



# Driving your business Sustainably

**João Paulo da Silva**

SVP & General Manager, SAP Southern Europe and Francophone Africa

# Agenda

- Sustainability's biggest challenges
- SAP's Vision
- Our role and what SAP is doing



# Sustainability's biggest challenges

## LINEAR ECONOMY



TAKE

MAKE

DISPOSE

## CIRCULAR ECONOMY



**THE WORLD NEEDS YOU!**

**Responsibility to act as a Leader!**

# #1 threat to the Paris Agreement



Have a Plan to be net zero by 2050



The Plan includes Scope 3



**The Scope 3 Gap**  
x Multiplier (10-20)

Fortune magazine survey on S&P500

**% of total**

**Mining and Metals**

**Construction and building materials**

**Forest products & Packaging**

**Chemicals**

**7%**

**20%**

**3%**

**7%**

**Scope 3**

**5 Gt**

Metal value chain

**14 Gt**

Construction value chain

**2 Gt**

Packaging & Forest value chain

**5 Gt**

Chemicals value chain

Scopes 1,2

0.5 Gt

N/A

N/A

3.3 Gt

**+10Gt**

coal

**+40Gt**

non-construction & cement

# #2 threat is Greenwashing

**>40%**

of green claims on European websites were exaggerated, false or deceptive

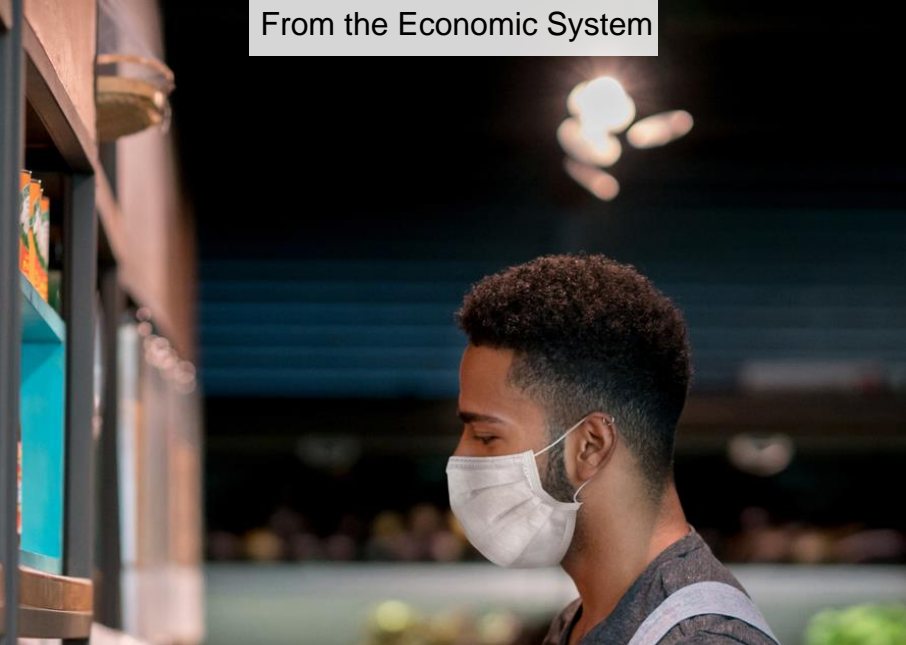
**~60%**

of all green claims by European and U.K. fashion brands are misleading

**50+%**

of sustainability investors mentioned greenwashing as a key concerns, making it their **#1 investment risk**

From the Economic System



From the Stakeholders



From Technology

MACHINE  
LEARNING

BIG DATA

B2B MARKETPLACE

ARTIFICIAL  
INTELLIGENCE

API & MICRO SERVICES

CLOUD

ROBOTICS

3D PRINTING

BUSINESS

## EXPECT NO EASE, NO SLOW-DOWN



SECURITY



COMPUTING

ELECTRIC MOBILITY

IoT

BLOCKCHAIN

SOCIAL

NANO-  
TECHNOLOGY

Energy Storage  
& Batteries

4th Industrial Revolution  
Networked Economy





# SAP's Vision



**Sustainability,  
is the greatest economic opportunity of our time**

**Do not think about it as a cost!**

# 3 Essential steps





High-end quality in surface materials

FENIX Line is top of sales yet does not tolerate the slightest defect. Lots of scrap.

- New Factory



Latin America's leading flat steel producer

Simplify and standardize its health and safety systems.

- Piloted a new governance model



Integrated, smart infrastructure solutions for transportation, water, energy, and defense in the UK

Lack of **visibility of infrastructure project data including ESG.**

- Co-Develop the Intelligent

## Visibility + Automation = Efficiency & Sustainability

- AI learns from employees and operation.
- **80%** Reduction in water, energy, and other resources used.
- **96%** Reduction in scrap waste!

Building Materials

- **>12,000 Hours** of data entry saved by automating recordkeeping.
- **Ensure compliance & reduce reputational risk**

Metals

- **30%** Increase in machine efficiency as measured by idle machine time.
- **80%** of all data accessible –up from 30%
- **lower risk, and costs** through Predictive analytics and visibility.

Construction

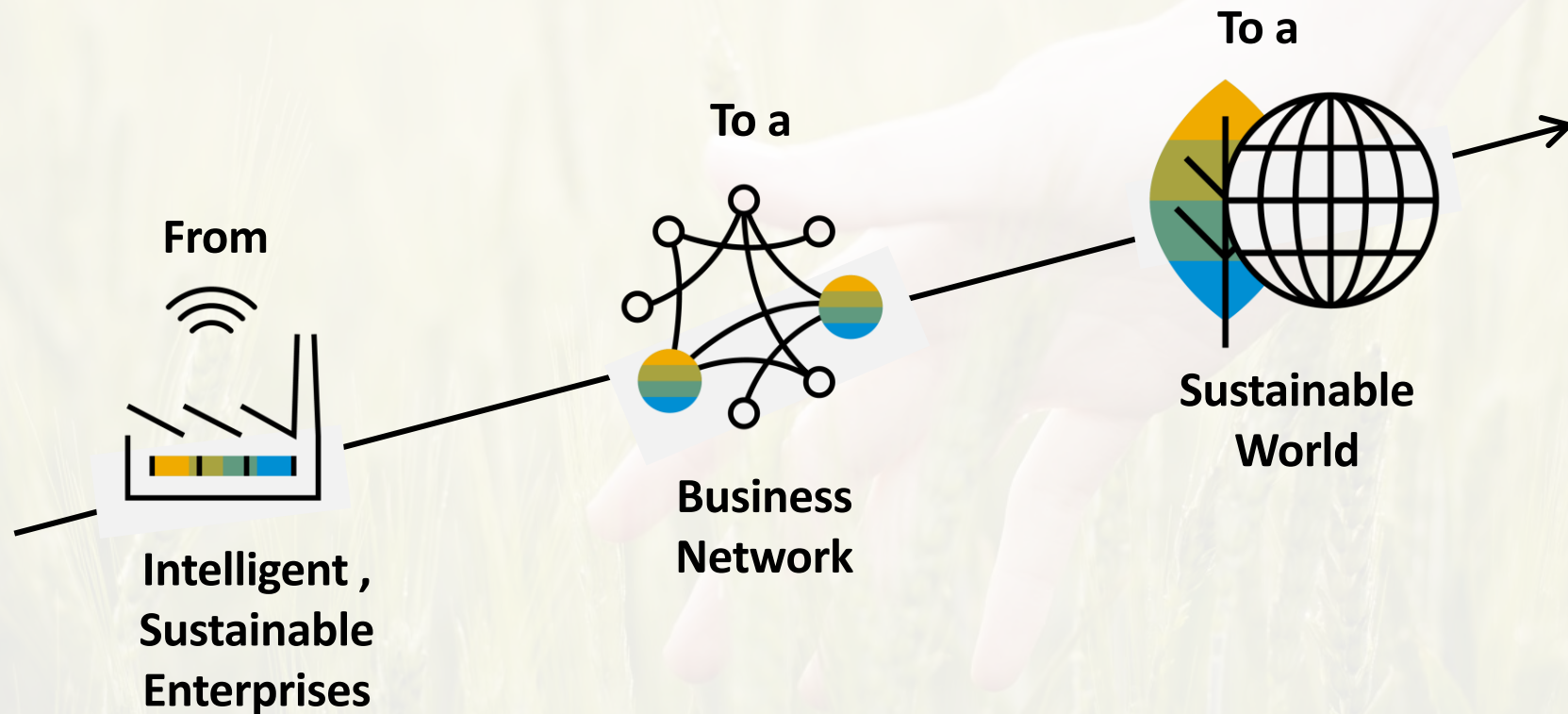
# OUR PURPOSE

Help the world run better and improve people's lives



# OUR VISION

Reinvent how the world runs as a **network** of intelligent, sustainable enterprises



## **SAP'S PRACTICAL APPROACH**



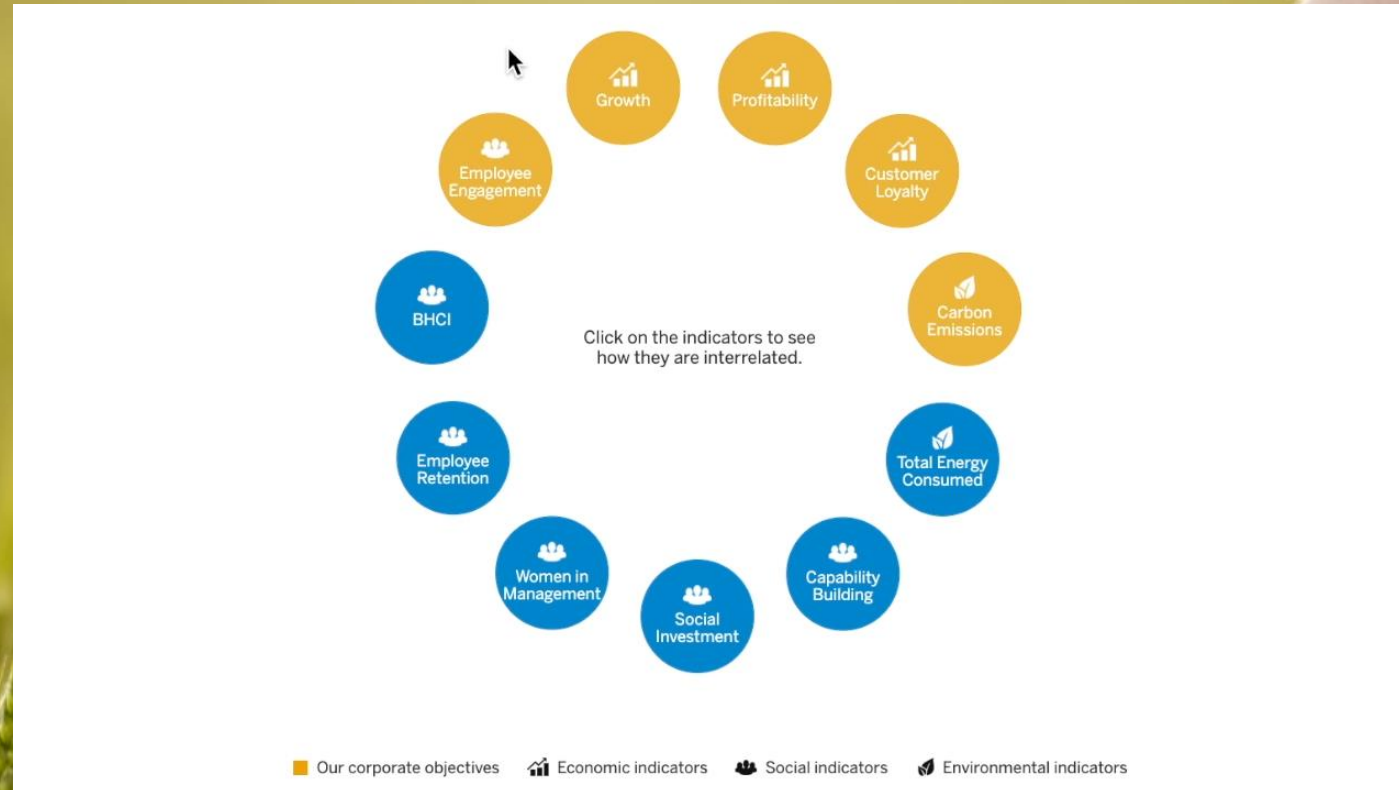
**Sustainability,  
can and should go hand in hand  
with profitability**

**Sustainability Impact should be  
measured in economic terms**



**Sustainability  
is a new way to manage  
businesses**

# How Financial and Sustainability KPIs support each other at SAP



- 
- **Our role and what SAP is doing**



# SAP's as an Exemplar

Member of  
**Dow Jones  
 Sustainability Indices**  
 Powered by the S&P Global CSA

**#1 in the Software Industry**  
 79/100  
 Industry average: 20/100



**A Rating**  
 Industry average: C  
 For top 300 leaders



**Top 2% - Gold Rating**  
 72/100  
 Industry average: 45/100



**ESG Leader**  
 Software & Services Industry  
 (AAA-rating)



**One of 44 Inaugural Members**  
 for credible roadmap to  
 net-zero by 2050

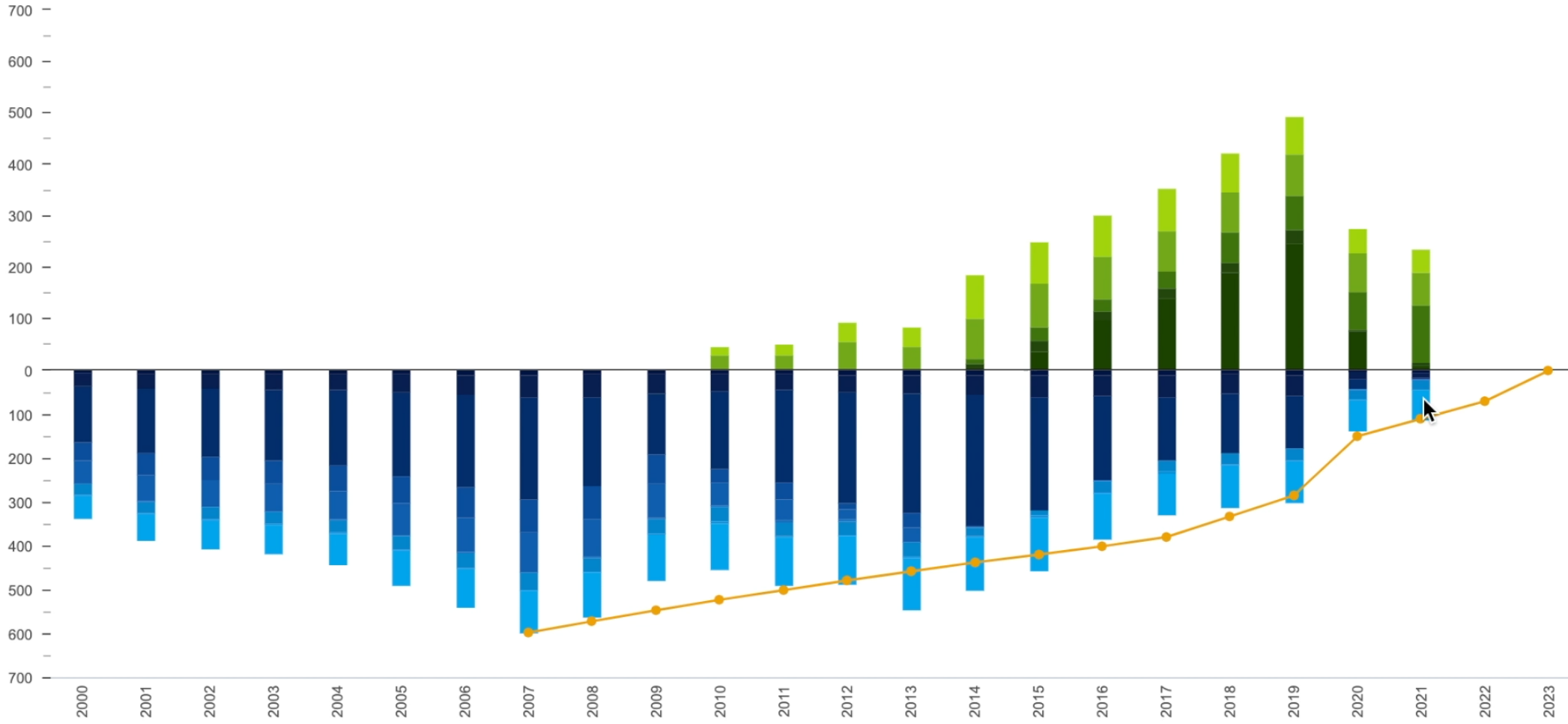
## Outlook for 2022

Strategic Objective	KPI	2021 Results	2022 Outlook
<b>Growth</b>	Cloud revenue	€9.42 billion	€11.55 billion to €11.85 billion <sup>2</sup>
	Cloud and software revenue	€24.08 billion	€25.0 billion to €25.5 billion <sup>2</sup>
<b>Profitability</b>	Operating profit	€8.23 billion <sup>1</sup>	€7.8 billion to €8.25 billion <sup>1,2</sup>
	Free cash flow	€5.05 billion	More than €4.5 billion
<b>Customer Loyalty</b>	Customer Net Promoter Score	10	11 to 15
<b>Employee Engagement</b>	Employee Engagement Index	83%	84% to 86%
<b>Carbon Impact</b>	Net carbon emissions	110 kt	70 kt

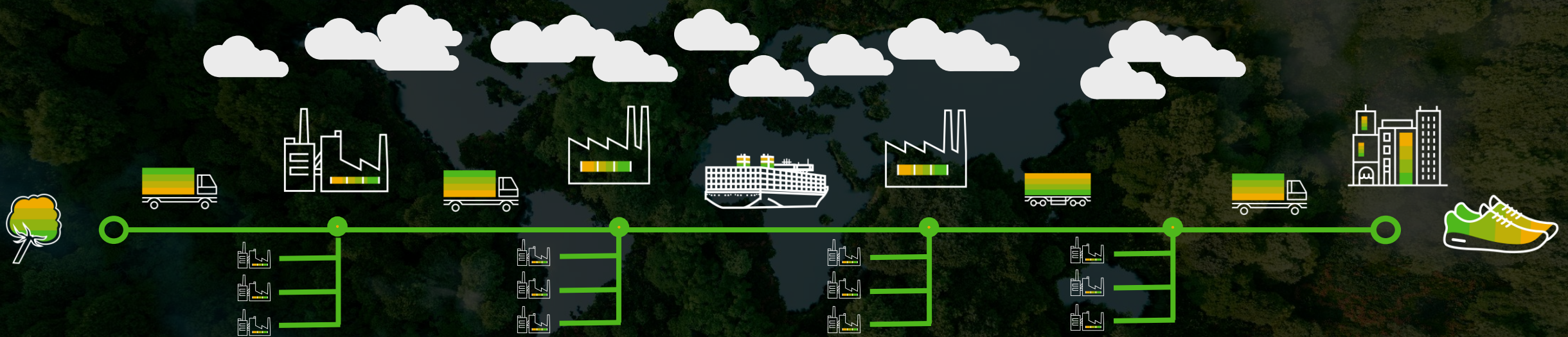
# SAP's as an Exemplar: our Performance

## Environment

Greenhouse gas emissions (CO<sub>2</sub>e)



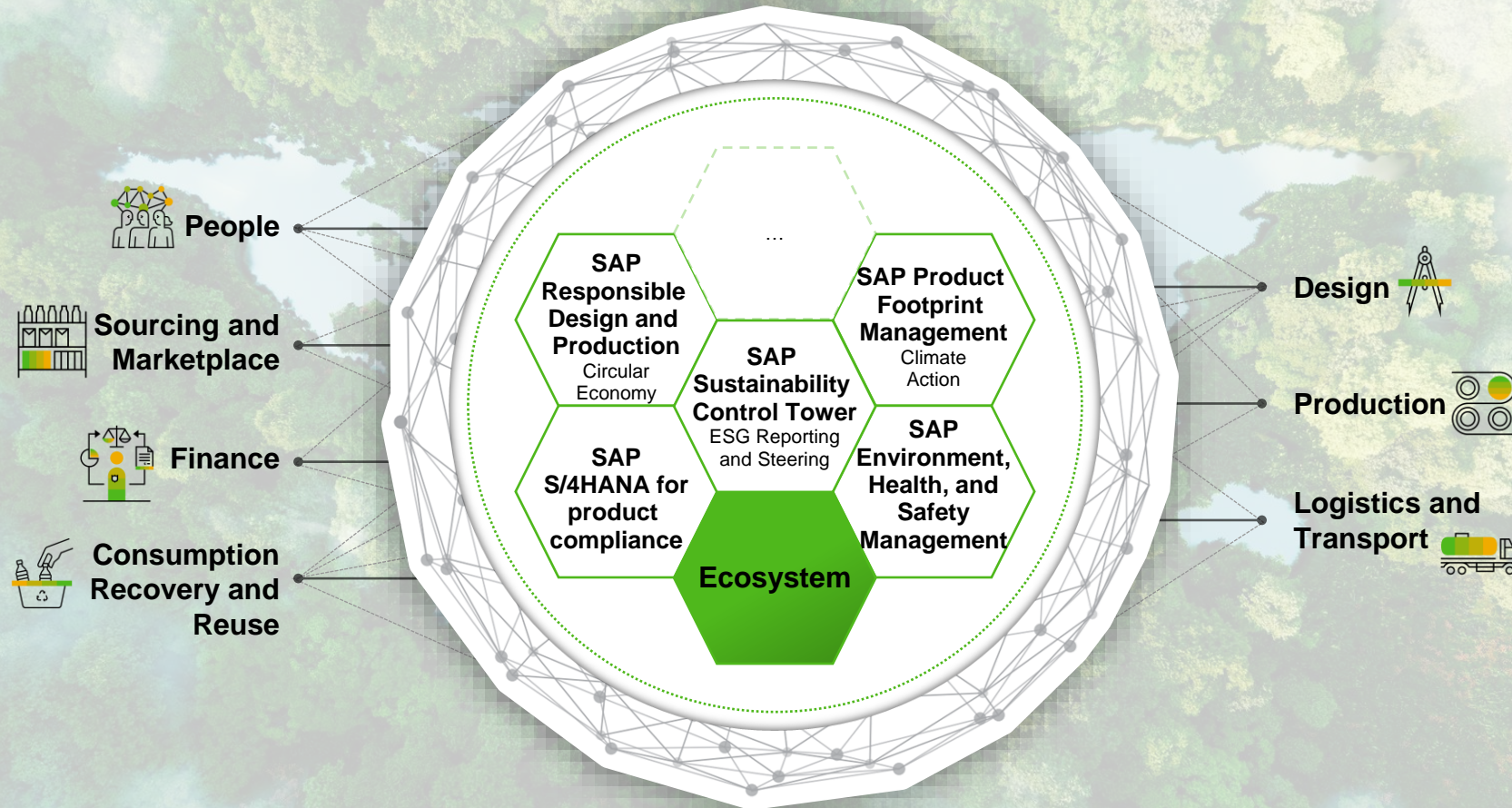
**No single player in the ecosystem can tackle the emissions issue alone**



**An open network is required**

# SAP's as an **Enabler**: SAP Cloud for Sustainable Enterprises

**Dual Strategy of SAP:** Embed Sustainability in every product **AND** deliver key capabilities via SAP Cloud for Sustainable Enterprises.



# SAP's as an **Enabler**: tackling Scope 3 emissions



Org

Ariba Supply Chain Due Diligence. (Ecovadis, Integrity Next, Rapid Ratings, etc...)



Batch

Carbon Data Exchange =  
Product Footprint Management + Green Token  
(Measurement) (Certification & Communication)



World Business Council for Sustainable Development

PACT  
Partnership for Carbon Transparency



Unit

Carbon Data Network (For SAP and non-SAP systems. In co-development phase)  
(First successful prototype completed within PACT)





**Universal identity**

---

Self-Sovereign Identity



**Standards Based**

---

WBCSD API

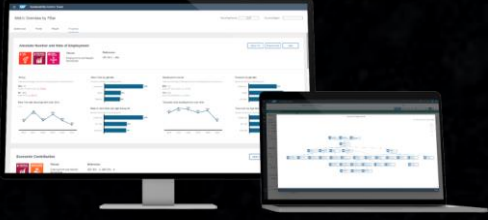


**Automatically Auditable  
at all levels**

---

Smart Contracts





Sustainable Apps



Automation &  
Data-intelligence



Digital Networks

Predictability

Visibility



Positioning

Businesses once had to choose between **profitability** and **sustainability**. Now with SAP, they can choose both.

**Thank you!**

**THE BEST RUN**

