SAP PaPM: the multi-functional calculation tool works!

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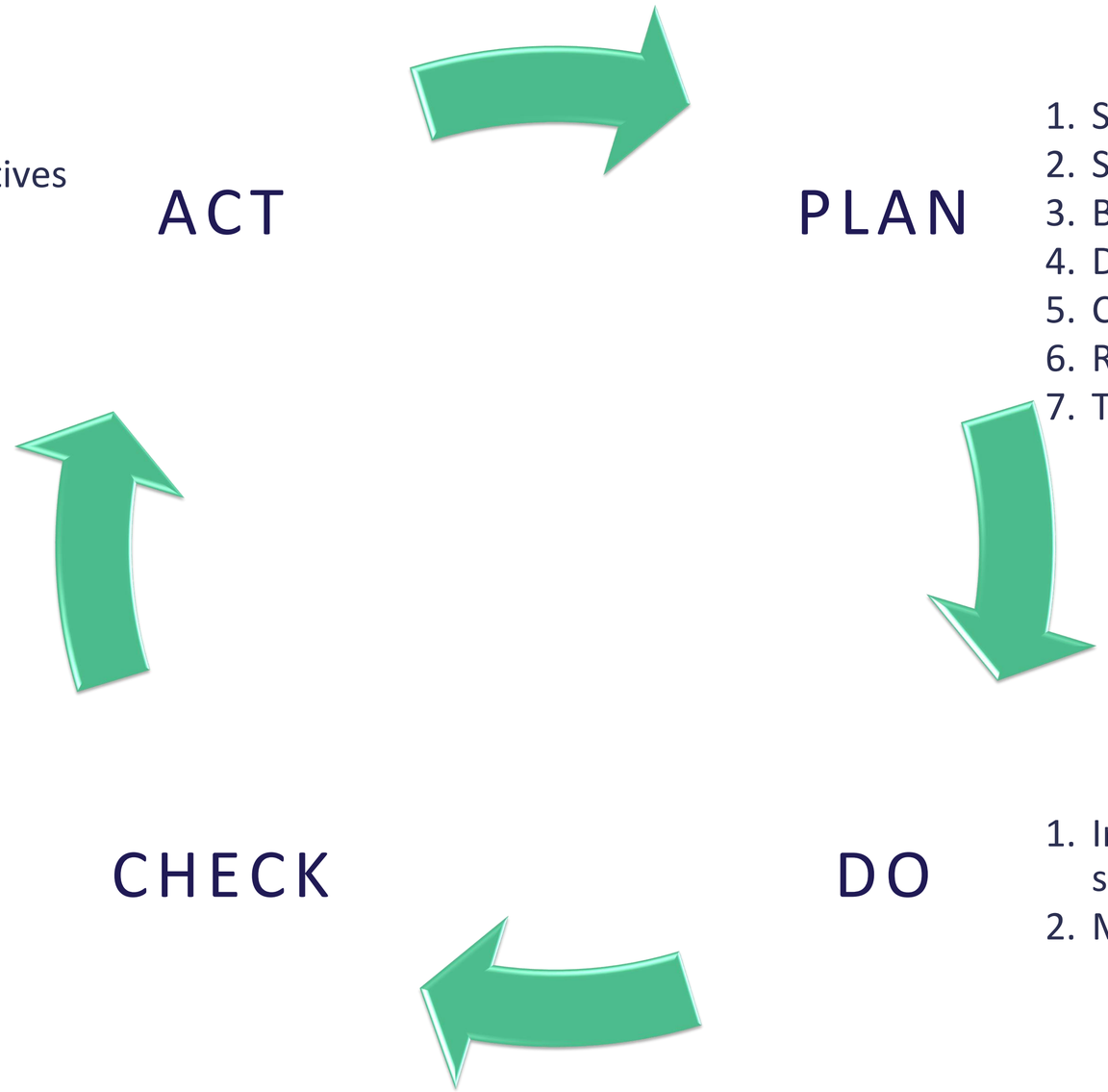
Where and how do we start?



PLAN

1. Strategy
2. Scope
3. Base year
4. Data sources
5. Calculation methods
6. Reporting, track performance
7. Targets

DO

1. Implement initiative on a small scale
2. Manage impacts

CHECK

1. Measure impact
2. Track changes

ACT

1. Implement successfull initiatives throughout organization
2. Set the quality standards in organization
3. Disclose to stakeholders

What solution to use?

CHALLENGES

1. Track similar KPIs in various standards for various stakeholders
2. Adapt to changing requirements
3. Create a new process (sustainability) in organisation
4. Integrate with other company data

- Flexible
- Widely spread
- No or little training

- Process-friendly
- Handles big amount of transactions
- Complexity becomes simple
- Integrated with financial and other data in organization
- Standards maintained by professionals

Sample content – best practice examples

Corporate Sustainability Management

Track, analyze, and report in line:

- with GHG
- with the Stakeholder Capitalism Metrics (SCM) of the World Economic Forum (WEF)
- the Global Reporting Initiative (GRI) standards

Value Chain Sustainability Management

Focus on the economic activities of upstream, corporate's operations, and downstream: it calculates economic and ESG impacts of these activities using an environmental-socially extended input-output analysis model.

Production Quality and Sustainability Management

Covers sustainability management in discrete manufacturing industry by taking an example of Automotive component manufacturing.

Sustainability Impact Measurement and Valuation

Company emphasis on not only financial value generated by the business activity, but also many other environmental and social impacts on society.

EU Taxonomy Assessment

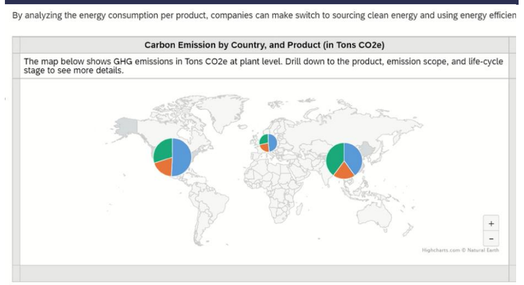
Provide a strategic overview of EU Taxonomy alignment assessment results for turnover, CapEx and Opex at a company level.

Finance and Investment Sustainability Management

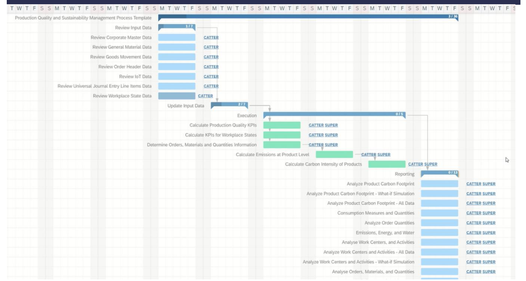
Assists on making responsible investment decisions not only for profits, but also for ensuring sustainable growth and future for the next generations.

SAP PaPM in action

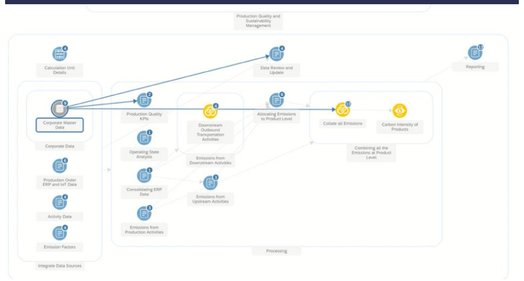
Reporting & What-if simulations



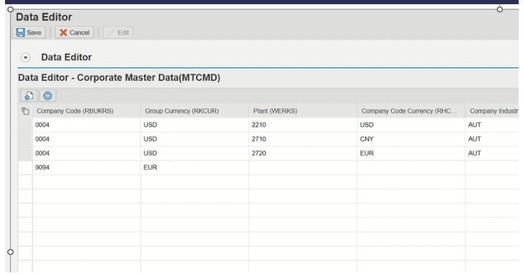
Process orchestration



Calculations



Data Entry and Import

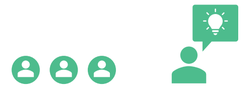


Public

Management

Sustainability manager & internal employees

Modelers, analysts



Internal employees, BI team

Implementation process

Presentation sequence

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SAP PaPM in action: Reporting

SAP Profitability and Performance Management: **Production Quality and Sustainability Management**

Production Quality and Product Footprint - Overview

Sunshine Group is a global product leader in sustainable mobility solutions for the vehicle market. For nearly a century, Sunshine Group has used engineering and process expertise to collaborate with original equipment manufacturers (OEMs) and manufacture to-spec heavy equipment axles, shafts, and cylinders. Our facilities are fully equipped to efficiently produce reliable, individualized parts overseen by an experienced staff, and state-of-the-art integrated process and systems.

Industrial Internet of Things, also referred to as IIoT, is a fully comprehensive digitization platform for our factories. The IIoT platform serves as a central data hub and helps control, plan and optimize our manufacturing processes The IIoT solution solves the two most important tasks of a smart factory:

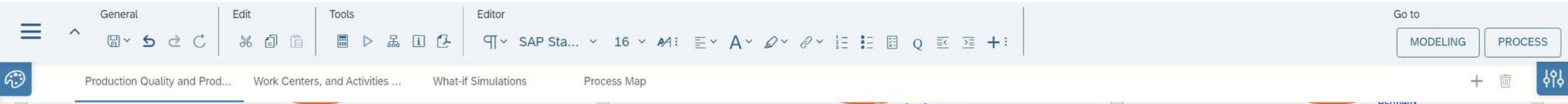
- IIoT solution ensures transparency through comprehensive connectivity in production and planning. Firstly, the cloud-capable platform solution ensures the horizontal connection of machines from a wide range of manufacturers and vintages. Secondly, it networks the systems of production (shop floor) with the systems of corporate planning (top floor).
- IIoT solution's central intelligence (rule engine) generates a unified production data model for real-time analysis. This "digital twin" becomes the "single source of the truth" throughout the company.

The report presented here is designed to analyze the carbon footprint, and resource footprint impact of our manufactured products that leverages granular data from IIoT. Addressing the resource footprint helps us improve our bottom line, reduce risks and uncertainties, and gain significant competitive edge. By calculating the carbon footprint of our products, we can have insights into their Greenhouse Gas (GHG) inventory, wastage or inefficiencies in our manufacturing processes, and take action to mitigate these efficiencies.

We want to contribute to a world that provides a viable future with enhanced quality of life for everyone. We do so by creating chemistry for our customers and by making the best use of available resources. Climate change is the biggest challenge of our time, we thus aim to achieve net zero CO2 emissions for our products by 2040. Our sustainability ambitions, and standards are discussed below.

Our ambitions	Standards	UN SDGs and Certifications
Our proven track record demonstrates our industry leadership in clean, efficient technology solutions for combustion, hybrid and electric vehicles. Our report using the Sustainability Accounting Standards Board (SASB), Greenhouse Gas Protocol and Global Reporting Initiative (GRI) frameworks that are most relevant to our business and our stakeholders. Our long-term strategies follow the aim to promote corporate climate targets in line with what is necessary to meet the Paris Agreement goals - to limit global warming to below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5°C.	GRI Empowering Sustainable	7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

SAP PaPM in action: What-if simulation

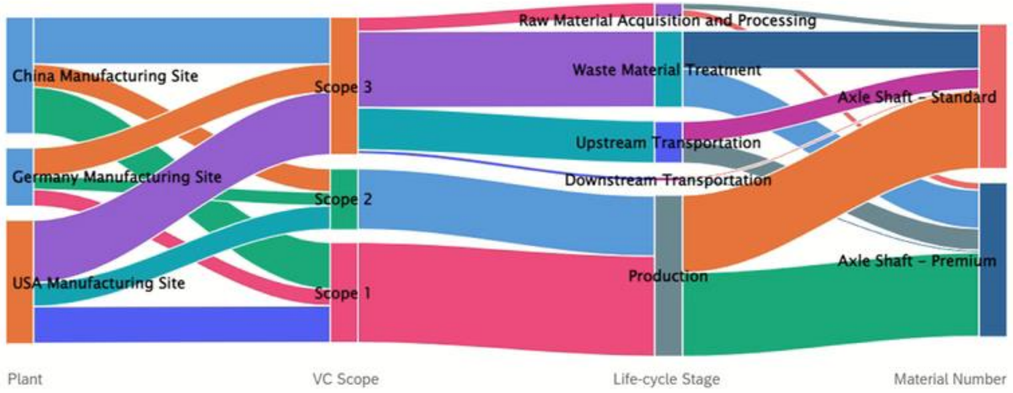


Value Flow of Emissions and Energy

Analyzing the source of carbon emission and energy consumption along the value chain helps businesses identify the emission scopes and the life-cycle stages with larger emissions. This enables businesses to make better decisions regarding suppliers/vendors, material choices, transportation modes, capital investments, production planning, etc. to reduce their over GHG emissions, and optimize resources consumption.

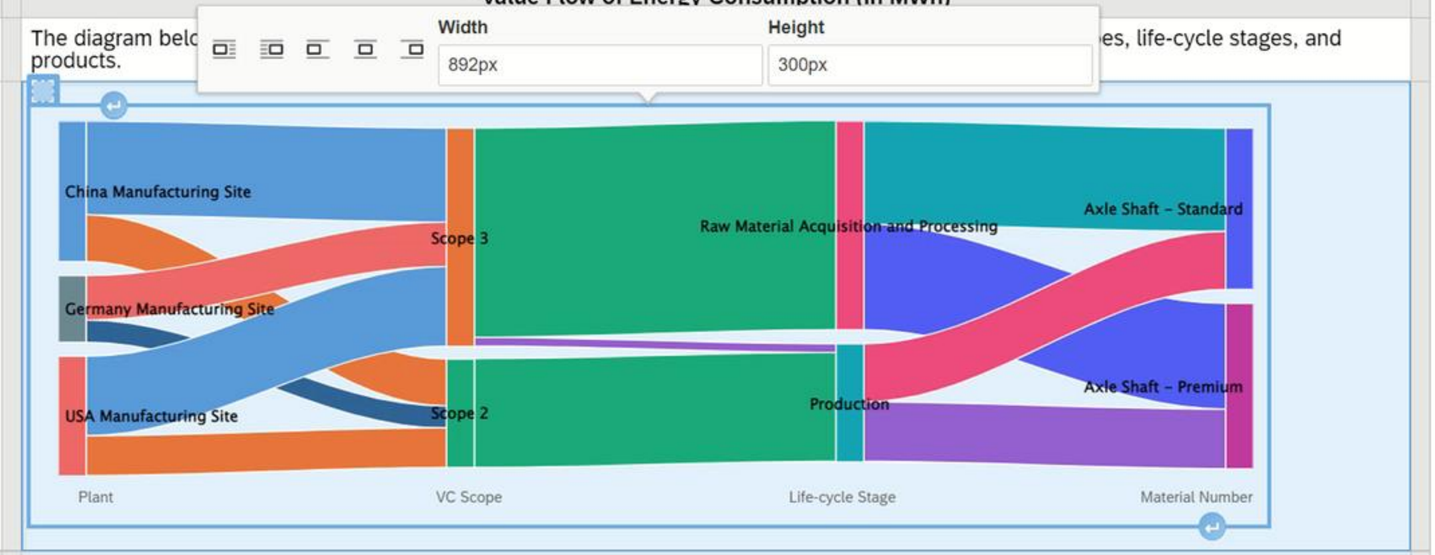
Value Flow of Carbon Emission (in Tons CO2e)

The diagram below shows the flow and distribution of emissions in Tons CO2e along plant, emission scopes, life-cycle stage and products.



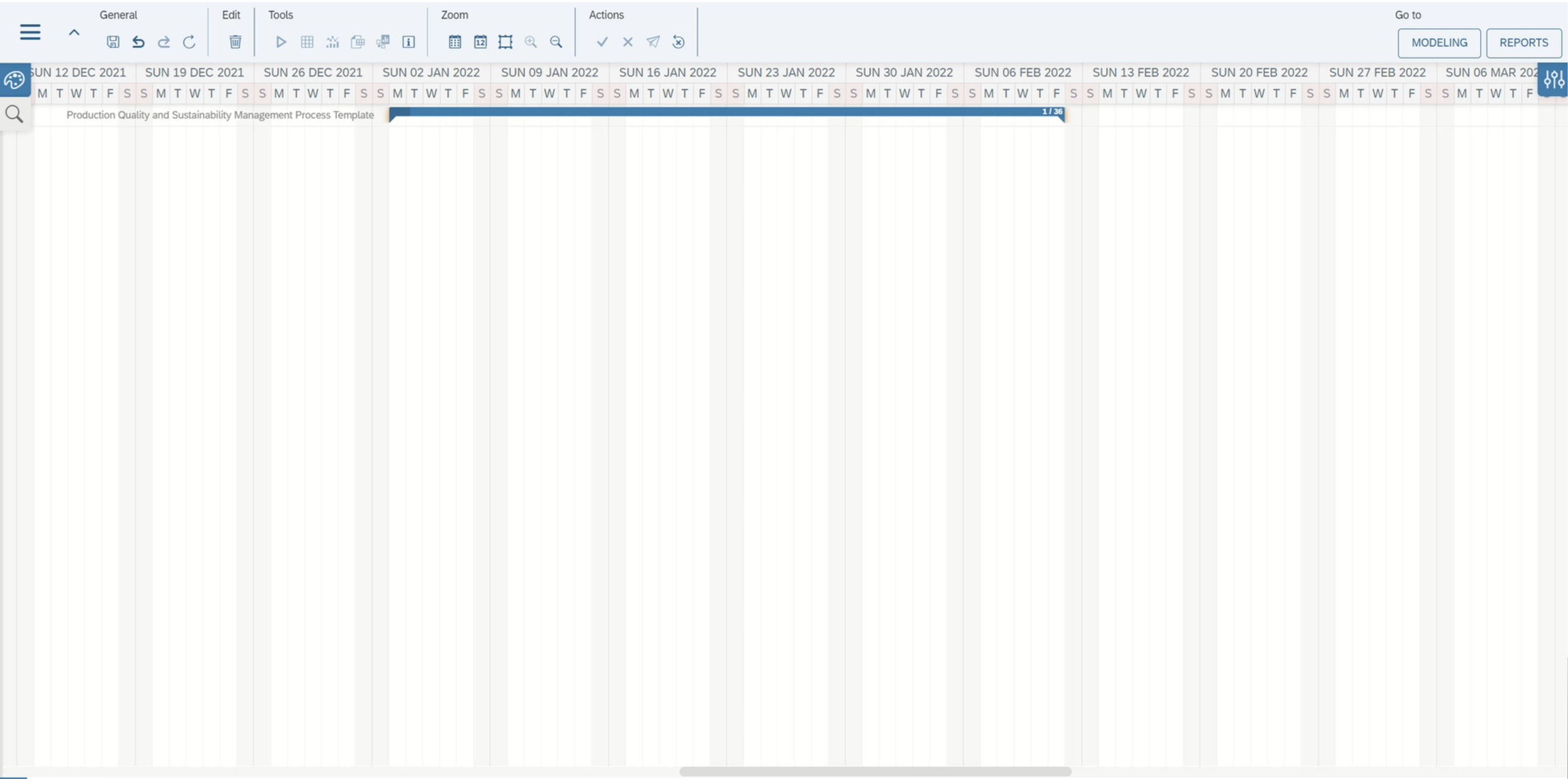
Value Flow of Energy Consumption (in MWh)

The diagram belo… …es, life-cycle stages, and products.

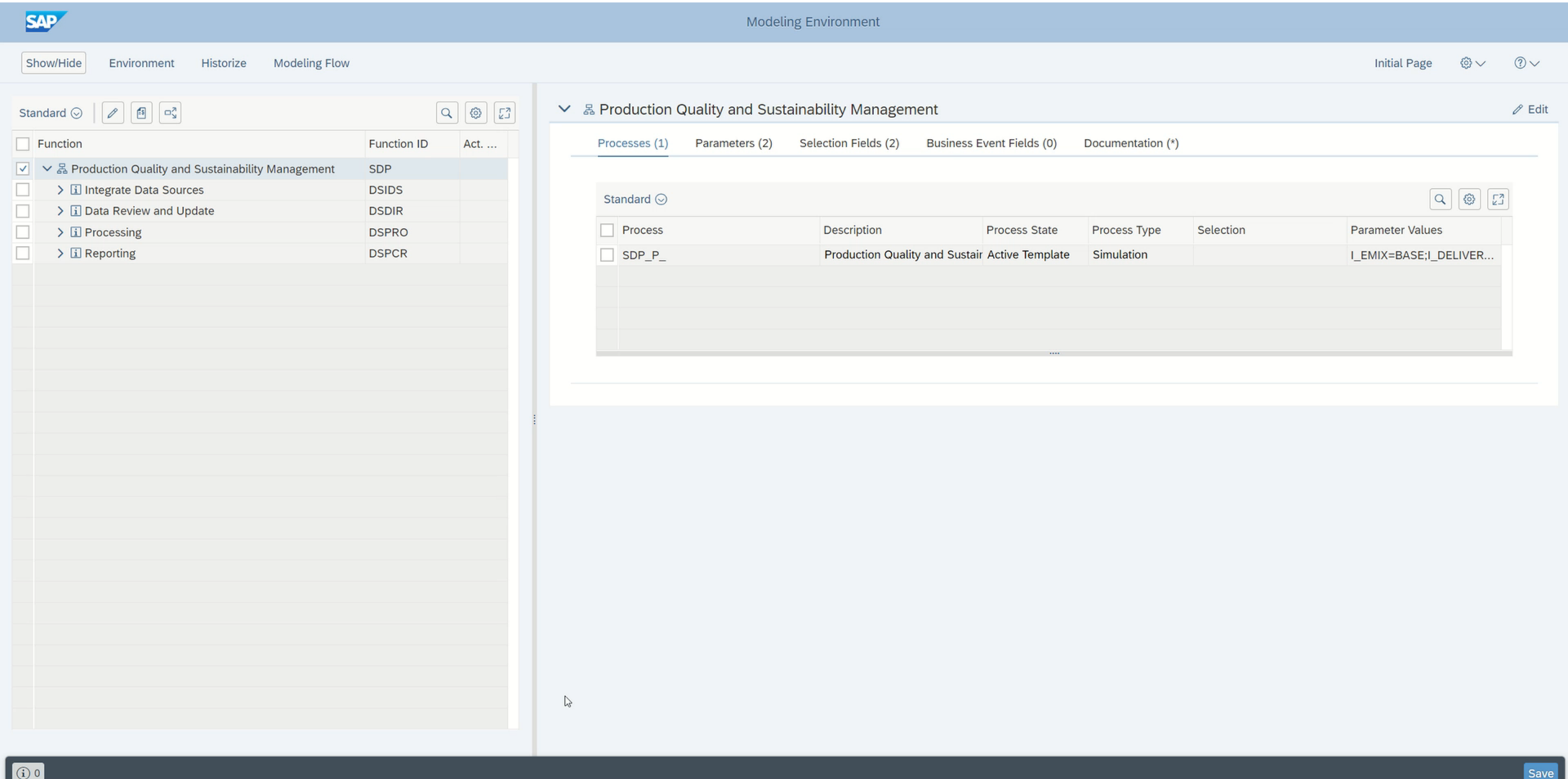


Product environmental footprint is designed to quantify and act on the environmental aspects and potential impacts throughout a product's life cycle from raw material extraction through to end-of-life waste treatment. It is important to have a thorough comprehension of a business' environmental impact to develop an effective climate action strategy. By understanding the need to also account for GHG emissions along their product value chains, we can comprehensively manage climate change related risks and gain opportunities.

SAP PaPM in action: Process orchestration

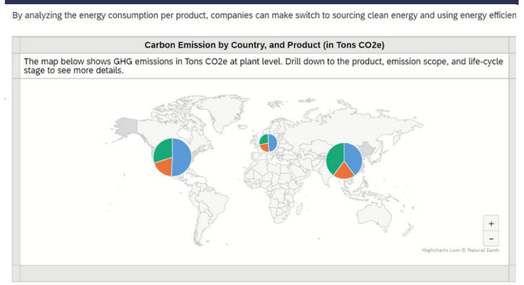


SAP PaPM in action: calculations & data entry and import



SAP PaPM in action: recap

Reporting & What-if simulations

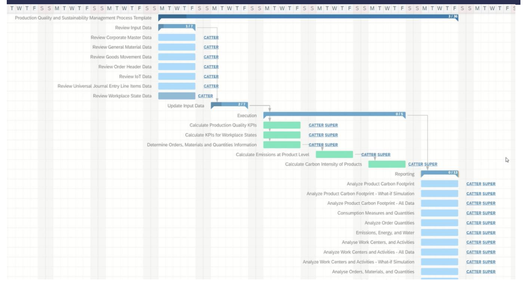


Public

Management

Drill-down, analyze, make decisions, share pdf, create own page, what-if…

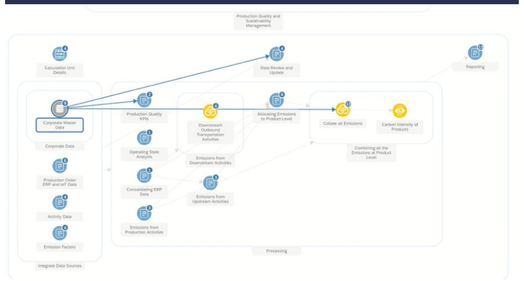
Process orchestration



Sustainability manager & internal employees

Teams, roles, responsibilities, timeline, process tasks

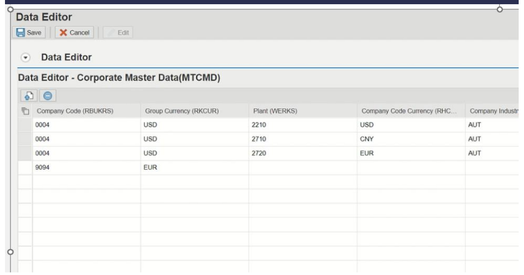
Calculations



Modelers, analysts

Join, allocate, calculate, forecast, enrich, report…

Data Entry and Import



Internal employees, BI team

Enter data, automatize data input

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USEFUL LINKS

- Infotrust: https://theinfotrust.com/
- Read, discuss, ask: SAP PaPM Community
- Watch: SAP PaPM Youtube
- Instructions: SAP PaPM Help page
- Coming features: SAP PaPM Roadmap

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