SAP Sustainability Control Tower

Manage your Green Line like your Top- & Bottom-Line

March, 2023

Disclaimer

Content

Public

The ESG expectations are continually growing

RECORD

ESG transparency along the value chain

Data spanning multiple sources, formats and organizations without the granular level of details and precision

REPORT

New and increasing ESG reporting requirements

Multiple frameworks and standards to report against and fulfilling the respective requirements

ACT

Sustainability touches all business processes

Sustainability strategy and initiatives disjoint from corporate strategy, business models and processes

SAP Holistic Steering & Reporting

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

Focus today

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

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

SAP S/4HANA, Customer relationship management, Human capital management, Spend Management and Business Network

SAP Business Technology Platform

SAP Sustainability Control Tower

Automated, auditable, compliant reporting with actual data & insights to embed sustainability into business processes
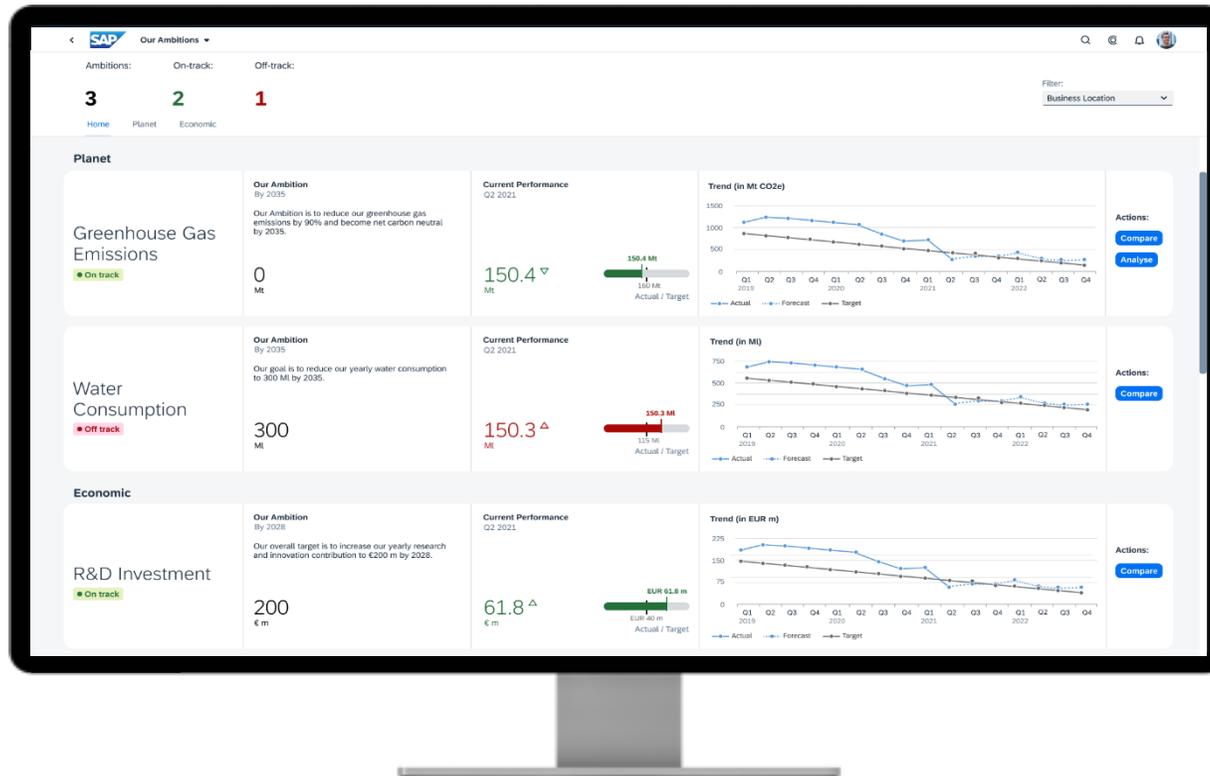
Record: Actuals instead of averages

Record ESG factors with out-of-the-box integration with SAP systems for faster time to value & granular data visibility based on actual data, not averages

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 processes to make an impact
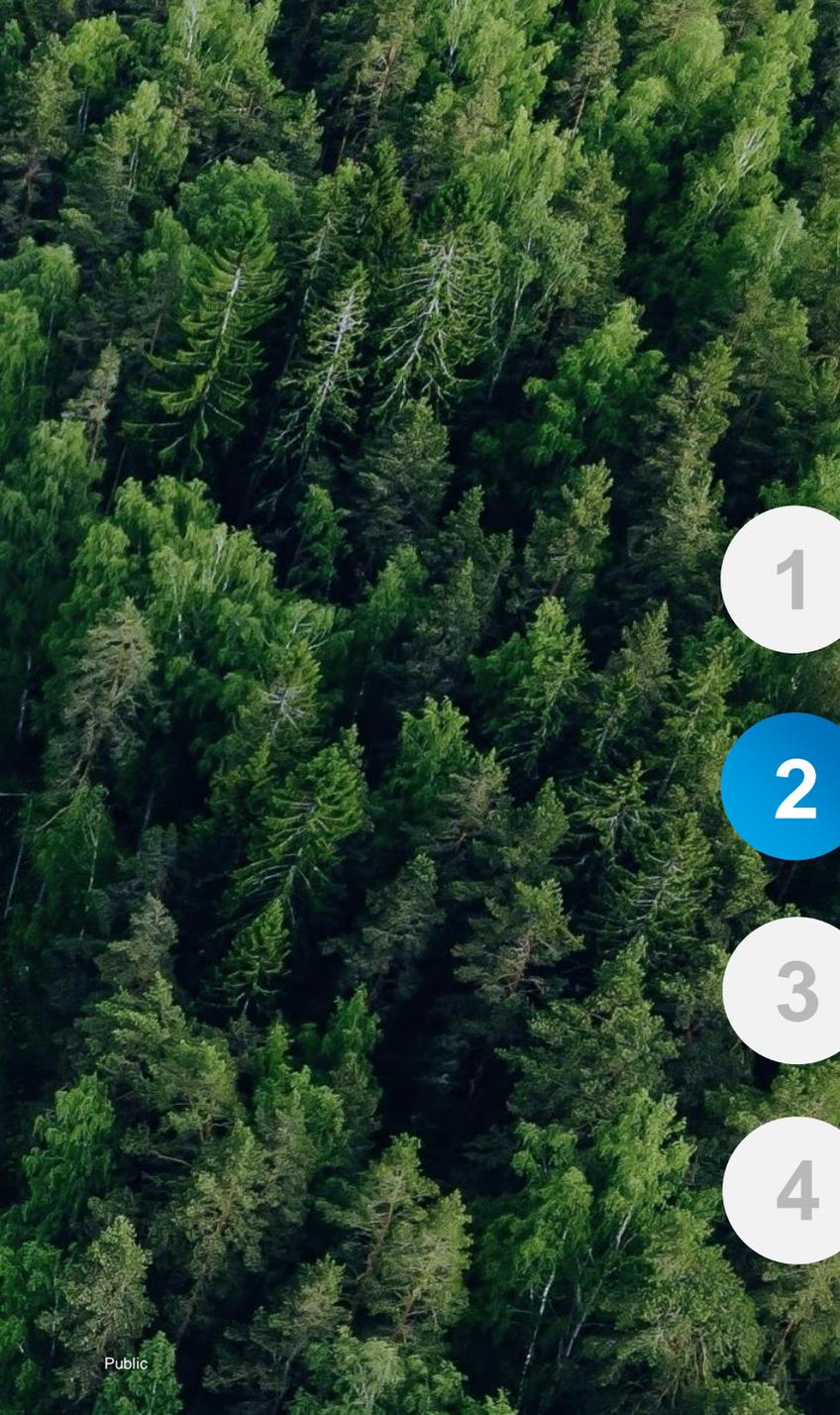
Content

Public

Achieving Holistic Steering and Reporting

Empower your business to act with ESG transparency along the value chain

SAP Analytics Cloud [Add-on]
Customized analysis & planning insights

3rd party applications
(e.g., 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

Data Lineage & Audit

SAP Data Warehouse Cloud [Add-on]
Integrate & model all enterprise data

SAP application data sources

SAP S/4HANA

SAP SuccessFactors ♡   **SAP Concur** C·

Other
data sources

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   ☐ SCT Extended (add-on)

Broaden the impact of your ESG projects

Extend the SAP Sustainability Control Tower and transform your data strategy

SAP Analytics Cloud

SAP Sustainability Control Tower

SAP Data Warehouse Cloud
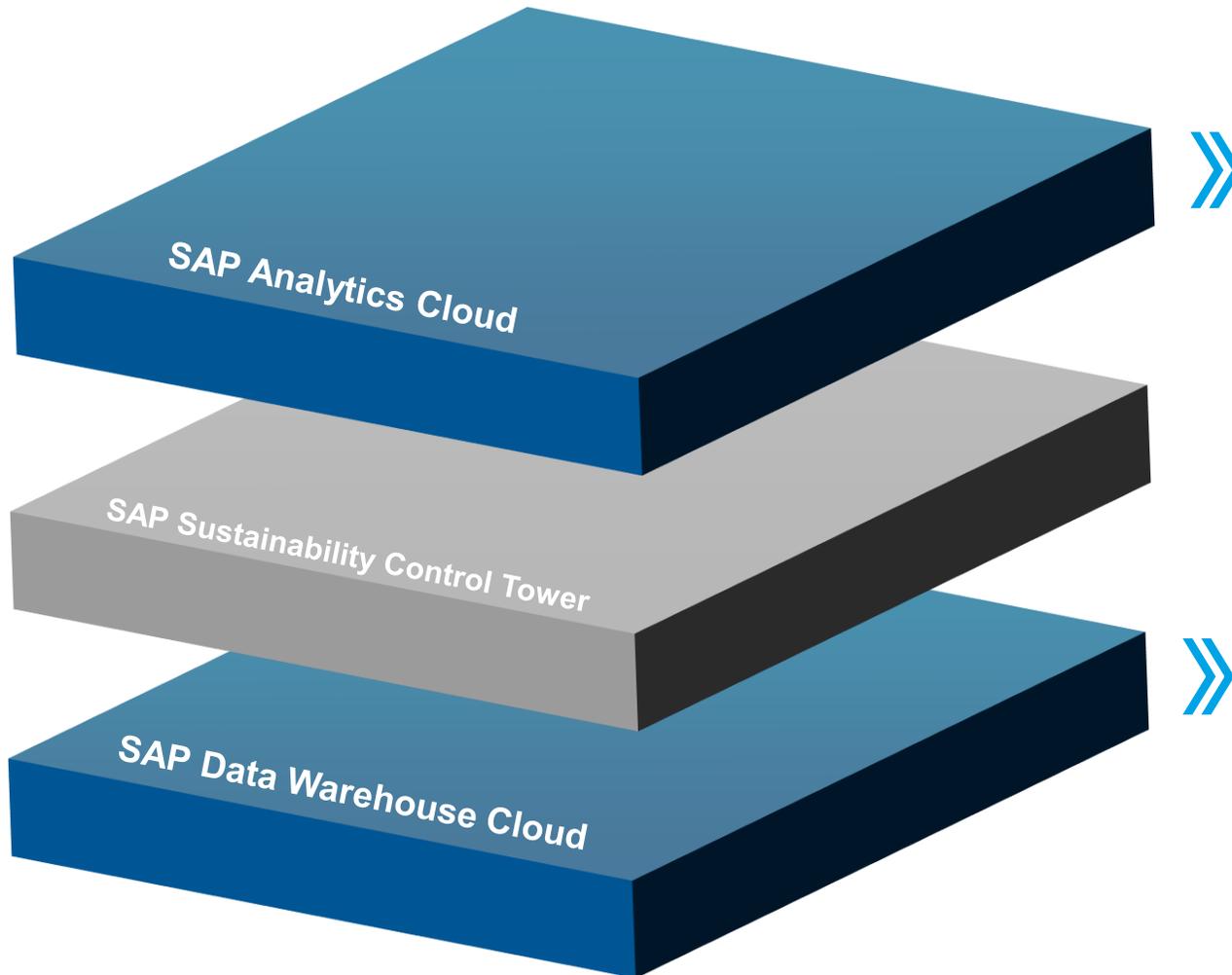
Extend analytics to reduce environmental footprint at the source, optimize supplier decisions and foster inclusive culture across the organization

Gain deeper insights into your ESG scores to make smart investment decisions for your sustainability programs and diversity spend

Simulate outcomes and evaluate sustainability initiatives with what-if analysis and scenario planning

Integrate sustainability, financial, and operational planning on one enterprise planning foundation

Unify all data with a single business semantic service to **make the most impactful decisions**

Simplify the integration of 3rd party data to **understand the influence of external forces** on your operations

Incorporate your existing data in SAP Business Warehouse (BW) in the cloud to **enrich analysis and accelerate innovation**
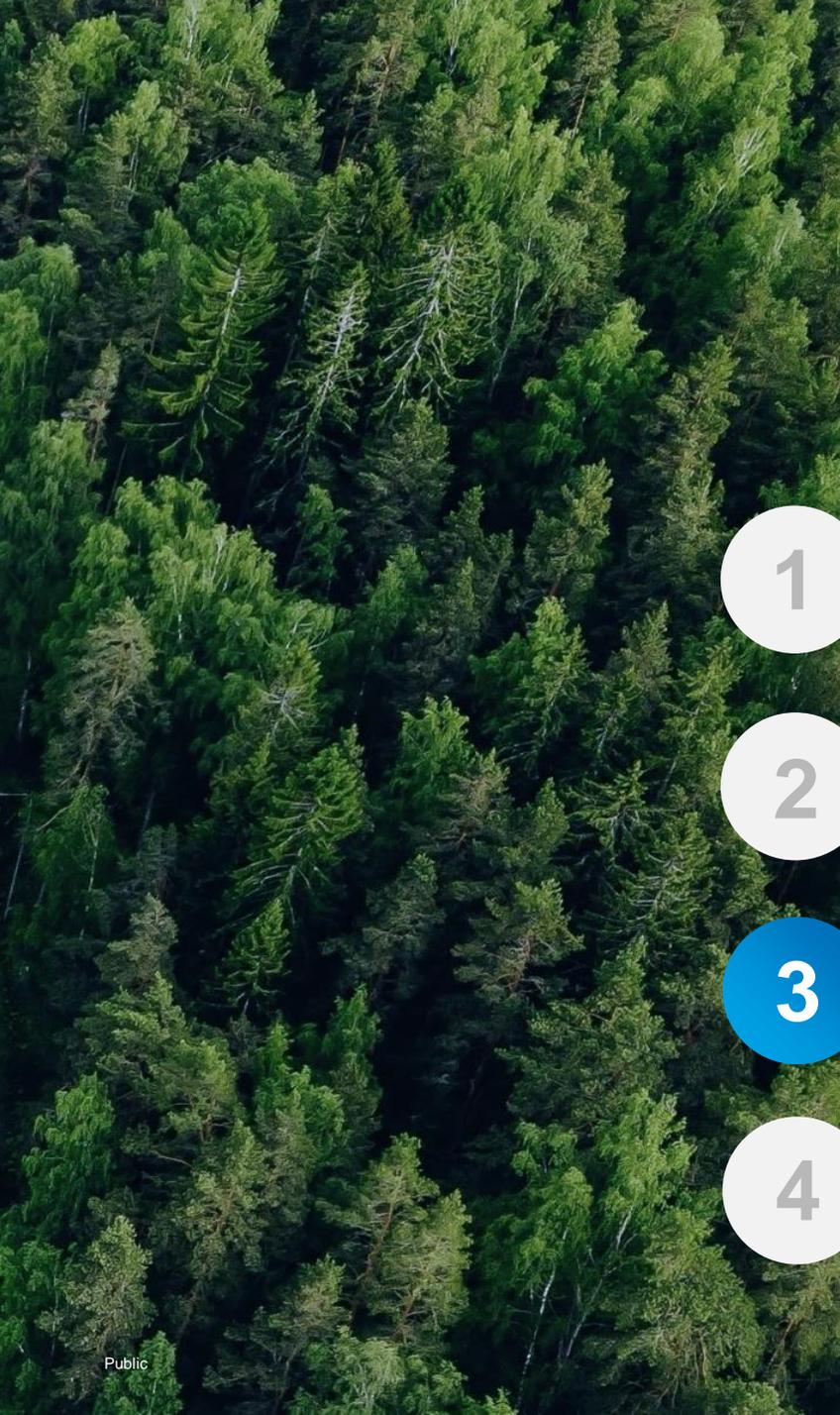
Content

Solution Capabilities | OVERVIEW

Providing integrated end to end capabilities for holistic steering and reporting

RECORD

- Sustainability Metric management
- Data Sourcing & Integration
- Data Quality assurance
- Data enrichment & calculation
- Period closing

REPORT

- KPI Tracking
- Analytics
- Reporting
- Benchmarking*

ACT

- Target setting and planning
- Simulation and forecasting*
- Initiatives tracking*
- Embedding in business processes*

*Some capabilities are planned as part of Sustainability Control Tower roadmap and may not be available today

Solution Capabilities | Record

Create a foundation of accurate, granular, auditable financial and non-financial data from SAP and non-SAP sources to support ESG

RECORD	REPORT	ACT

Sustainability Metric management

Leverage common pre-defined Sustainability Metrics or extend and add new custom metrics. Configure enterprise structures and reporting granularity.
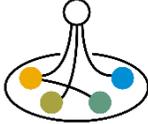
Data Sourcing & Integration

Load data via turnkey integration from selected SAP Sources, manually upload data or integrate to other source systems via API.*

Data Quality assurance

Automatic data validation and completeness checks to highlight data quality issues.*
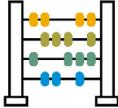
Data enrichment & calculation

Complete missing data via operations like aggregation, disaggregation or extrapolation. Calculate greenhouse gas emissions with a lightweight calculator or assign monetary value to sustainability performance indicators.*

Period closing

Ensure reliable data and audit safety via period closing workflow and release the data for consumption and reporting.

*Some capabilities are planned as part of Sustainability Control Tower roadmap and may not be available today

Sustainability Metric Management

Configure and manage Sustainability Metrics relevant to your business with guided data sourcing

### Simple definition and monitoring

Manage all available Sustainability Metrics in a single place, including definition and reporting frameworks assignments as well as metric specific data completeness monitoring.

Flexible Configuration

Activate Sustainability Metrics relevant for your business and define the Leading Hierarchy, Reporting Granularity and whether Own Ambitions should be maintained.

Guided Data Recording

Upload sustainability data records for Sustainability Metrics. Based on the user selection of Metrics a wizard will guide the user which data must be provided. The data may be sourced either from connected data sources or via manual file upload.
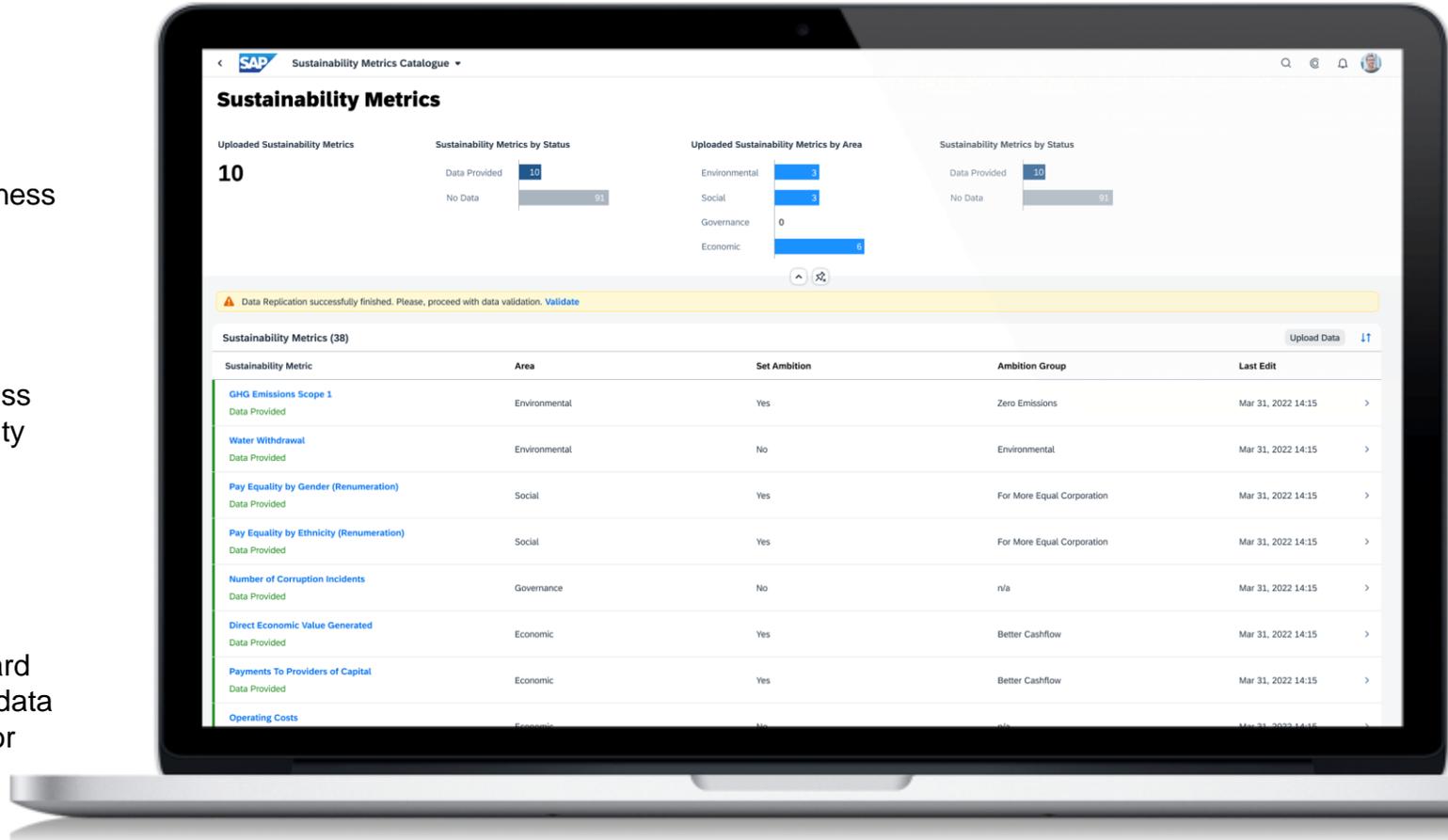
Note: Some capabilities are planned as part of Sustainability Control Tower roadmap and may not be available today.

Data Sourcing and Integration

Improve data quality and data provenance by sourcing sustainability data from connected systems of record

Guided Experience

For all Sustainability Metrics that are selected by the user, the tool will provide guidance which measures and dimensions must be be recorded to successfully perform the Metric calculation.

Source Data from Connected Systems

Automatically upload records from the source systems leveraging a pre-built integration; e.g. SAP S/4HANA Cloud for Finance.

Open Data Provider Interfaces

All data for Sustainability Metrics may be uploaded via Data Provider interfaces as CSV or XSLX files. This allows for the upload of required sustainability data, which currently may not be present in systems of record.
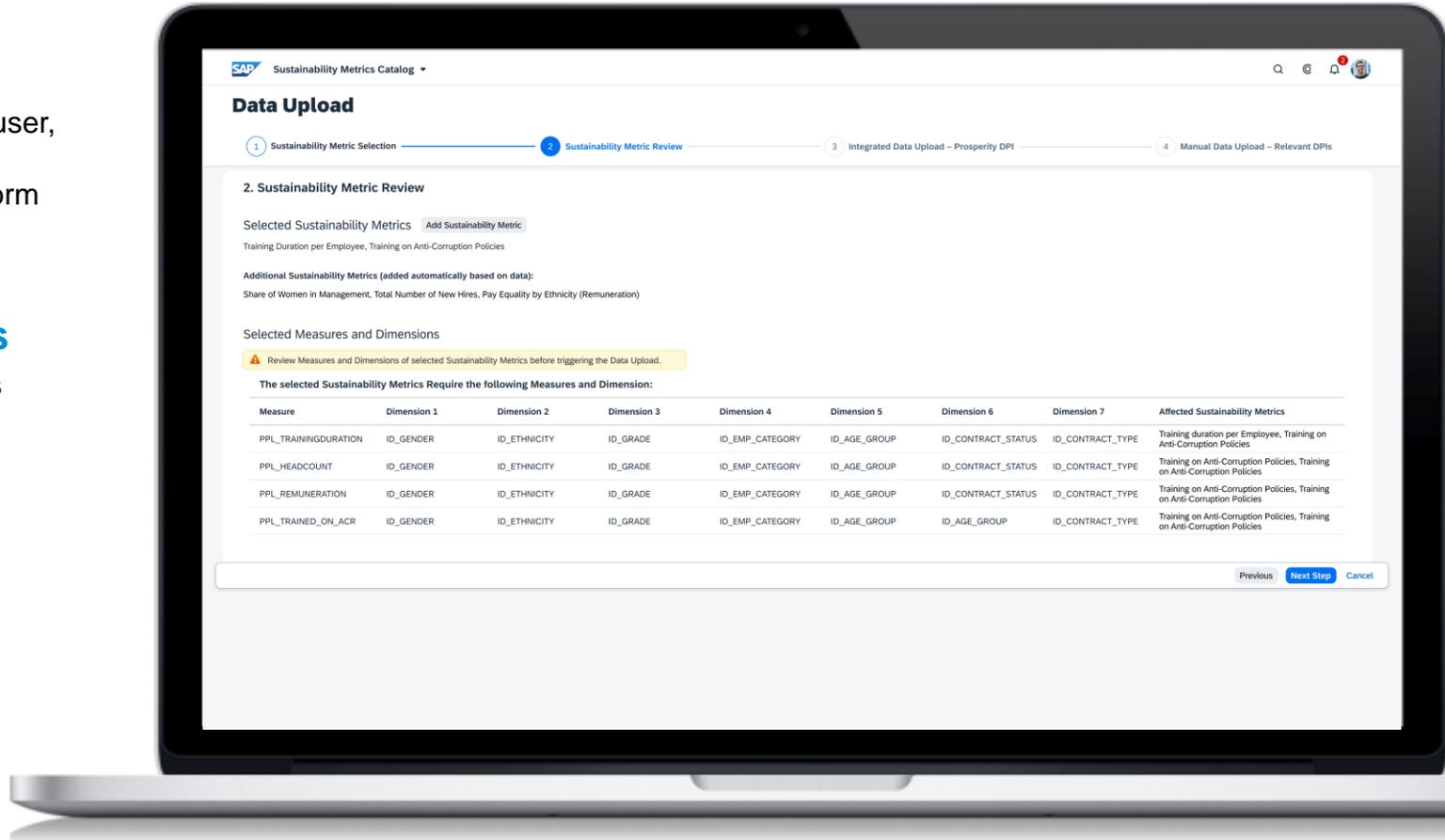
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Data Quality and Assurance

Automatic data validation and completeness checks to highlight data quality issues

Input data controls

Standard technical and consistency checks flag and sort out erroneous data. Allow responsible business user to correct the data by manual adjustments or reload corrected data again

Data completeness checks

Understand incomplete and missing data in order to mitigate gaps by manual action or by an automated business rule to allow a faster period closing process and ensure high data quality

Configurable plausibility checks

Mitigate non technical input data errors by showing deviations to previous periods, which allows to react immediately and initiate corrective actions

Transparency

Track validation results and errors easily with detailed error and warning messages, audit logs and validation reports

Review/Approval Workflows

Define which user groups may perform the data upload and which user groups must approve the data before releasing the data for consumption.
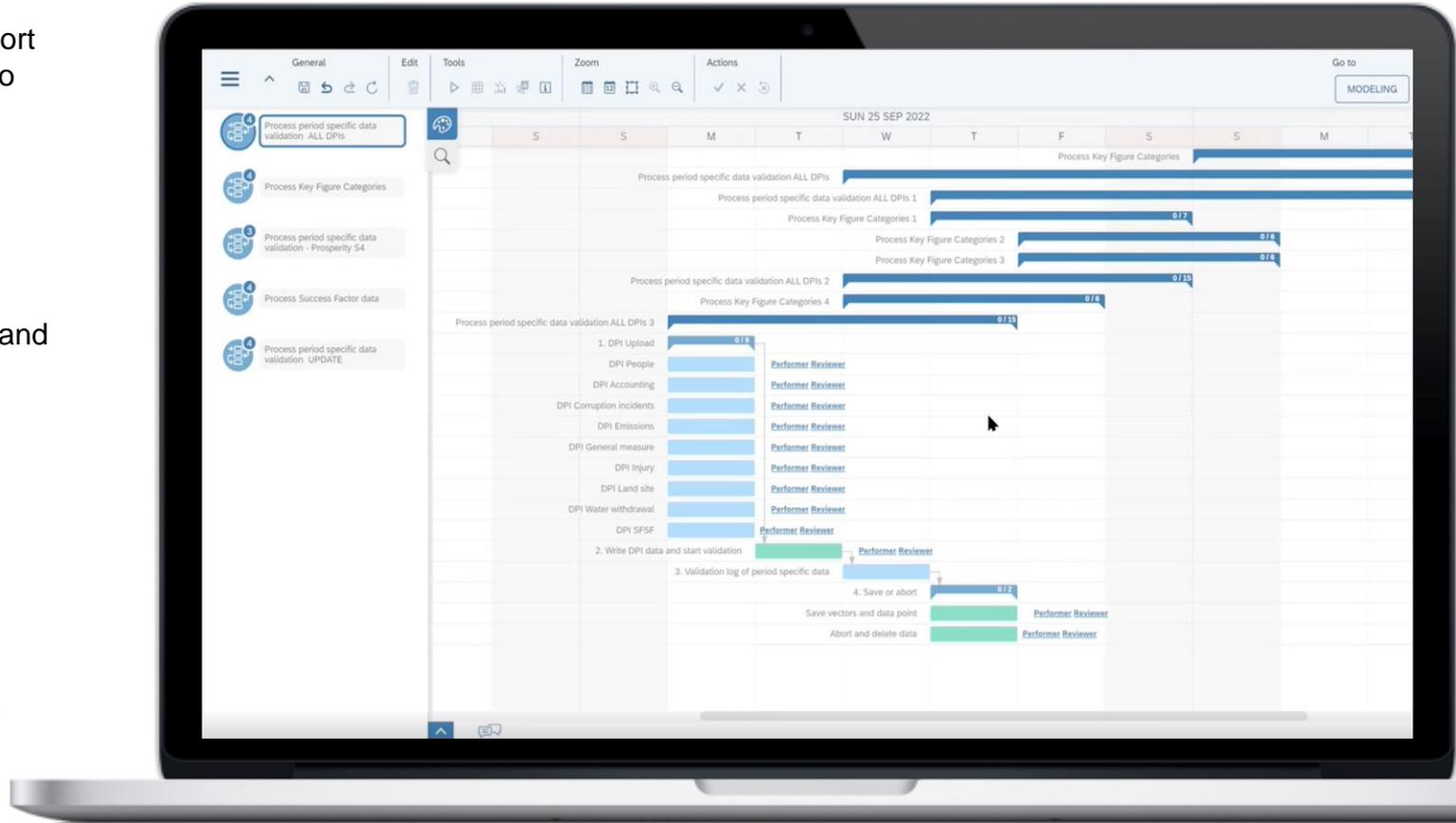
Note: Some capabilities are planned as part of Sustainability Control Tower roadmap and may not be available today.

Data Enrichment and Calculation

Complete missing data via configurable and flexible operations

Dealing with missing data

Run automated estimations and extrapolations on missing data based on predefined, customer specific business rules

Run calculations

Use calculation logic for valuations, allocation or conversions of ESG data to track your sustainability performance and targets

Flexible configuration

Apply specific customization to run business rules and calculations. A central steering table makes the use of custom factors, reference data or formulas possible

Note: Some capabilities are planned as part of Sustainability Control Tower roadmap and may not be available today.
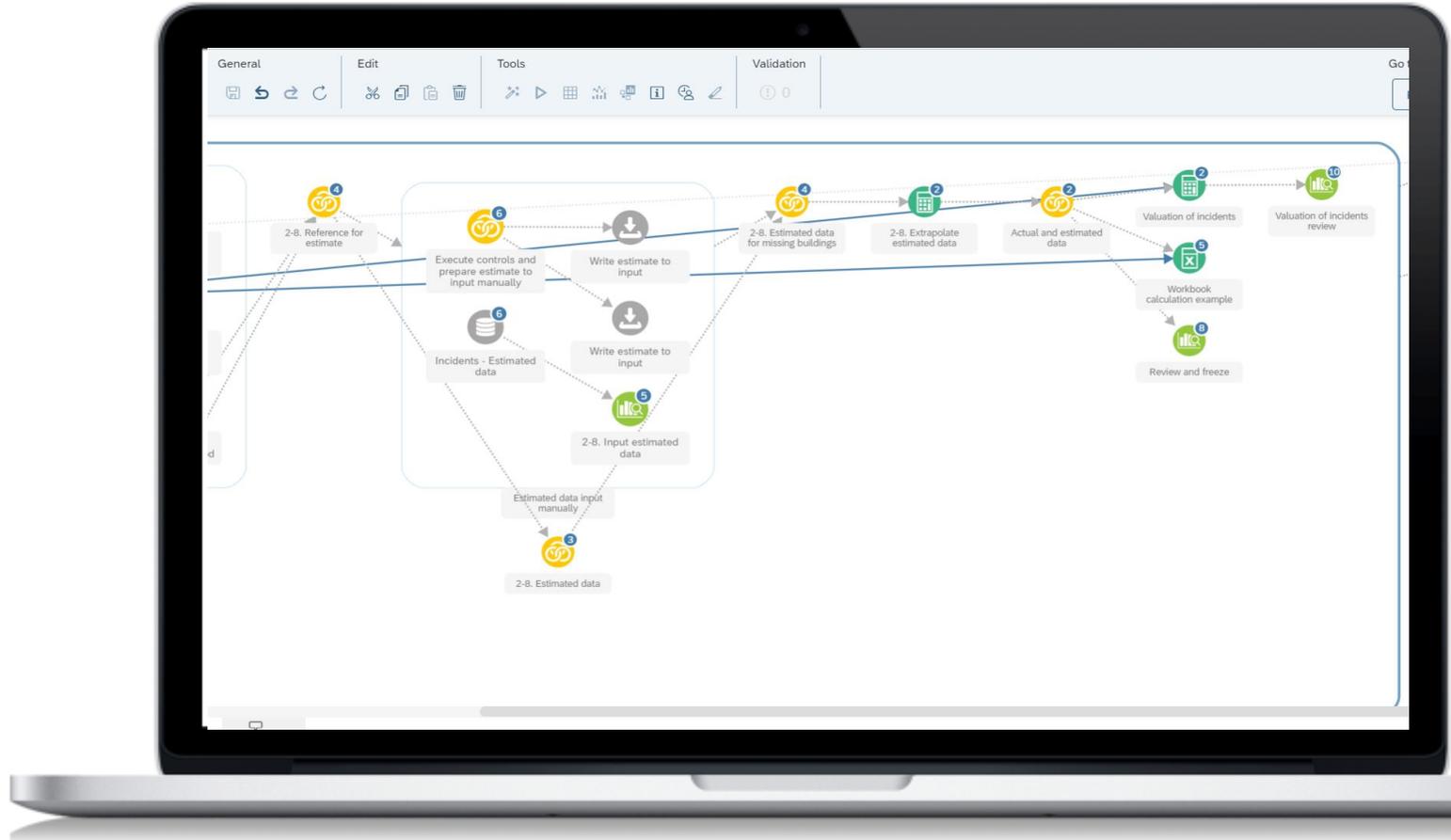
Period Closing

Ensure that right data is in right place in good quality and in due time

Cascaded and guided process flow

Have one central process template covering all relevant periodic activities with regards to the closing process for all selected Sustainability Metrics.

Rigor like in Finance

Maximize value and quality through a strict and robust procedure of verifying and adjusting data for Sustainability Metrics

Period *Soft* closing

Making a faster release of Sustainability data possible by using predefined semantic and technical checks and business rules.

Auditability

Demonstrate transparent data flows and transactions via audit reports including data origin, data stages user activity logs.

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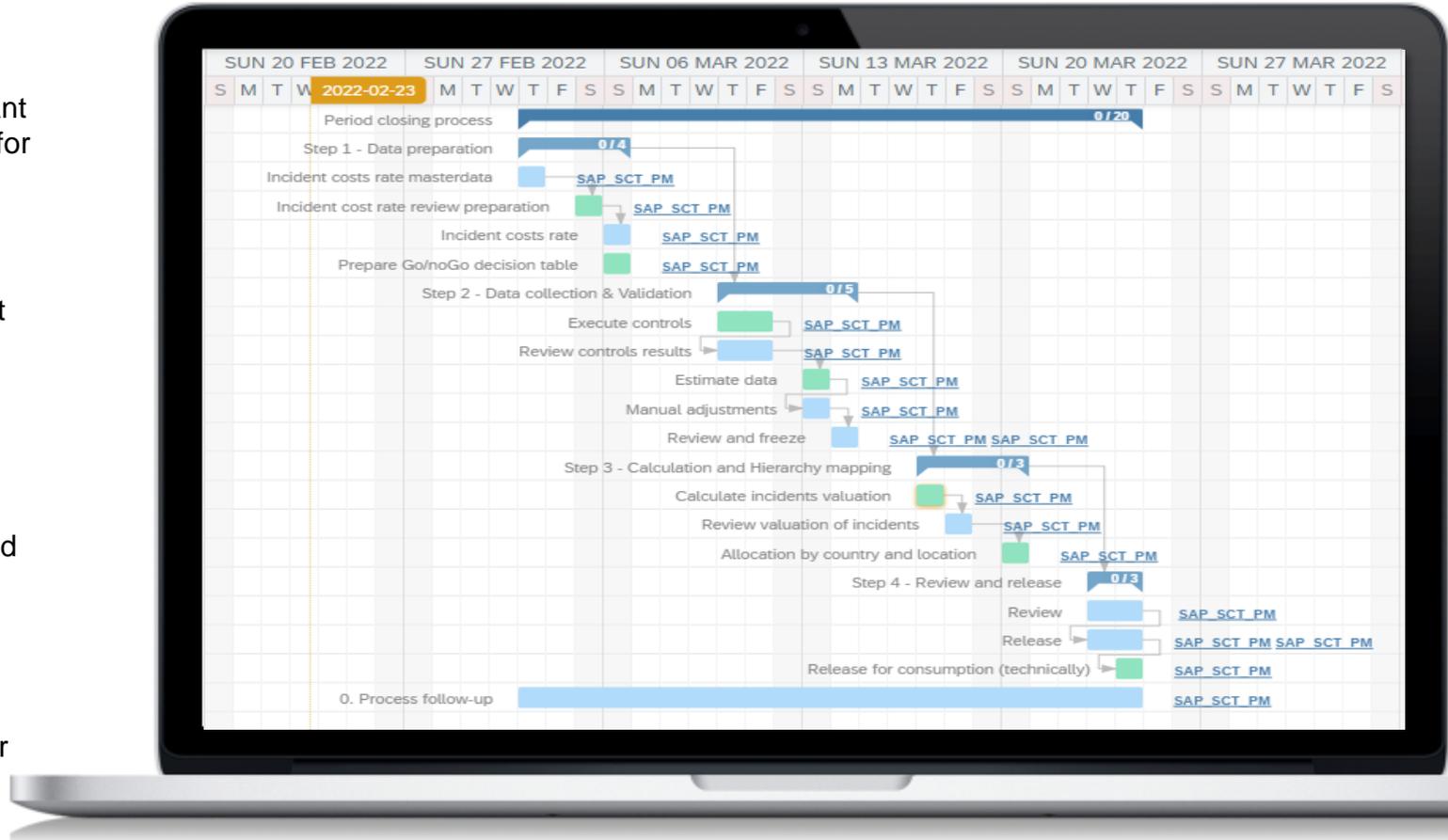
Solution Capabilities | Report

Creating actionable insights and facilitate external reporting requirements

| RECORD | REPORT | ACT |

Future functionality

KPI Tracking

Visualize Sustainability KPI performance via easy to consume management dashboard s. Drill-down and compare different business units and locations to drive targeted action.

Analytics

Analyze sustainability data to find patterns and actionable insights. Leverage data across metrics in order to calculate intensities and scores for additional business context and insights.

Reporting

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

Benchmarking

Compare your sustainability performance with other companies and leverage aggregated external benchmark data to get additional input for prioritizing action.*

*Some capabilities are planned as part of Sustainability Control Tower roadmap and may not be available today

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
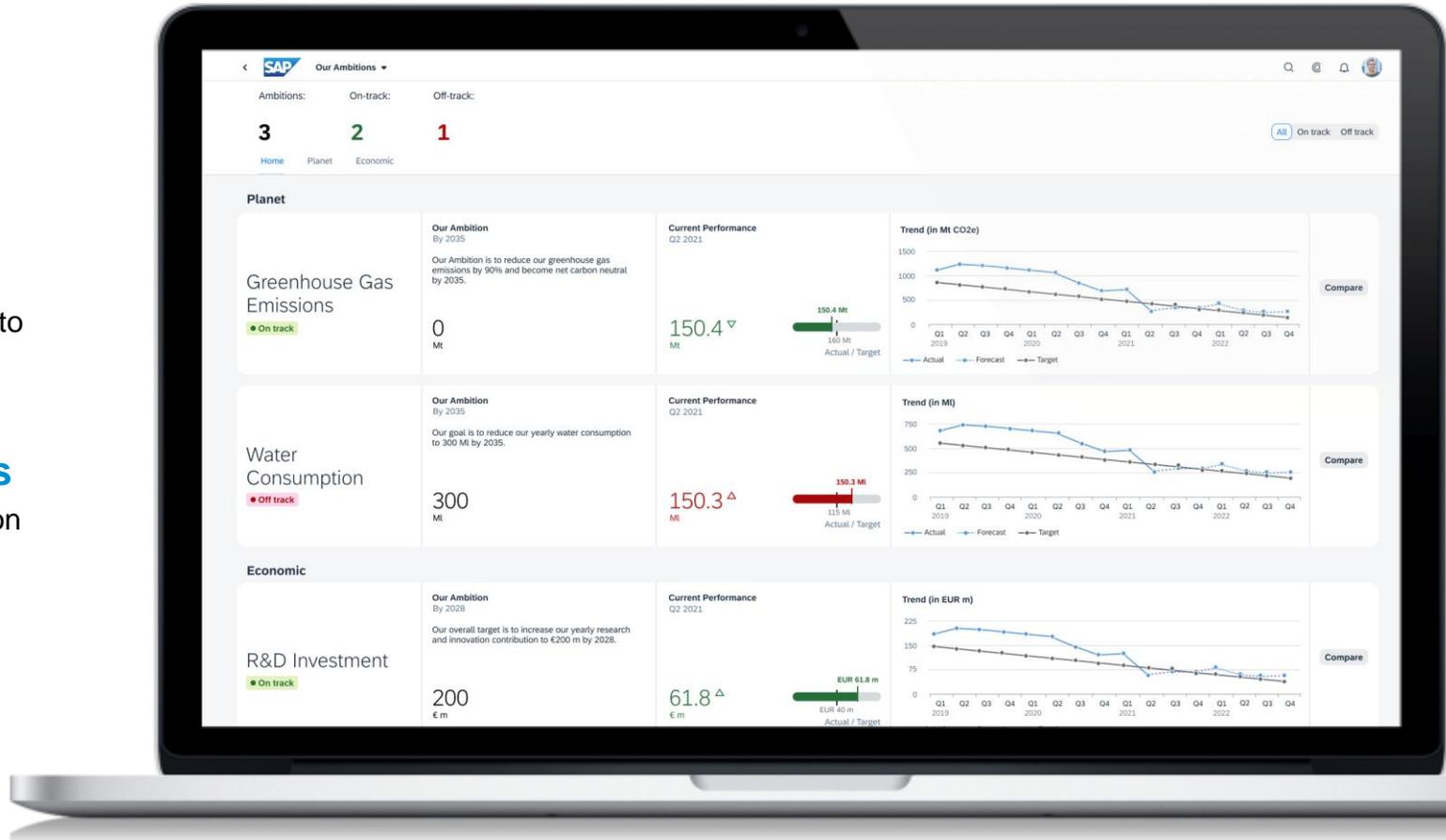
Note: Some capabilities are planned as part of Sustainability Control Tower roadmap and may not be available today.

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
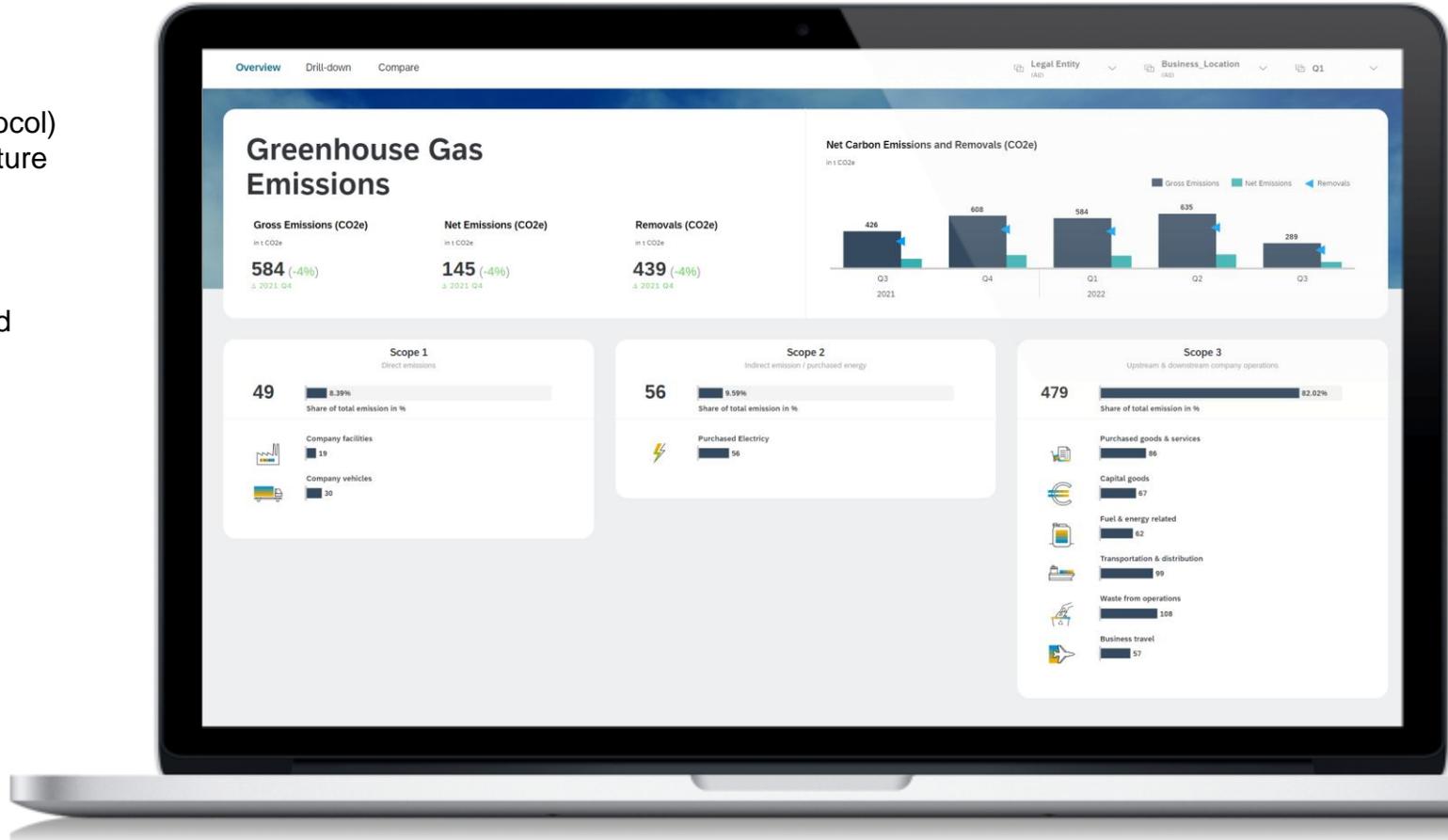
* Requires SAP Analytics Cloud Enterprise

Reporting*

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

Reflect ESG Frameworks

Leverage pre-define 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
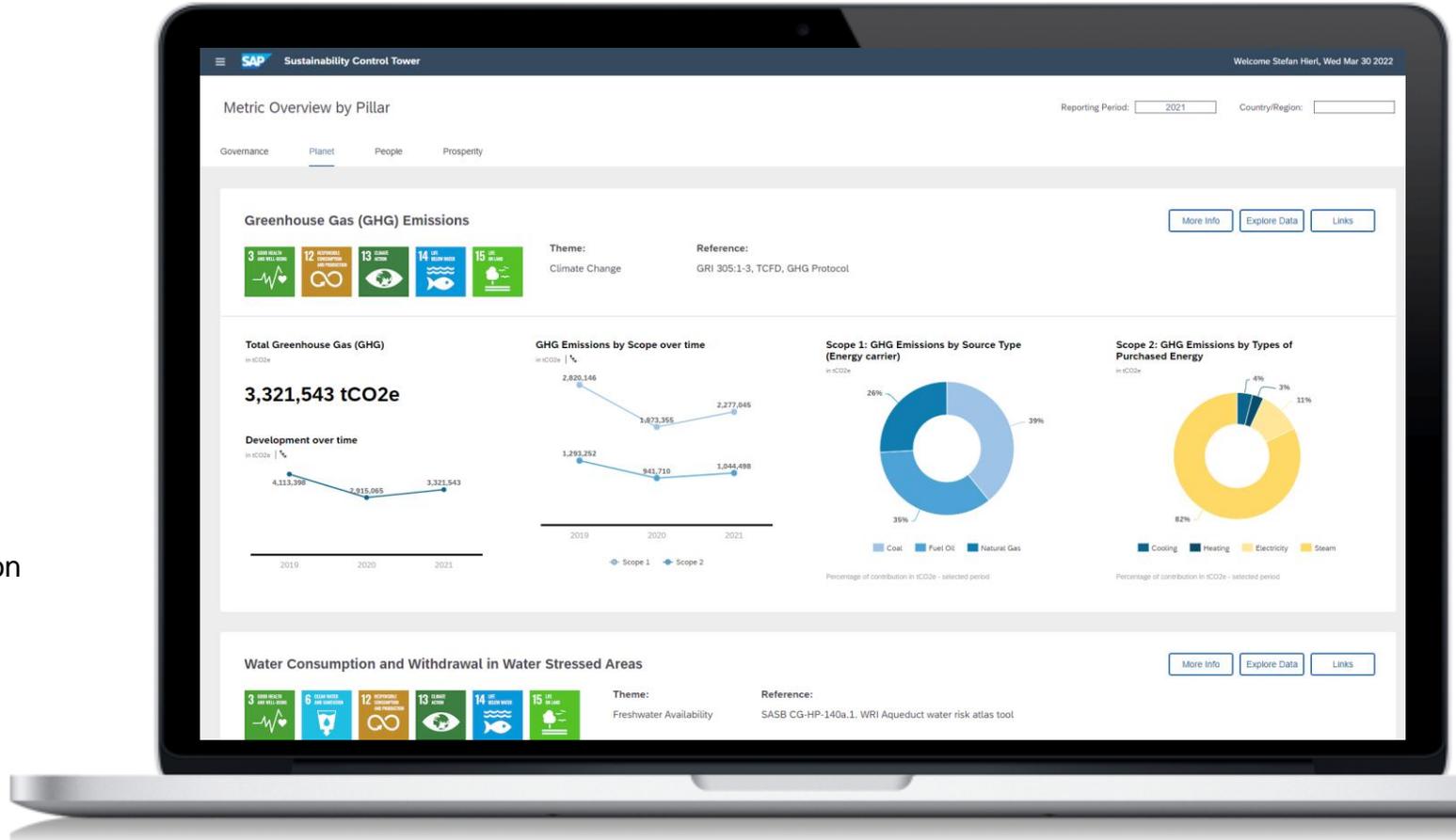
* Requires SAP Analytics Cloud Enterprise

SAP Sustainability Control Tower | Functionalities – Act

Track sustainability initiatives and embed actions into your business processes

RECORD	REPORT	ACT

Target setting and planning

Set targets for your strategic sustainability on a long term as well as operational level in order to be able to track KPI performance. Plan targets at a granular level to drive accountability for taking action.
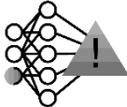
Simulation and forecasting*

Prepare for the future via forecasting and simulation of scenarios.**

Initiatives tracking*

Keep track of your sustainability actions, create transparency and create a single platform for aligned sustainability KPI tracking and action. Provide expected quantitative improvements from each action in order to feed into the overall planning and forecasting cycle.

Embedding in business processes*

Operationalize sustainability action by integration with operational processes and systems to drive long lasting impact.*

*Some capabilities are planned as part of Sustainability Control Tower roadmap and may not be available today   ** Requires SAP Analytics Cloud Enterprise

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.
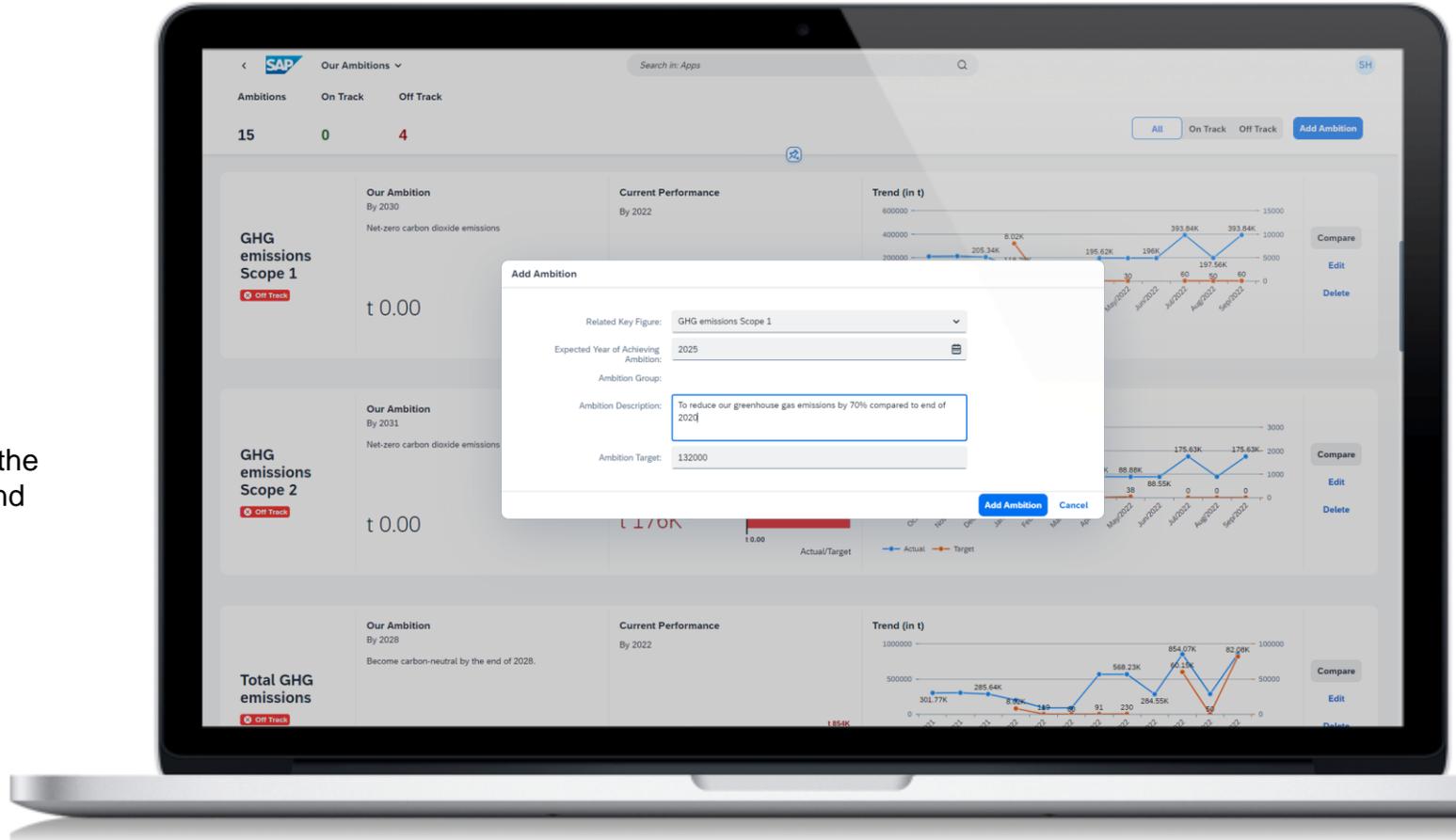
Simulations and Forecasting

Execute what-if scenarios on your data to simulate potential outputs of your environmental actions

Analyze different actions

Analyze the effects of different actions on sustainability results.

What-if analysis at every granularity

Produce simulation results for every dimension and granularity for granular target setting
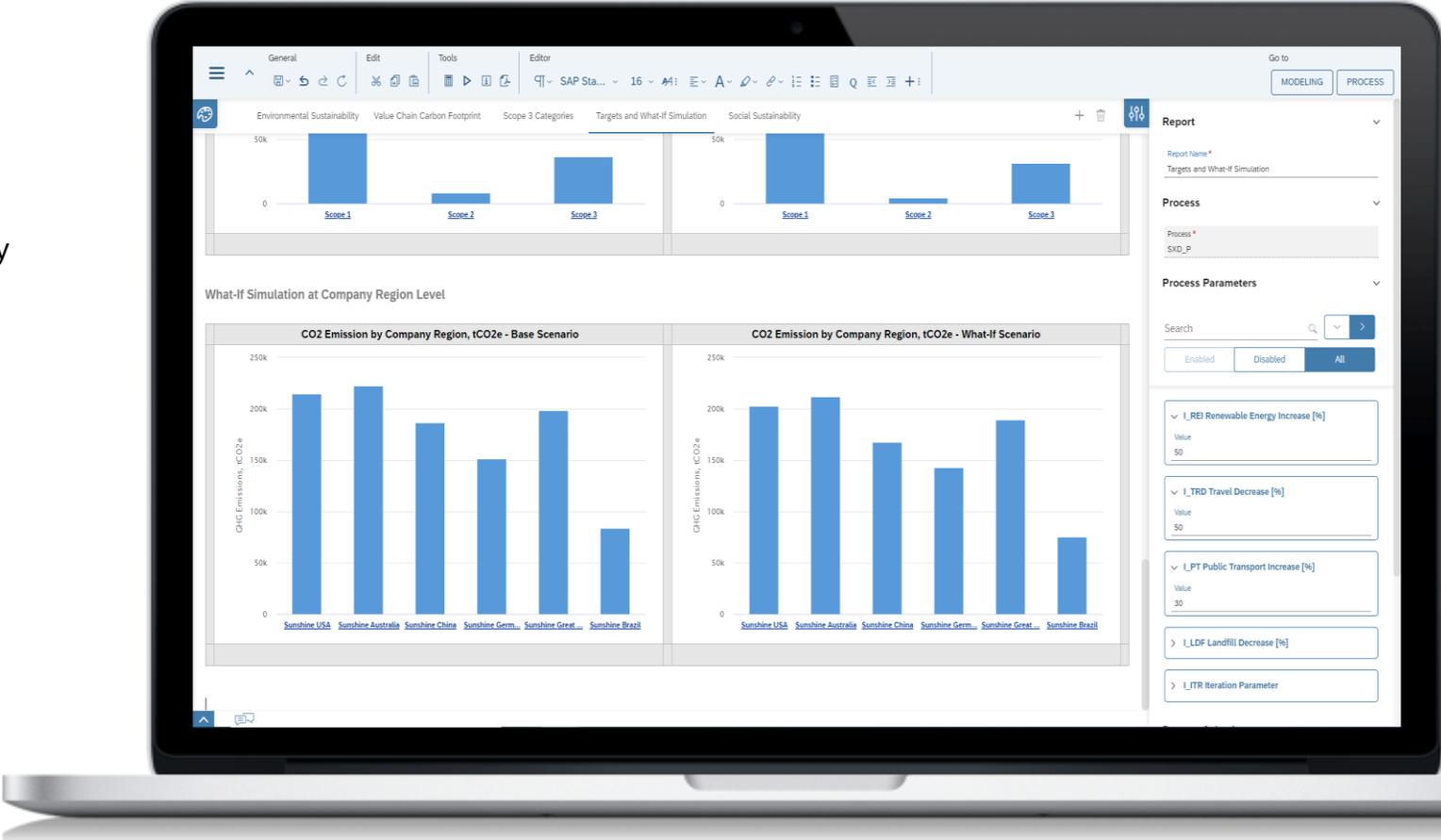
Initiatives Tracking

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.
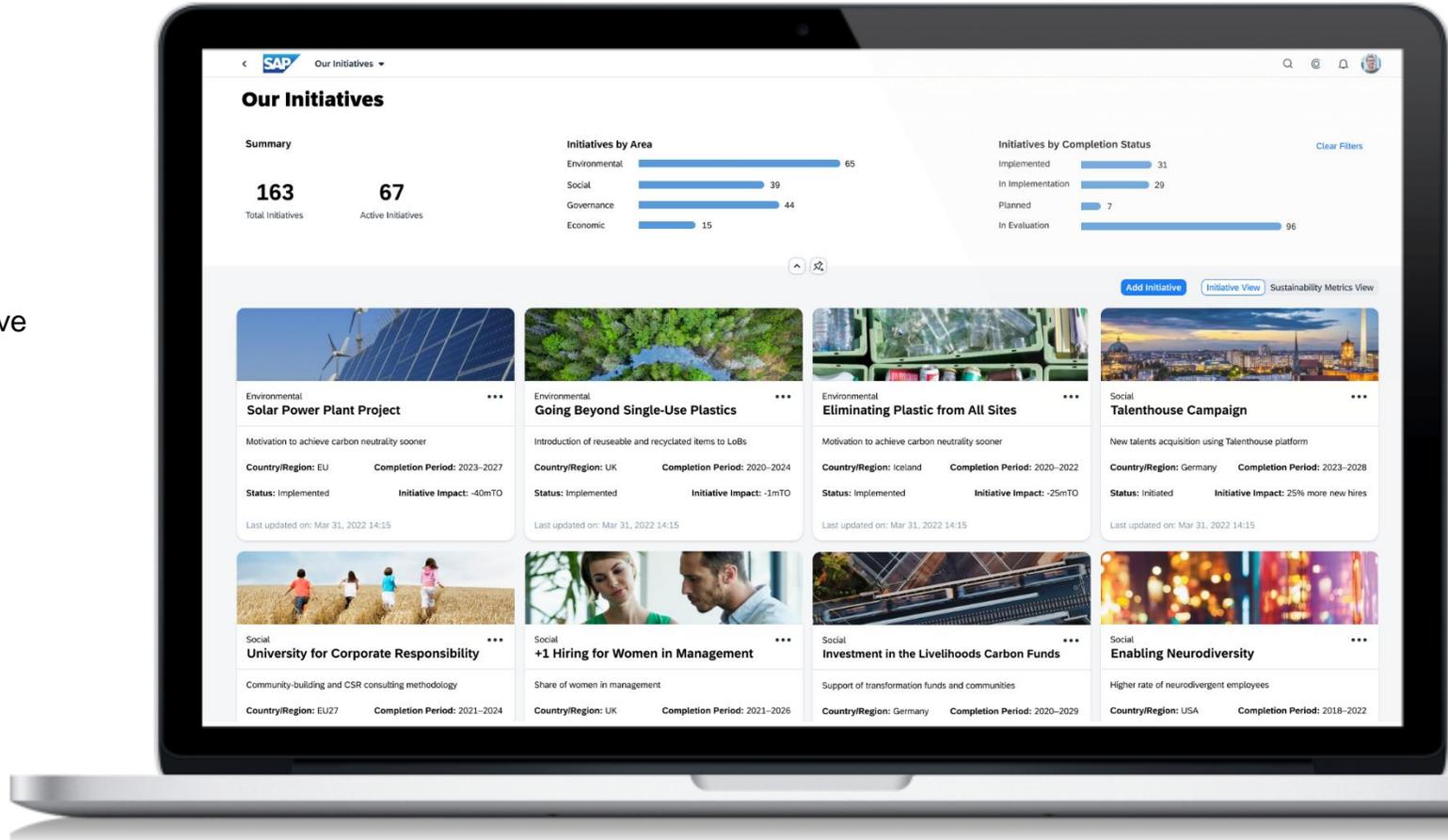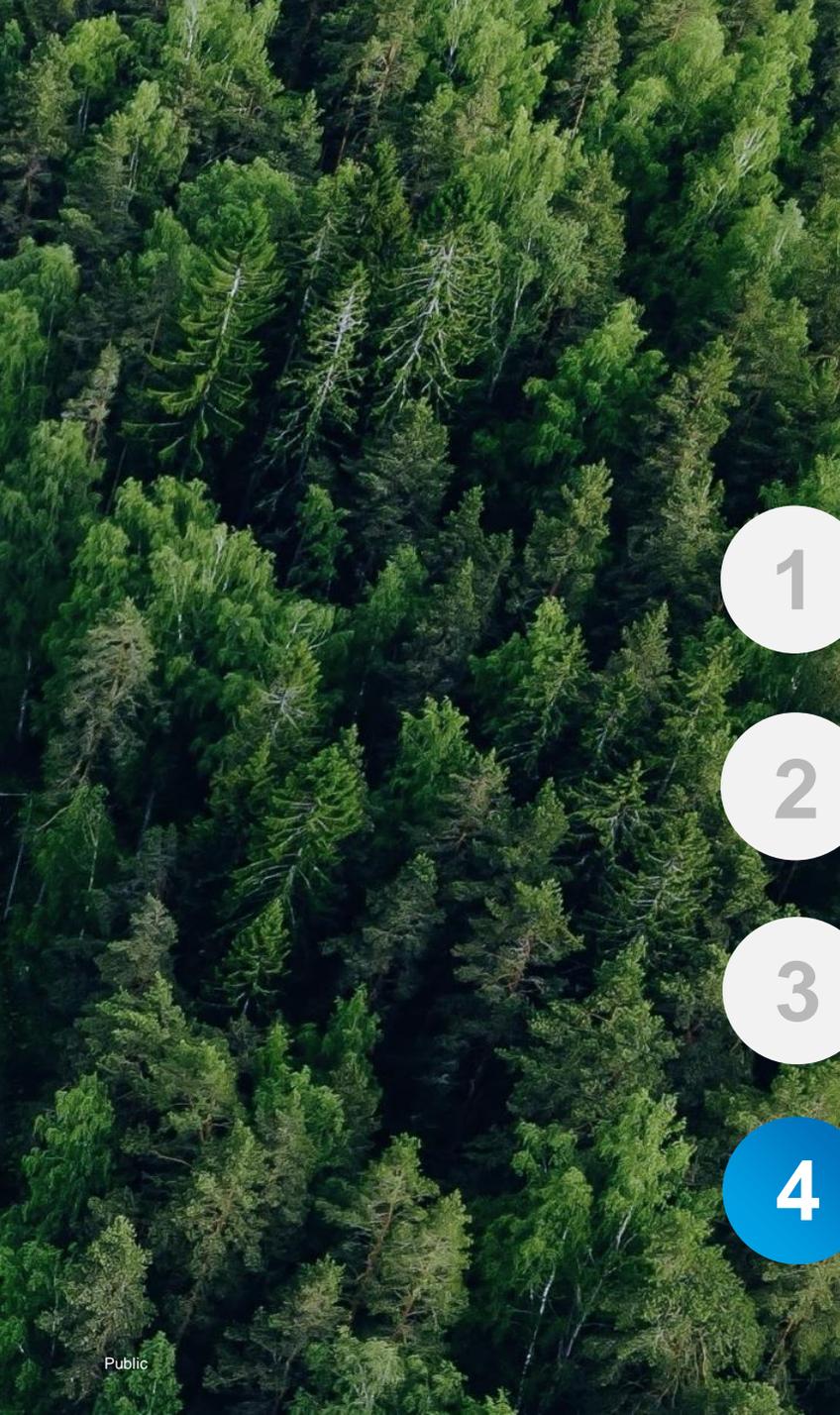
Content

1   Context and positioning

2   Solution Architecture

3   Solution Capabilities Overview

4   **Key Takeaways**

Key Takeaways

SAP Sustainability Control Tower

Enhance productivity and reliability via automated integration

Leverage predefined integration to pull data from SAP and other systems, easing data collection and allowing you to centralize all of your relevant data in one place.

Evolve from reporting to steering

Go beyond reporting by continuously bringing sustainability insights back into your business processes so that you can make more responsible decisions.

Extend content and functionality

Build on pre-defined content with your own metrics, emission calculators, templates, and more to meet your evolving sustainability needs

Advanced platform to support constantly evolving
needs for Sustainability Reporting and Holistic Steering
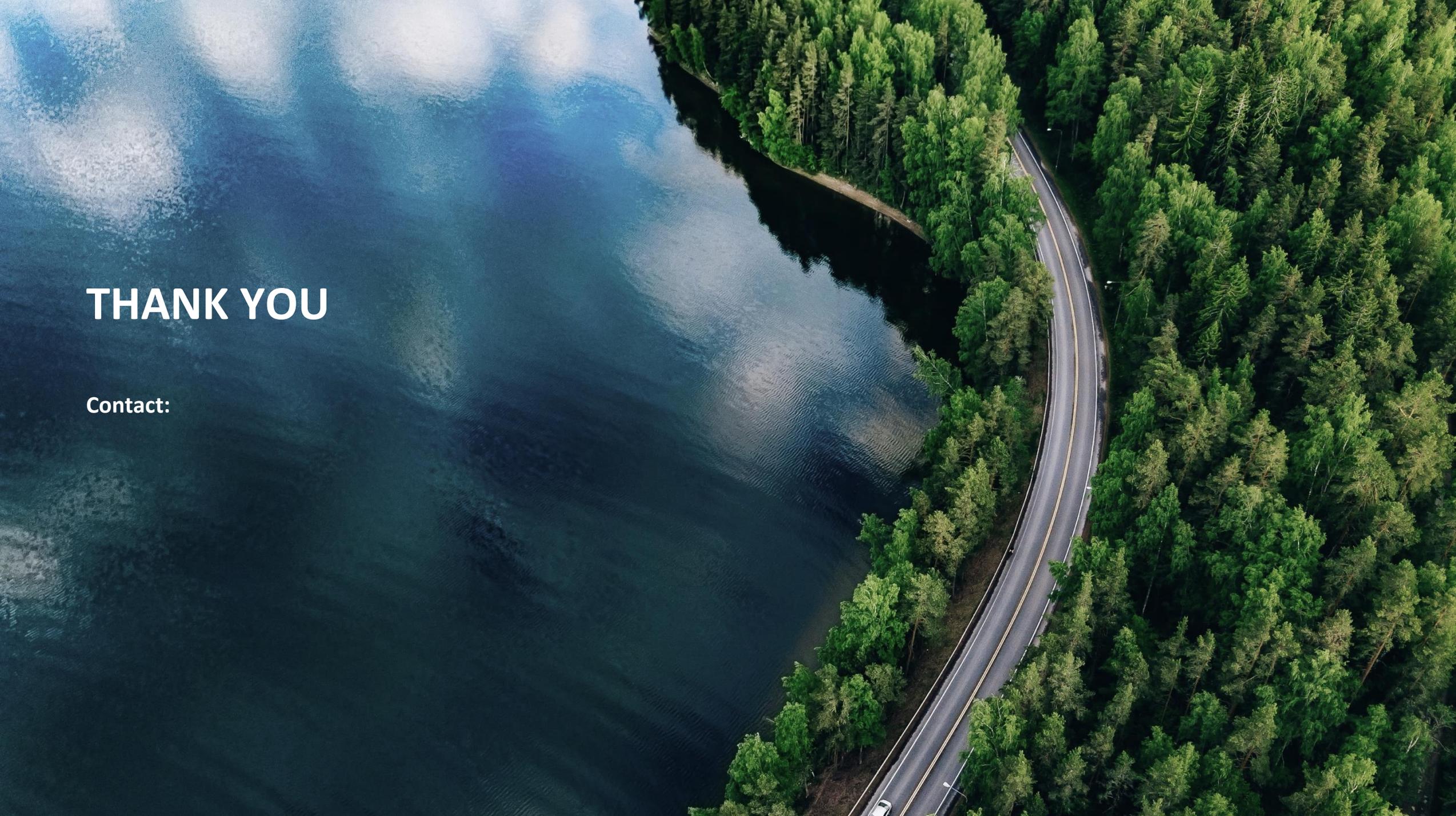
THANK YOU

Contact:

APPENDIX

Sustainability metrics overview SCT new release[1]

SCT comes with a set of predefined very commonly used sustainability metrics (part of metric catalogue)

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 (Renumeration)	GRI 405-2
Pay equality by Gender (Base salary)	GRI 405-2
Pay equality by Ethnicity(Renumeration)	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