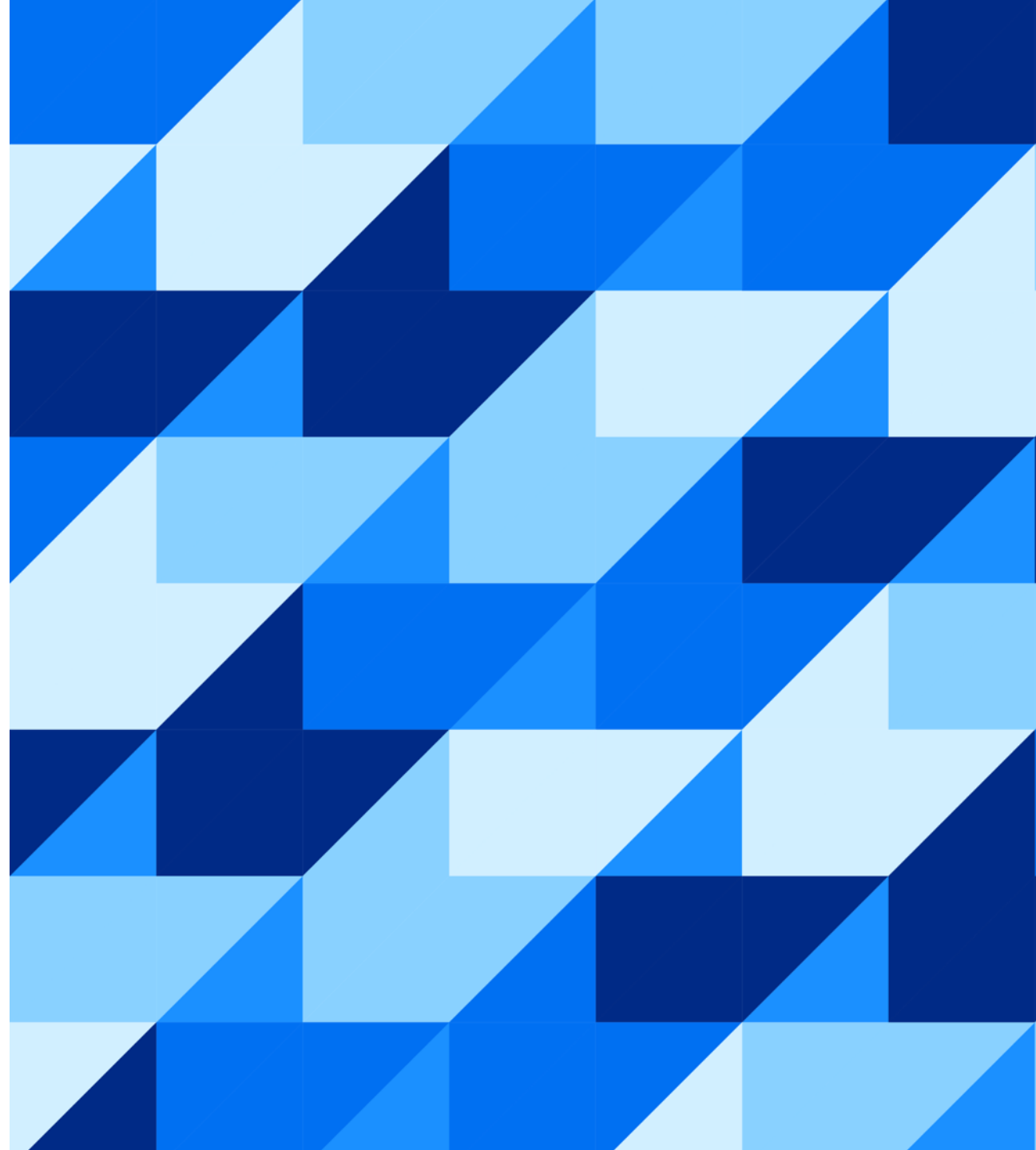




Climate Action with SAP Sustainability

The path to a Green Ledger



Agenda



WHY: Climate Action with SAP

WHAT: SAP offers to lead in Climate Action

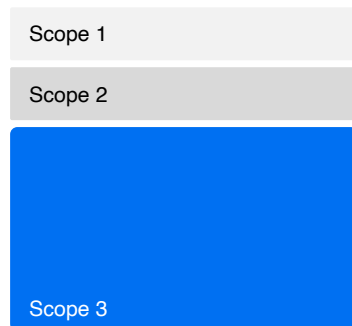
HOW: to start the journey to net-zero today



Climate Action is more relevant than ever Companies need to act now

>70%

of many companies' carbon footprint is as a result of scope 3 emissions*. The figure depends on the industry and business model.



[Source:](#) Scope 1, 2 and 3 emissions, Deloitte.

20x

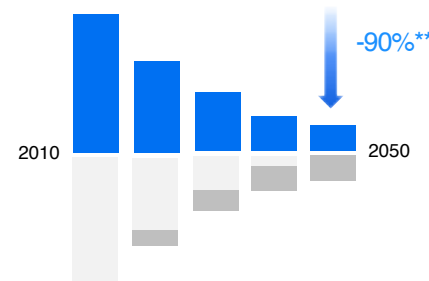
increase in the number of global climate change regulations since 1997.



[Source:](#) Grantham research institute on climate change, 2023

34%

of world-wide major companies have a net-zero target. 93% will fail if they do not increase their effort significantly.



[Source:](#) Accenture Report Finds, Accenture, 11 2022.

10%

of companies have a comprehensive understanding of their greenhouse gas emissions.



[Source:](#) Closing the Climate Action Gap, BCG.

*Scope 3 emissions are all indirect greenhouse gas emissions that occur in a company's supply chain, excluding those from direct operations (Scope 1) and purchased energy (Scope 2).

Reinvent the “R” in ERP



Reinvent the “R” in ERP

Expand the definition of “resources” to record, report and act on carbon in sync with financial data

... Record

Calculate emissions with accuracy based on actuals along your supply chain

... Report

Make emissions comparable with standardized reporting

... Act

Reduce emissions based on carbon data in your existing business software



Record: Scope 3 emissions are key for reliable calculations



Full scope 1-3 footprint is the basis for accurate net-zero targets and decision-making

Accurate emission recording requires supply chain data exchange

Scope 1

Direct emissions from fuel use, process emissions and owned vehicles

Scope 2

Indirect emissions from bought electricity, heating and cooling

Scope 3

Indirect emissions from upstream and downstream operations

>70%

are typically within scope 3
with hotspots in your supply chain



WHY SAP?

Our deep connection with supply chains worldwide



90% of the world's transactions use SAP and we connect 6 mil. businesses in the SAP Business Network

Our solutions use existing connections to acquire data within your supply chain

Report: Regulatory frameworks are evolving quickly

Increased demand for auditable and comparable emission data



Carbon disclosure requirements are rapidly evolving

global best practice for how organizations communicate and demonstrate accountability for their impacts on the environment, economy and people

GRI

CSRD will start to have impact in 2024, up to 50.000 companies within the EU need to start recording their sustainability impact

CSRD

comprehensive global baseline of sustainability disclosures focused on the needs of investors and the financial markets

ISSB, IFRS

The Climate Corporate Data Accountability Act requires companies in California to report their Scope 1, 2, and 3 GHG emissions

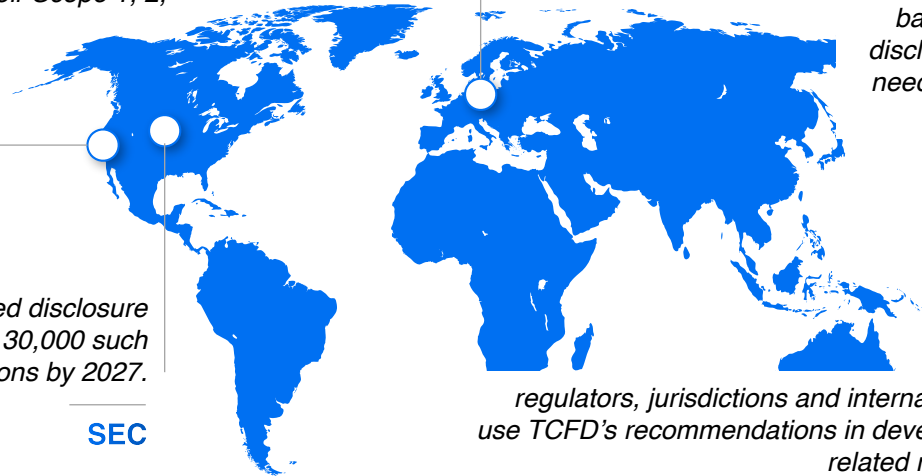
SB253

climate-related disclosure for more than 30,000 such organizations by 2027.

SEC

regulators, jurisdictions and international standards to use TCFD's recommendations in development of climate related reporting standards

TCFD



WHY SAP?

Our auditing capabilities meet carbon disclosure requirements



SAP brings long standing experience to provide audit-proof results from the financial to carbon reporting

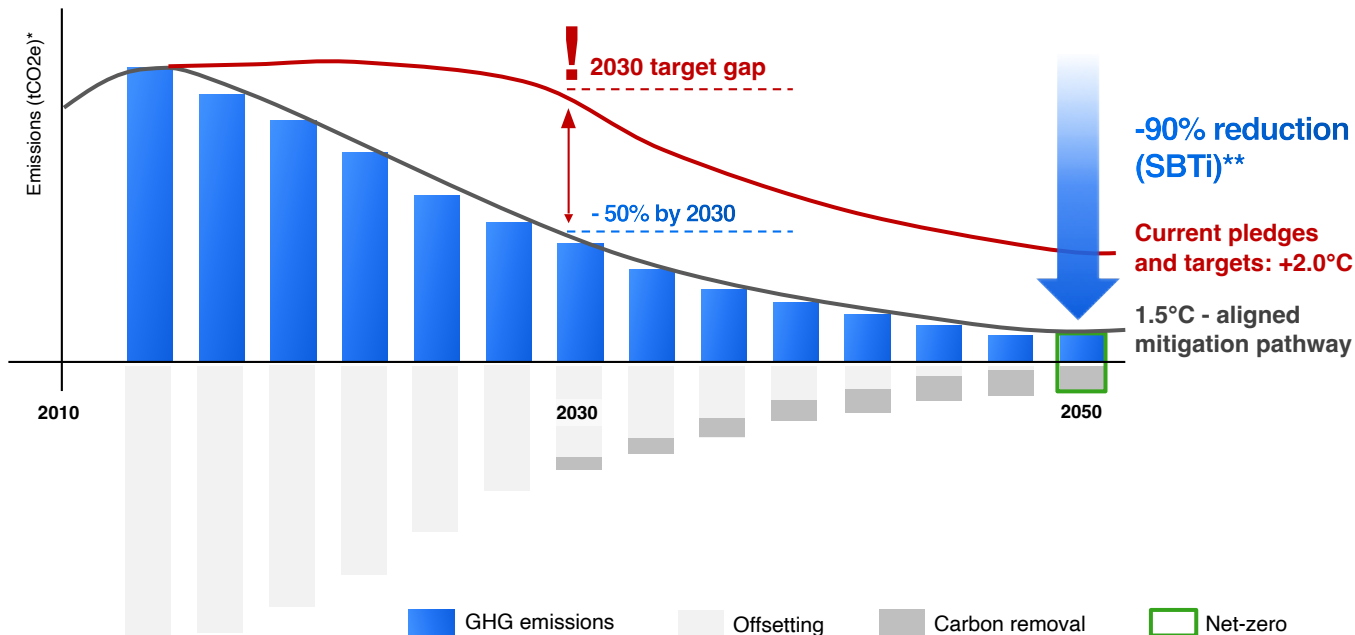
We synchronize financial and carbon flows for integrated reporting capabilities

Our reliable data strategy allows you to keep up with current and upcoming disclosure and audit requirements

Act: Reduction measures are imperative for net-zero targets

Effective and feasible reductions must be adopted fast for resilient businesses

Net-zero target requires all business areas to reduce emissions



*Simplified presentation

**Most companies will require deep decarbonization of at least 90% to reach net-zero under the SBTi standard



WHY SAP?

We can embed carbon in every business decision for you



Create reduction strategy scenarios with emissions data analyzed at the business transaction level

Integrate carbon data into daily business decisions e.g. in controlling, or procurement

Agenda



WHY: Climate Action with SAP

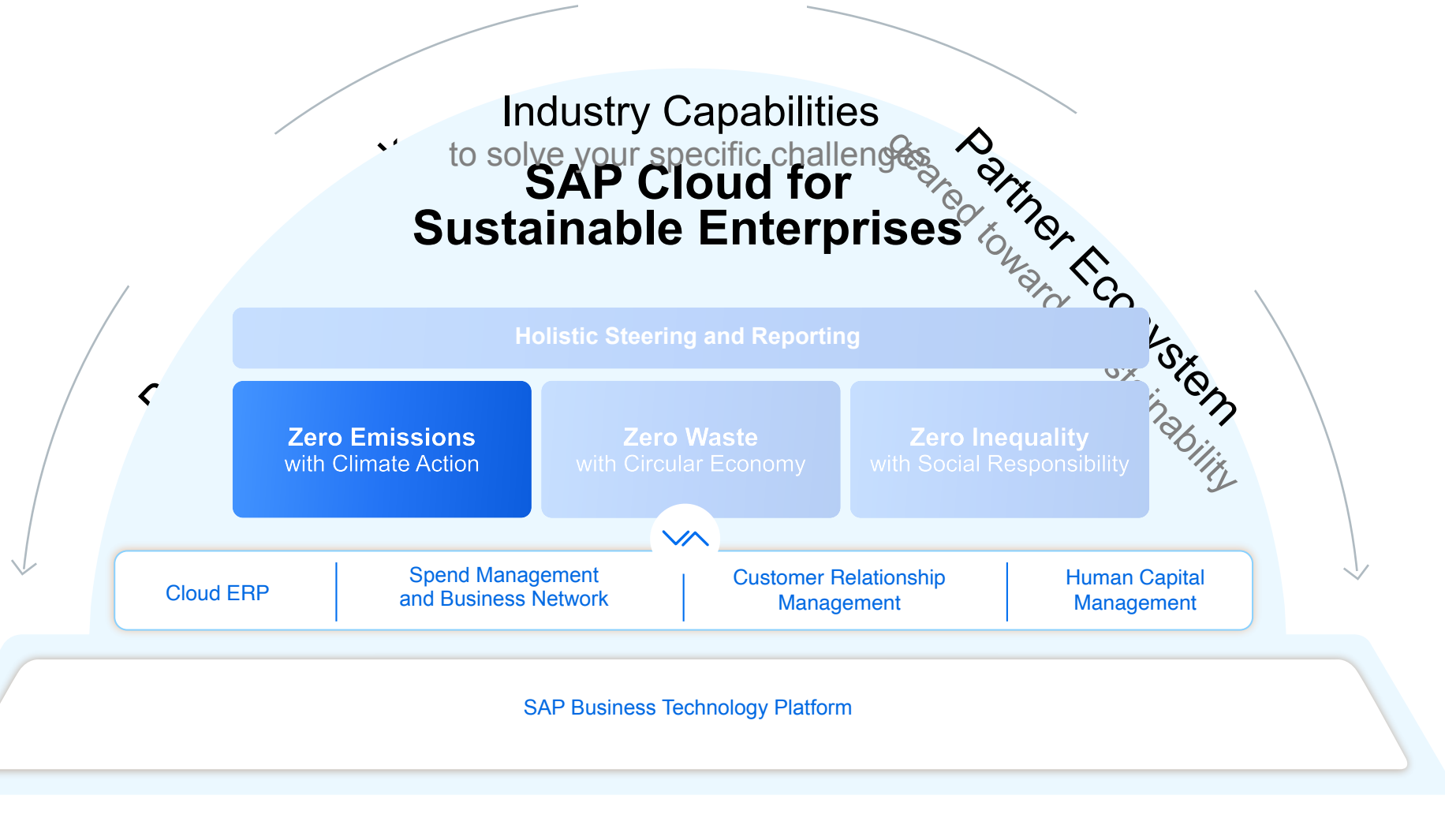
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SAP Cloud for Sustainable Enterprises

Industry Capabilities to solve your specific challenges **SAP Cloud for Sustainable Enterprises**



Transactional Carbon Accounting

Pioneering a green ledger

Record, Report, Act on carbon in sync with financial data for every business transaction

Unmatched Granularity

Drill-down into individual business transactions, like you would with financials, for effective budgeting and steering e.g. on cost center level

Unmatched Accuracy

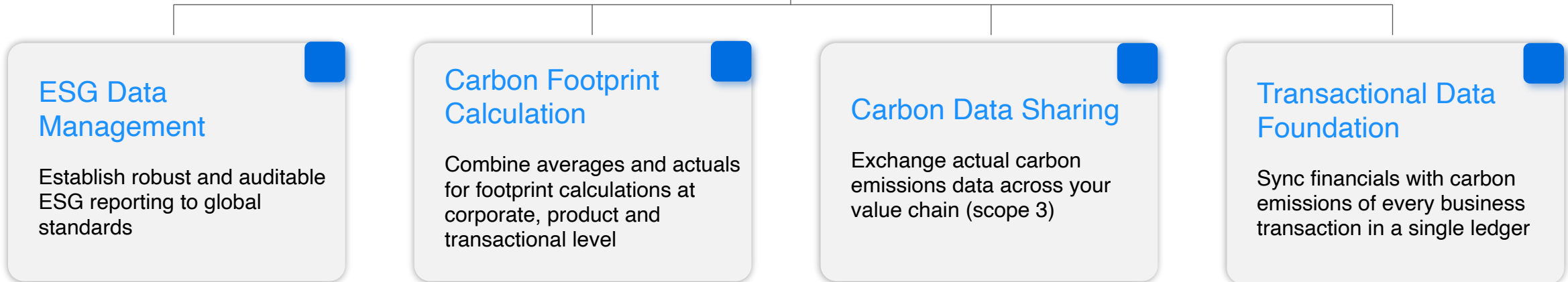
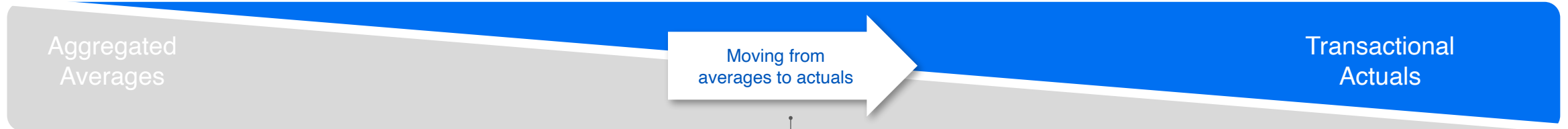
Make reliable decisions and reports using standardized and accurate data based on actuals and a common accounting methodology

Unmatched Insights

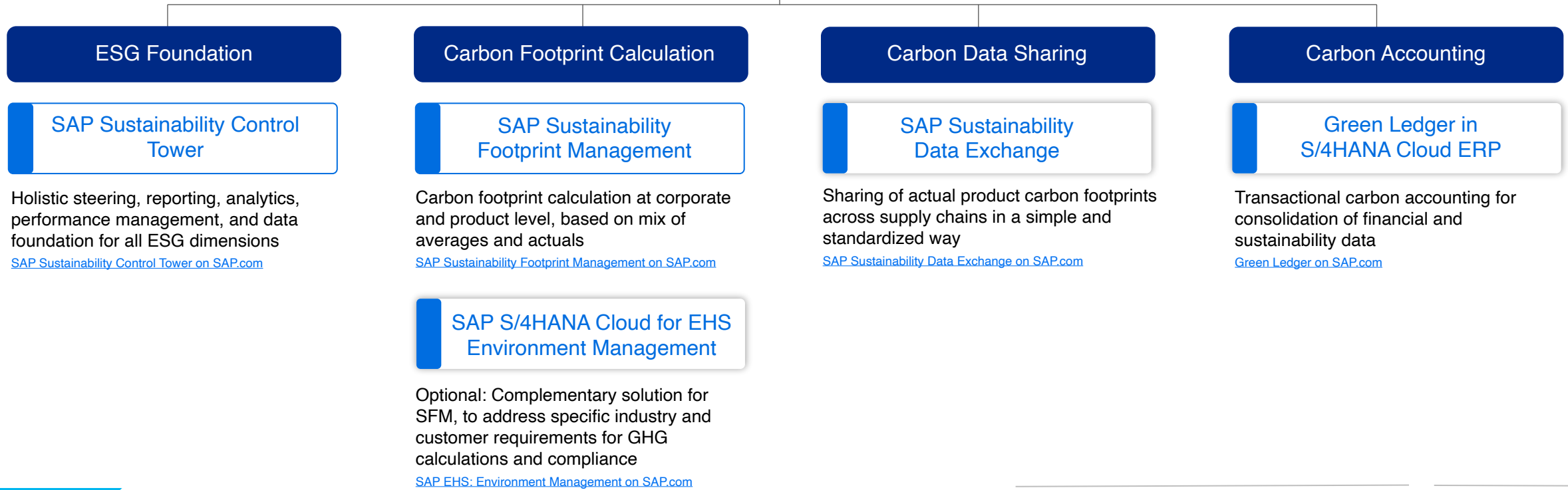
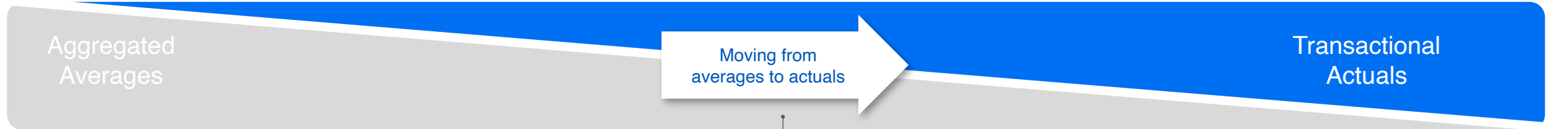
Get carbon and financial data side by side to enable decision making at a required point in time

Future proof journey | Move from averages towards actuals

Start your journey now and gradually move towards highly accurate transactional carbon accounting



Future proof journey | Accelerating our customers' journey to a Green Ledger



Available Today

- RISE with SAP S/4HANA Cloud, private edition, premium plus
- Separate license
- Separate license

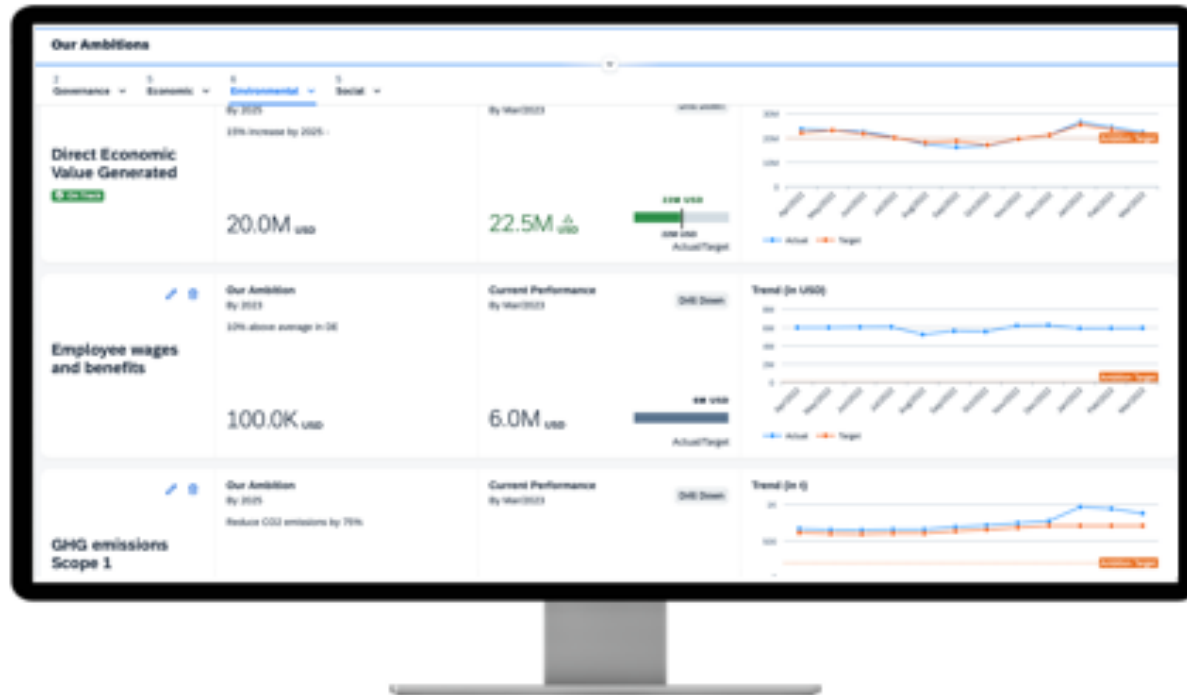
Future Roadmap

- Roadmap

Future-proof your business with SAP Sustainability solutions

Accelerate your journey towards a Green Ledger, enabling a profitable & sustainable business model

✓ SAP Sustainability Control Tower



RECORD Create accurate ESG factors from actual data instead of averages

REPORT Generate audit-ready ESG metrics ensuring regulatory compliance

ACT Embed sustainability into existing business processes for future planning



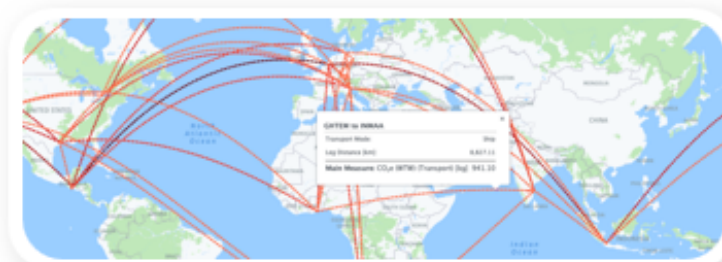
Standard semantic frameworks supported



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✓ SAP Sustainability Footprint Management



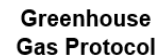
RECORD Leverage existing data with seamless integration and automation

REPORT Provide auditable corporate and product carbon footprints at scale

ACT Make informed decisions on reduction targets in context of LOB



Sustainability Frameworks and Databases (excerpt)

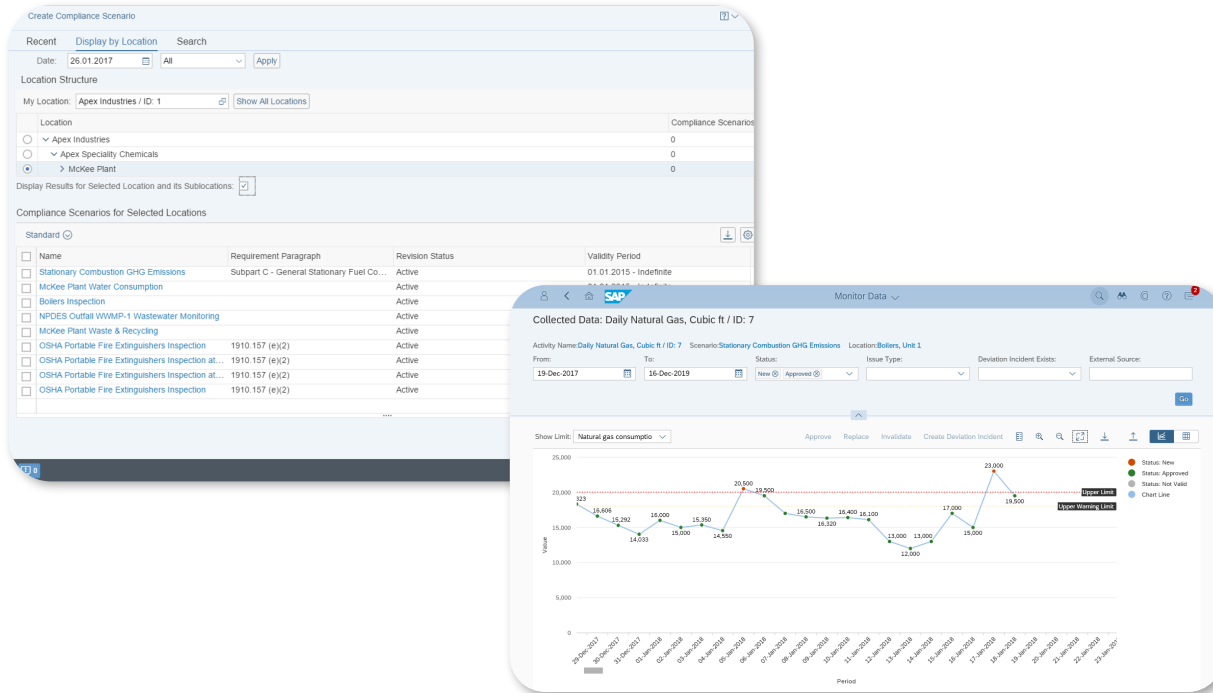


Future-proof your business with SAP Sustainability solutions



Accelerate your journey towards a Green Ledger, enabling a profitable & sustainable business model

✓ SAP Environmental, Health and Safety - Environment Management



RECORD track all aspects of environmental impact from the corporate level down to operations

REPORT options for collecting data and sampling to be used for compliance tracking

ACT real-time analytics and emissions forecasting tools



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✓ SAP Sustainability Data Exchange

Customer Footprint Exchanges

| <input type="checkbox"/> Footprint | Customer | Exchange Status | Footprint Status |
|---------------------------------------|----------------|-----------------|------------------|
| <input type="checkbox"/> Battery Pack | Cars&More Inc. | Requested | Valid |
| <input type="checkbox"/> Battery Pack | MobilityFleetz | Not received | Valid |
| <input type="checkbox"/> Battery Pack | CarTotal GmbH | Not received | Valid |
| <input type="checkbox"/> Charge Port | Cars&More Inc. | Not received | Valid |
| <input type="checkbox"/> Charge Port | MobilityFleetz | Sent | Valid |

Footprint send
We will notify your customer that you have provided data.
[Add comment to exchange](#)

Footprint requested
We will notify your supplier that you have requested data.
[Add comment to exchange](#)

Battery Pack Edit

Product Carbon Footprint

General Information | Footprint Data | Supplier | Customer*

Footprint Details

Status: Valid

Associated footprints: 2

Associated received: 1

Footprint Data Owner: My Company (OEM)

Data at a Glance

Validity Period: Jan 1, 2023 - Dec 31, 2023

CO₂ Fossil Greenhouse Gas Emissions: 4270 kg CO₂e

Primary Data Share: 2562 kg CO₂e (60%)

Secondary Data Share: 1708 kg CO₂e (40%)

CO₂ Origin: 4800 kg CO₂e

Biogenic Carbon Content: 530 kg CO₂e (11%)

Fossil Greenhouse Gas Emissions: 4270 kg CO₂e (89%)

RECORD Enable sharing of actual product carbon footprints (PCF) across value chains

REPORT Simplify audits with standardized data models and workflows

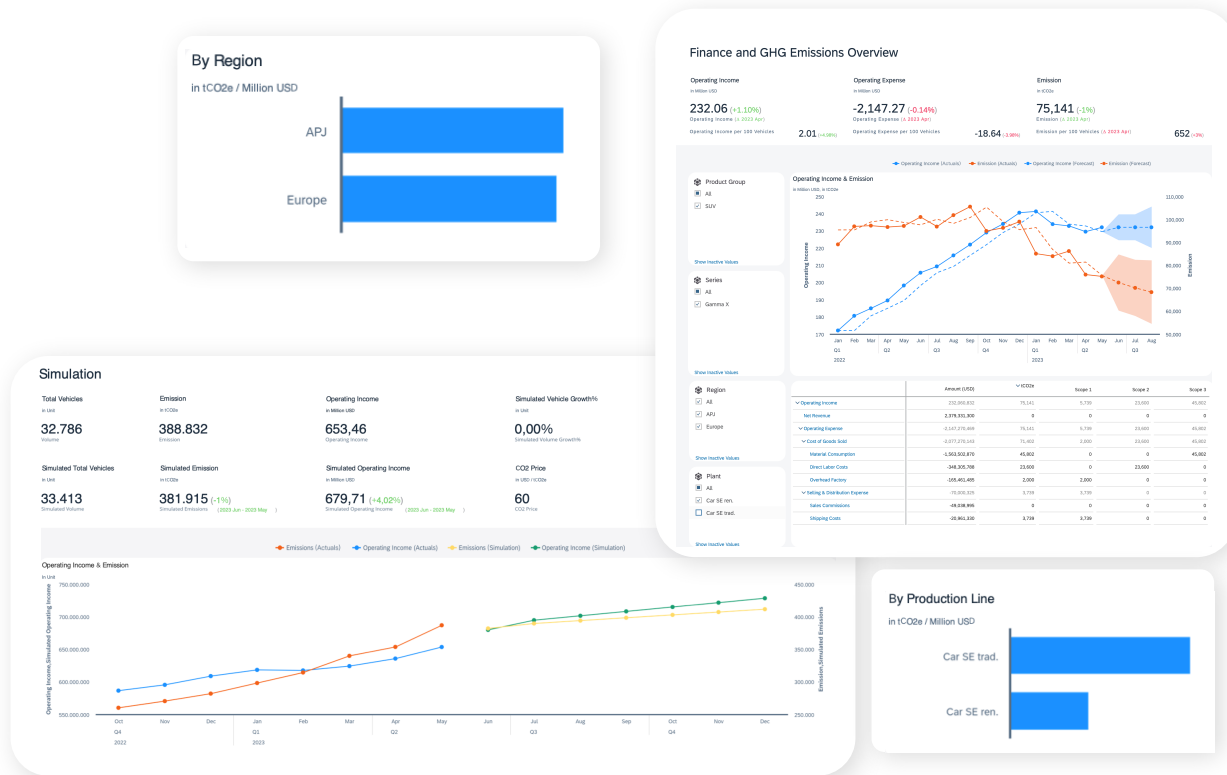
ACT Identify products or processes with high potential for CO₂ reduction

Future-proof your business with SAP Sustainability solutions



Accelerate your journey towards a Green Ledger, enabling a profitable & sustainable business model

SAP Carbon Accounting Hub (to be launched under the green ledger initiative in 2024)



RECORD Benefit from native integration with SAP S/4HANA Cloud

REPORT Enable root cause analysis with transactional details

ACT Manage sustainability data alongside financial data



Available through Rise and Grow





Agenda



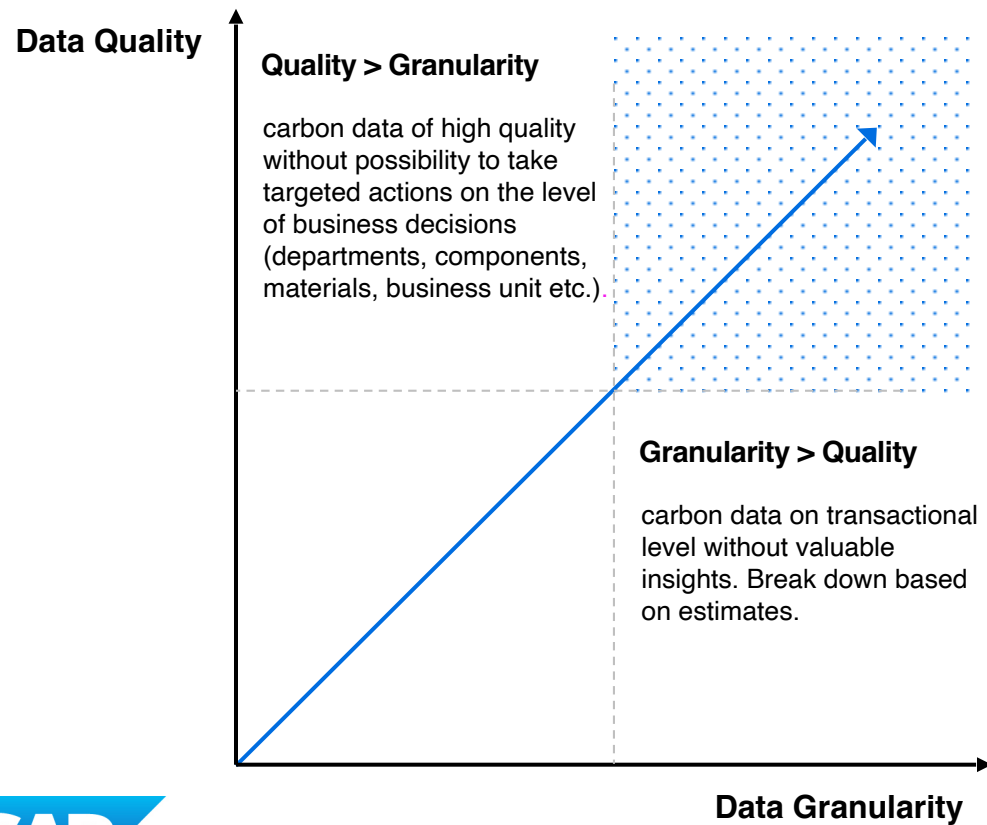
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WHAT: SAP offers to lead in Climate Action

HOW: to start the journey to net-zero today



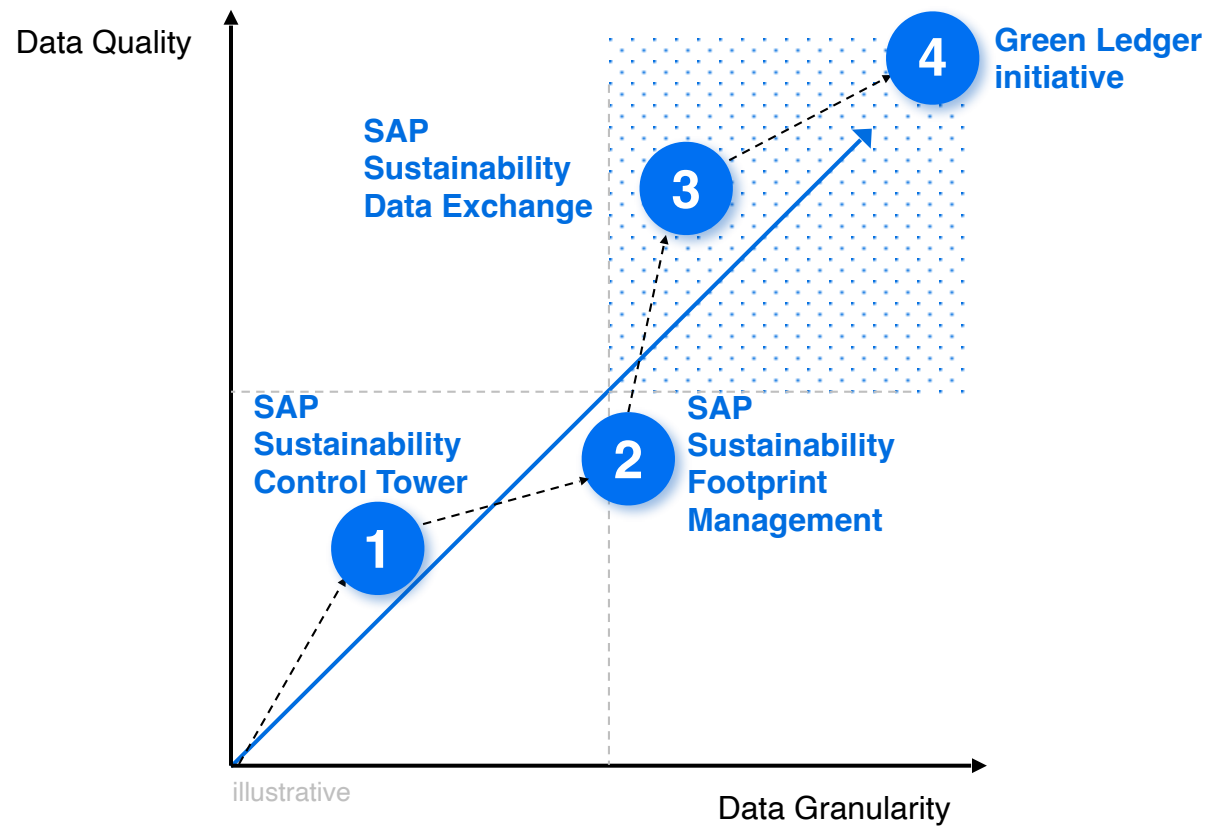
Improve Data Quality and Data Granularity for better Decision Making



To drive targeted decision making companies need both: high quality data on a granular, transactional level



Path Towards Green Ledger starts now



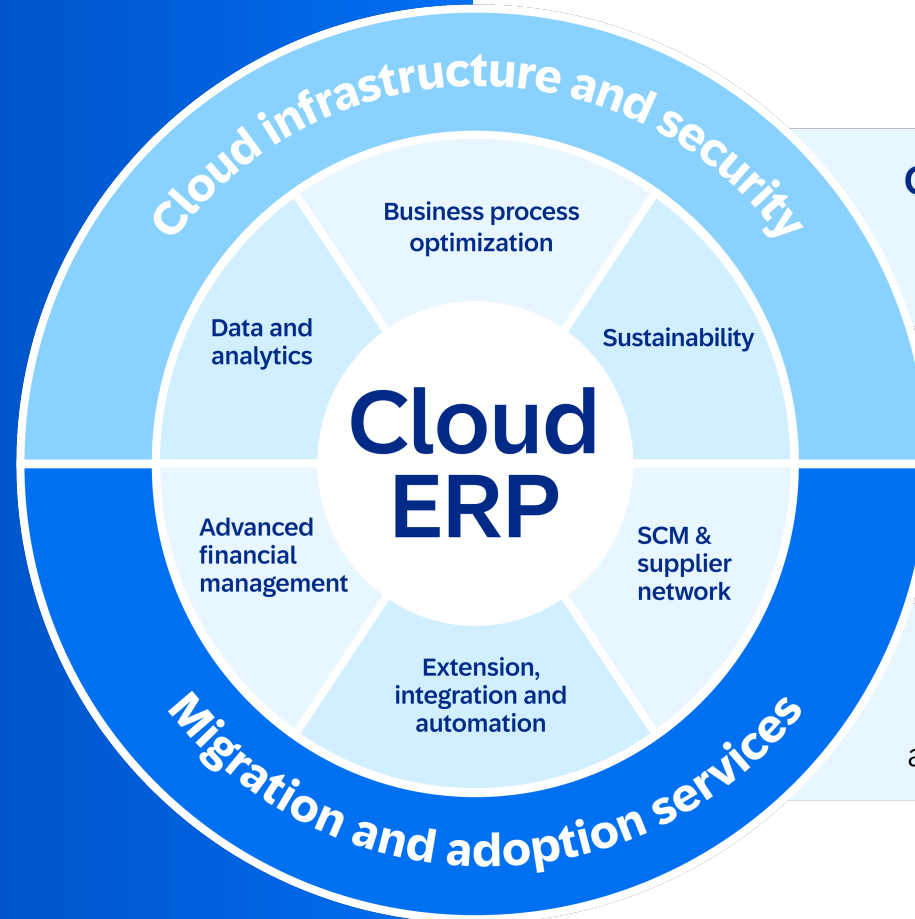
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RISE WITH SAP | Driving Business Innovation Together

A complete offering of cloud solutions, infrastructure, and services that helps migrate your SAP ERP and empower you to thrive in the cloud.

SAP S/4HANA Cloud

SAP BTP



Cloud solutions

Critical to effectively migrate to and thrive in the cloud

Cloud infrastructure

Supported by an application-level SLA and managed cloud service from SAP

Migration and adoption services

Based on proven tools, methodologies, and an expert partner network



Start your Path Towards the Green Ledger NOW

ESG Data Management

- Screen regulatory landscape for existing and future relevance
- Assess cost impact and access to market limitations for your business
- Integrate sustainability compliance process in the company wide risk framework

Carbon Footprint Management

- Identify key products for footprint calculation
- Select suitable methodology based on available data
- Evaluate high impact areas to improve data quality with Sustainability Data Exchange

Carbon Data Sharing

- Adapt the PACT framework for data exchange with suppliers
- Identify & request high impact supplier data based on average data calculation
- Receive product footprints to be shared with Sustainability Footprint Management



SAP and S.OLEUM

Planting the seed for
sustainability.
Together.

sap.com/sustainability







SAP and Salzgitter AG

Making our planet and
the steel industry better.
Together.

sap.com/sustainability



Sustainability is a team sport

Global Strategic Service Partners & Alliances









The   Ecosystem

Thought leadership partners & impact networks



















**Record, Report, Act
on carbon in sync
with financial data for
every business
transaction**

BOOK A DEMO



