ESG metrics

Report regulatory compliant ESG metrics covering common frameworks based on an open & extensible solution with the largest ESG ecosystem

Act: ESG embedded in business processes

Act by planning your future with actionable insights, forecasts, and setting targets; track initiatives & optimize business process to make an impact



SAP Sustainability Control Tower Architecture

SAP Analytics Cloud (Add-on)

Customized analysis & planning insights

3rd party applications
(ex., analytics, disclosure mgmt.)

SAP Sustainability Control Tower (SCT)

Fiori-based front-end application

Data Integration & Management
Integration, APIs, data harmonization, metric catalogue, calculation & process engine

Data Foundation & Model

SAP Data Warehouse Cloud (Add-on)

Integrate & model all enterprise data

SAP application data sources
S/4HANA, SuccessFactors,
Concur

Other data sources

Data Flow, Lineage & Audit

SCT

SCT Extended
(add-on)

SAP Sustainability Control Tower Architecture

Harmonized insights by consolidating, modelling and enriching ESG, financial and operational data enabling boardroom and business-level decisions

ESG performance management with enterprise planning, predictive forecasting, what-if simulations and impact analysis across the value chain

Pre-built data models to support established reporting frameworks and customer-specific adaptations based on SAP, non-SAP, structured and unstructured data

Embed sustainability dimension into business applications and processes through enterprise data integration and modelling and enriched partner content

SCT Product Examples

KPI Tracking

Visualizing the Sustainability KPI performance in an easy to consume dashboard via the Ambitions App

Setting long-term ambitions

Create clarity by defining a long-term ambition and operationalize via granular target setting

Visualizing current performance

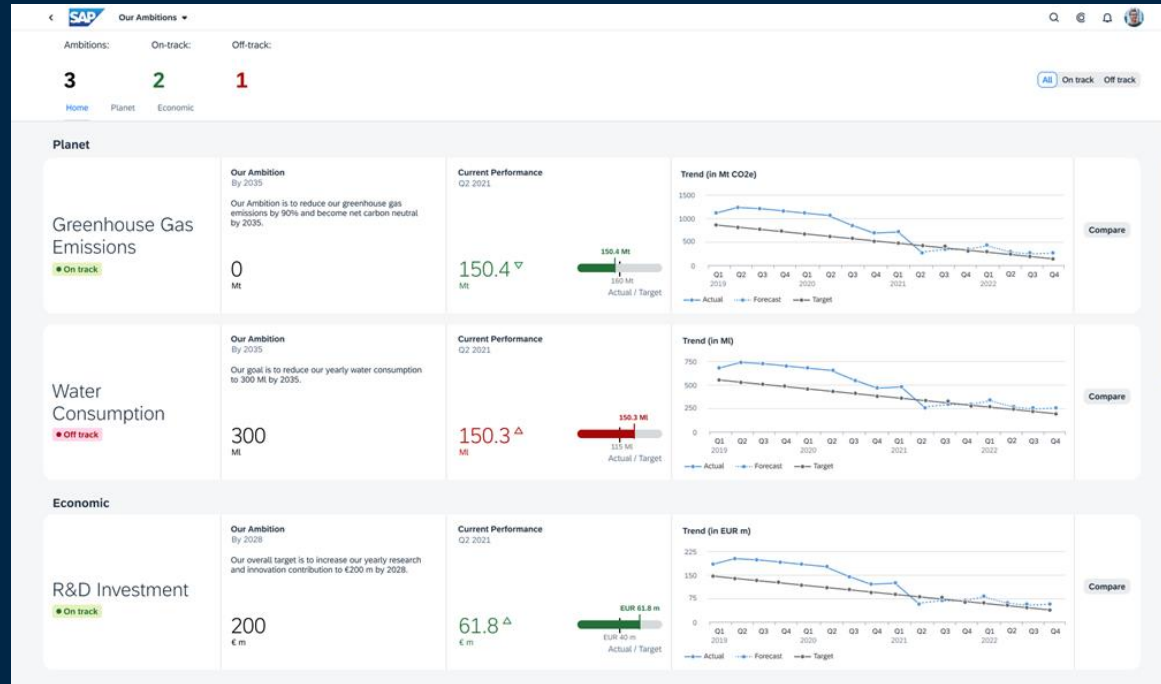
Compare current performance against target in order to drive targeted action toward reaching ambitions

Analyze current and forecasted trends

Understand past performance and take action based on expected future trend

Drilldown and compare

Drive targeted action via drill-down and comparing different business units and locations



Analytics

Analyze sustainability data to find patterns and actionable insights for example via the Greenhouse Gas Emissions Analytics Dashboard

Visualize Data

Visualize data following best practices (i.e. GHG Protocol) or create custom dashboards to end users a clear picture of the current performance

Explore Data

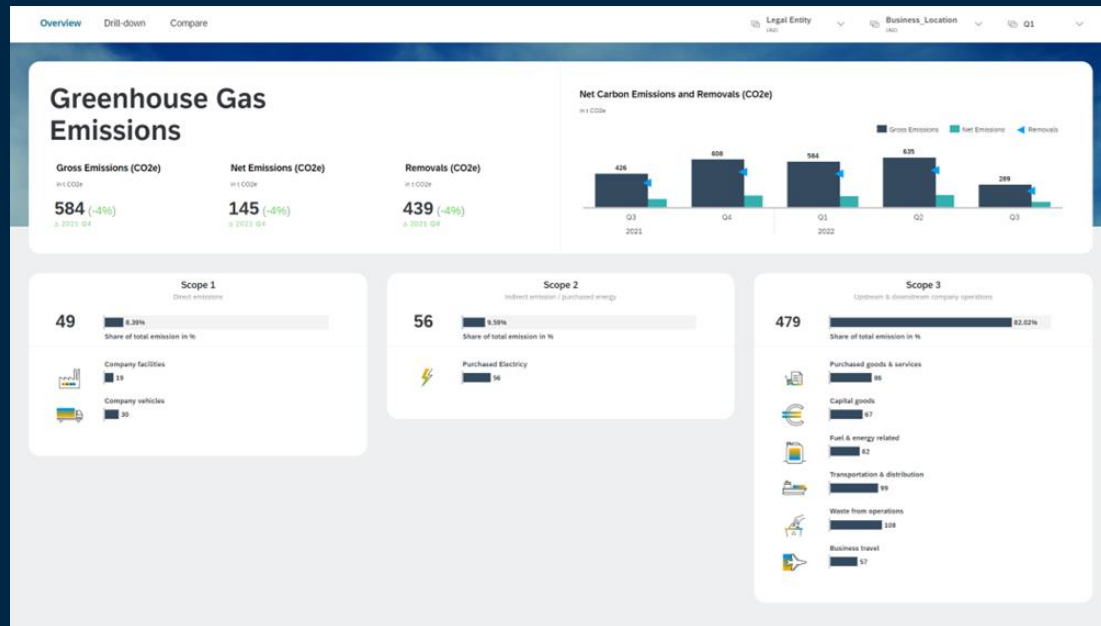
Intuitively explore entire data sets to better understand initial patterns and points of interests.

Extend

Define custom calculations, calculated dimensions, aggregations and more

Leverage automated insights

Leverage advanced features like Smart Insights to automatically add forecasts and find top influencers in your data



Reporting

Present data in a format to easily enable reporting according to voluntary and mandatory ESG Frameworks.

Reflect ESG Frameworks

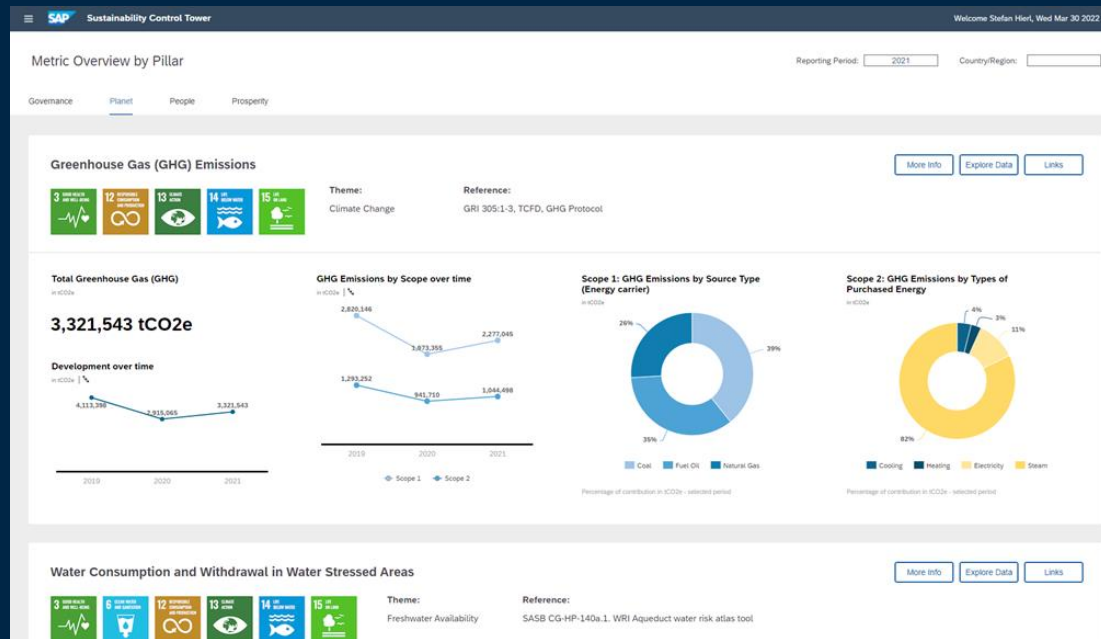
Leverage predefined dashboards or create your own reflecting the data requirements of ESG Frameworks

Design Reports

Export your visualizations as multi-page reports with

Distribute regular updates

Understand past performance and take action based on expected future trend



Target Setting and Planning

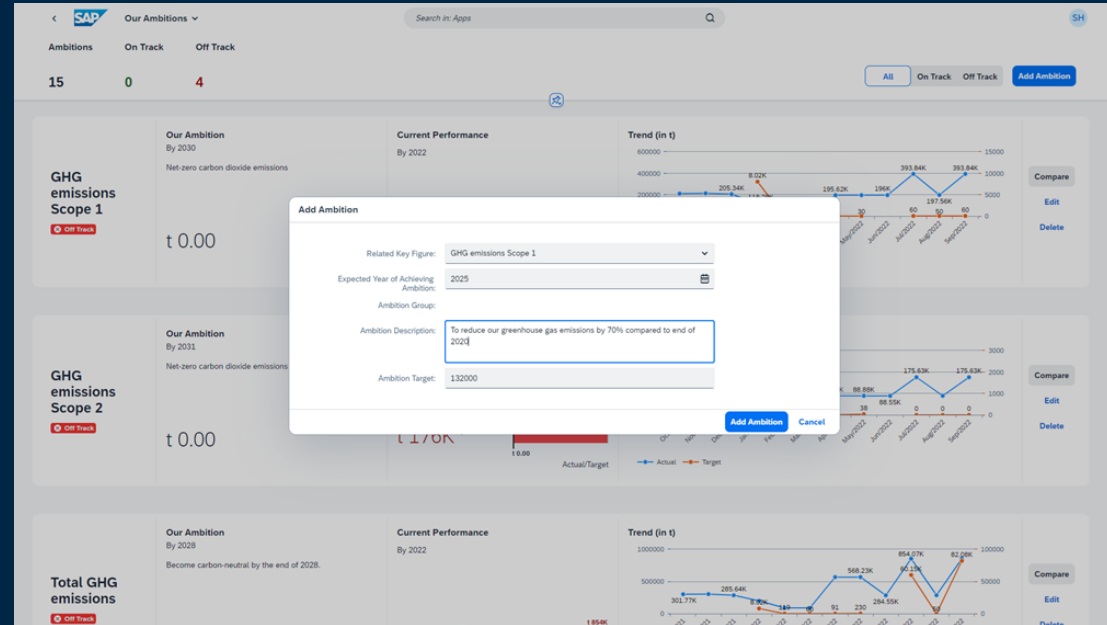
Chart a path to reach your long term sustainability ambitions

Set your long term Ambition

Articulate the long term ambition for strategic sustainability KPIs

Define granular Targets

Set granular targets to define a path toward reaching the long term ambition at the level of individual location and business units.



Initiatives Tracking

Close the insights to action loop

Provide transparency on actions

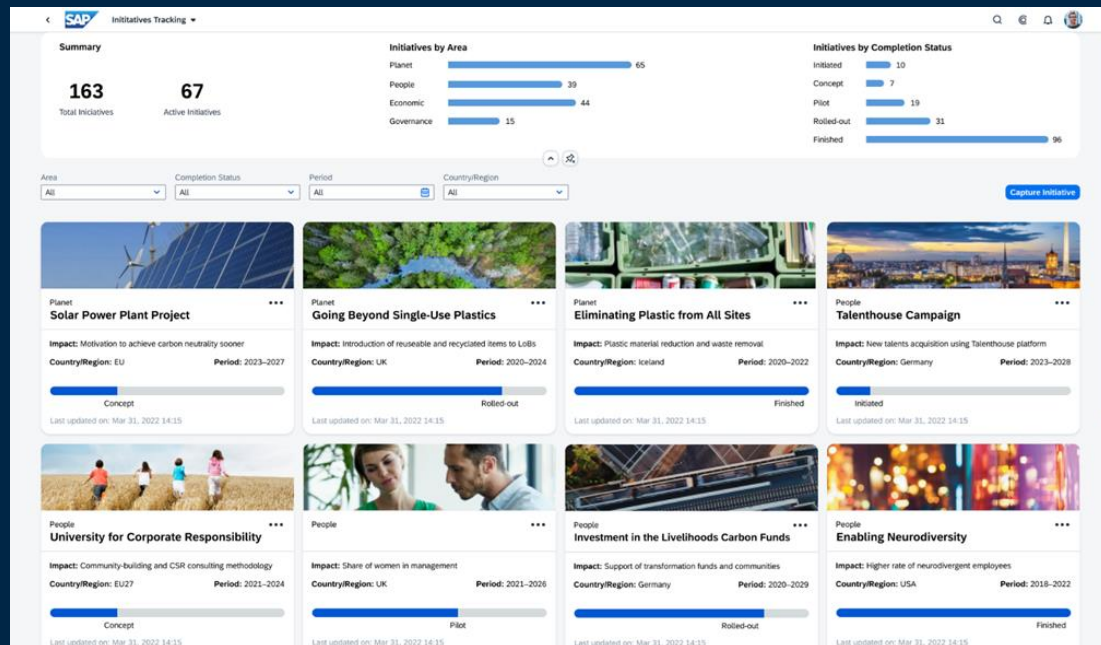
Create an overview of completed, active and planned sustainability initiatives and actions

Capture estimated impact

Provide quantitative impact estimation for each initiative to know if current activity is enough to meet future sustainability targets

Close the insight to action loop

Create a connection between KPI reporting, target achievement and related actions.



Sustainability Metrics Overview - Q4 2022 Update

Environmental

Metric	Reference
GHG Emission Scope 1	GRI 305 1-3
GHG Emissions Scope 2	GRI 305 1-3
GHG Emissions Scope 3	GRI 305 1-3
Water Withdrawal	GRI 303-3
Water Consumption	GRI 303-5
Land Use – Area	GRI 304-1
Land Use – Sites	GRI 304-1

Social

Metric	Reference
Gender representation in Management	GRI 405-1b
Median Workforce Age	GRI 405-1b
Pay equality by Gender (Remuneration)	GRI 405-2
Pay equality by Gender (Base salary)	GRI 405-2
Pay equality by Ethnicity (Remuneration)	GRI 405-2
Pay equality by Ethnicity (Base salary)	GRI 405-2
Wage Level	GRI 202-1
Level of CEO Compensation	GRI 202-1
Work-related incidents	GRI 403
Work-related fatalities	GRI 403
Incidents per million hours worked	GRI 403
Training duration per employee	GRI 404-1
Training expenditure	GRI 404-1
Rate of new hires	GRI 401-1
Total number of new hires	GRI 401-1
Rate of turnover	GRI 401-1
Total number of turnover	GRI 401-1

Governance

Metric	Reference
Gender representation in Governance Body	GRI 2
Training on Anti-Corruption	GRI 205-2
Number of Corruption Incidents	GRI 205-3

Economic

Metric	Reference
Revenue	GRI 201-1
Operating costs	GRI 201-1
Employee wages and benefits	GRI 201-1
Payments to providers of capital	GRI 201-1
Payment to government	GRI 201-1
Community investments	GRI 201-1
Financial assistance received from the government	GRI 201-4
Capital expenditures	IAS 7, US GAAP ASC 230
Depreciation	IAS 7, US GAAP ASC 230
Share buybacks	IAS 7, US GAAP ASC 230
Dividend payments	IAS 7, US GAAP ASC 230
Total global tax	GRI 201-1
Corporate income taxes	GRI 201-1
Property taxes	GRI 201-1
Non-creditable VAT	GRI 201-1
Other sales taxes	GRI 201-1
Employer-paid payroll taxes	GRI 201-1
Other taxes	GRI 201-1
Total R&D expenses	US GAAP ASC 730

1. Selection based on World Economic Forum - Stakeholder Capitalism Core Metrics - representing metrics from GRI and US GAAP

| Q&A



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