KDD069 - Sustainability Disclosure and Performance

Status	Approved
Owner	Stefanie Schwartz
Stakeholders	Marie Flourie, Gilles Madjarian

Issue

A long-term solution is required to effectively manage sustainability initiatives to support achieving Syensqo's environmental goals. The aim is to move away from averages and start using actuals, getting sight of actual data from suppliers and their suppliers. The essential building blocks for CSRD reporting are based on tools from many vendors and Syensqo's existing technology. It requires combining into one integrated solution for ESG reporting going forward.

The following are Sustainability digital capabilities, which are being addressed by this KDD and are not currently covered by a digital solution in Syensqo:

1. ESG Standards Reporting
2. ESG Program and Performance Management

A decision is required on the long term solution for ESG Disclosure and Performance, post the implementation of RFI ESG Disclosure and Performance in 2024.

Recommendation

The recommendation is the implementation of SAP Sustainability Control Tower (SAP SCT). SAP SCT is the right long-term solution for Syensqo due t o its projected features covering the required capabilities as specified in the RFI alongside standard integration with the SAP as well as robust compliance and reporting tools. It covers a wide range of sustainability metrics as well as advanced analytics and industry-specific needs. SAP SCT gives access and transparency to ESG disclosure and performance in one central place rather than in complex landscape. The standard integration e nables real-time data collection, advanced analytics, and reporting including KPIs or emission factors to support Syensqo's Sustainability initiatives.

While both SAP SCT and Greenomy offer valuable capabilities for sustainability management, SAP SCT will be (once narrative and XBRL tagging capabilities are delivered) better suited for a large enterprise seeking a comprehensive, integrated solution that covers a wide range of sustainability metrics, advanced analytics in line with industry-specific needs. In comparison to Microsoft Cloud for Sustainability, SAP Sustainability Control Towers (SCT) offers standard integration to the existing technology ERP infrastructure and hence best aligns Syensqo's Sustainability goals and requirements with the project principles of standardisation and simplification.

Background & Context

In July 2024, Syensqo decided to deploy Greenomy as a tactical solution to consolidate all Sustainability data in one place, and create a reporting layer and insights layer on top. This was intended to be a short-term solution to be revisited with the implementation of the ERP Rebuild project to consider are more integrated solution as part of ERP. SAP SCT had been considered in the past by Syensqo but was disregarded at the time whilst the company was running on ECC. The decision was intended to be reviewed with the implementation of S/4HANA.

The required capabilities for the RFI on ESG Disclosure and Performance, which are also applicable to the long-term solution were:

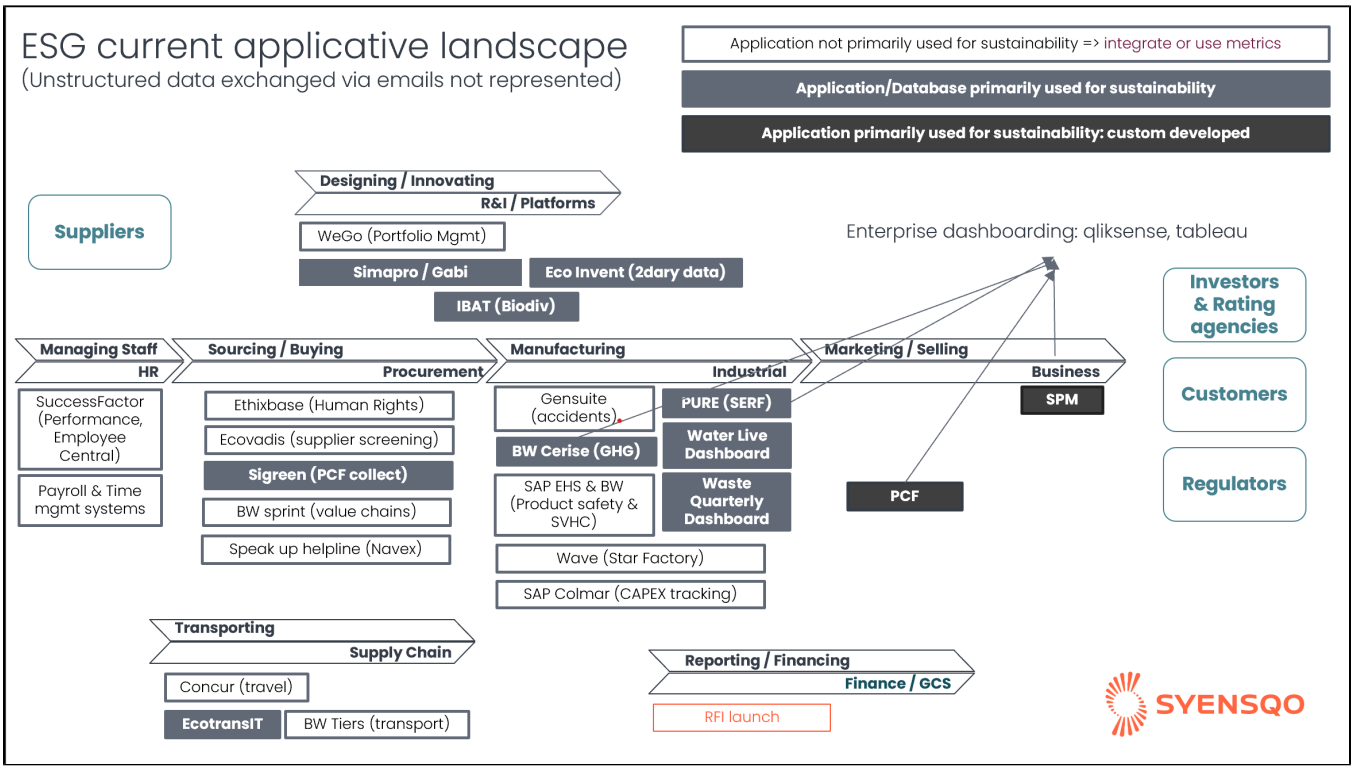
- Centrally managed calculations. Pre-calculations as close as possible to the data source are the preference. Syensqo wants to move away from a once per year correction of all the data in the disclosure tool.
- Centralisation of ESG data and reporting.
- Long term solution commitment.
- Annual or quarterly reporting metrics.
- Leverage of AI where beneficial. (especially GenAI to ease narrative writing).
- XBRL (eXtensible Business Reporting Language) tagging which will be mandatory from 2025.

The process is driven by a variety of internal and external data sources, which need control, tracing and verification and needs to cover the following steps:

1. Assess metrics and data: Prioritise ESG topics based on risks and issues.
2. Automated data collection and preparation: data capture for emissions and ESG reporting.
3. Centralised ESG data: granularity.
4. Metric calculation: aggregation and calculation of scope 1, 2 and 3 emissions and other ESG metrics.
5. Sustainability tracking via analytic insights (including visualisation) and reports and disclosures (multiple frameworks).
6. Sustainability initiatives based on actions and ESG compliance.

Architecture

There are a number of applications currently in use in the Sustainability landscape, which will either be integrated or replaced to support the future ESG disclosure and performance solution.



The following tools are potential data sources or integration points going forward. Enrichment with external data may also be required. There is the possibility for metric calculations to make use of AI generated insights. Scope 1, 2 and 3 in Syensqo currently involve approximately 20 metrics, 15 of which are part of scope 3. Metrics are important but only represent about 25% of the CSRD disclosure, the rest is narrative. A validation workflow is important.

Sustainable Design/R&I:

1. Life Cycle Assessment - Simapro/Gabi
2. Footprint Management - SAP SFM

Sustainable procurement:

1. Bio and recycled based raw material tracking (SAP) (see KDD064 Mass Balancing and Sustainability Material Tracing)
2. Human rights due to diligence (Ethixbase)
3. Supplier sustainability ratings (EcoVadis)
4. Carbon footprint sharing (Sigreen)
5. Carbon footprint management (SAP Sustainability Footprint Management - SFM) (see KDD063 Sustainability Footprint Management)

Manufacturing:

1. Carbon Scope 1 and 2 and 3 (SAP Sustainability Footprint Management - SFM, SAP EHS Emissions Management) (see KDD063 Sustainability Footprint Management)
2. Emissions reporting (SAP EHS Emissions Management, SAP Sustainability Control Towers - SCT) (see KDD063 Sustainability Footprint Management)
3. Waste reporting (SAP EHS Waste Management, SAP EHS Emissions Management) (see KDD053 EHS Waste Management and KDD063 Sustainability Footprint Management)
4. Water reporting (SAP Sustainability Footprint Management - SFM, SAP EHS Emissions Management) (see KDD063 Sustainability Footprint Management)
5. Star Factory project portfolio (Wave, Gensuite)
6. Accident reporting (Gensuite)

Supply Chain:

1. Footprint Management scope 3 (SAP Sustainability Footprint Management - SFM) (see KDD063 Sustainability Footprint Management)
2. Transport related scope 3 GHG calculations (EcoTransIT)

HR:

1. Diversity, Equity, Inclusion (DEI) (SAP SuccessFactor)
2. Training and performance LMS yougrow (training)/SAP SuccessFactors (performance)
3. Gender pay gap (Payroll solution)
4. Living wages (Payroll solution)

Business:

1. Marketing (Sustainability Portfolio Management - SPM)
2. Inventory (SAP Product Compliance: Substances of Very High Concern - SVHC)
3. Life Cycle Analysis (LCA solution)

Standards

ISSB in combination with IFRS requires sustainability standards and disclosures. EU policy for CSRD is different to US or China, but all are influenced by TCFD (Climate Related Financial Disclosure) framework established 2025, which used by global investment companies e.g. Black Rock (green bonds). The s tructural assessment of CAPEX impacts includes the forecast of financial impact of sustainability. It needs access and transparency in one central place rather than in complex landscape.

Taxonomy

The EU Taxonomy Regulation establishes a common classification system for sustainable economic activities within the EU, designed to offer clear guidance to businesses and investors on what constitutes environmentally sustainable practices. Organisations are required to report the share and absolute values of their turnover, CAPEX and OPEX, which meet the EU Taxonomy's eligibility and alignment criteria. The criteria specifies the range, methodology and format for mandatory disclosures.

The EU Taxonomy identifies six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

To be recognised, activities must make a significant contribution to these objectives, not significantly harm any others, and comply with minimum safeguards concerning human rights, anti-corruption, tax compliance, and fair competition.

Assumptions

- Implementation of related SAP Sustainability functions as per recommendation to support SCT as part of ERP Rebuild:
  - SAP Sustainability Footprint Management
  - SAP Green Ledger
- The Proof of Concept currently in progress at Tavaux POC is not related nor impacted by this KDD (Option B - Microsoft Cloud for Sustainability).

Constraints

- The capabilities of the solution are dependent on the SAP Roadmap and its timeframe (see References).
- Integration of data from various sources including SAP and non-SAP systems.
- Ensuring data accuracy, consistency, and completeness when dealing with large volumes of data from disparate sources.
- The SAP Sustainability Data Exchange initially becomes available in Q4 2024 (see References). It is planned to become a standard-setting engine that allows exchange of sustainability data, securely, across value chains. Whilst it is not covered in detail in this KDD it may be considered by Syensqo going forward.
- SAP Licence requirements for Sustainability Control Towers and Use of AI for CPE.

Impacts

SAP Sustainability Control Tower (SCT) integration involves connecting various SAP and non-SAP systems to provide a comprehensive view of Syensqo's Sustainability performance.

- SAP Environment, Health, and Safety (EHS):
  - Use EHS data to track hazardous materials, emissions, and waste management.
- SAP Supply Chain Management (SCM):
  - Monitor the Sustainability performance of suppliers and logistics partners.
  - Track the carbon footprint and resource usage across the supply chain.
  - Integrate data on the sourcing of raw materials.
- SAP Sustainability Footprint Management (SCM)
  - Detailed supply chain data including transportation, production processes and material sourcing.
  - Shares emissions data from various supply chain activities for footprint calculations.
- SAP Ariba:

    - Sustainability for SAP Ariba offers the ability to enhance functionality and integrate applications that support procurement sustainability goals. It is a Partner solution from Cordis Solutions, a partner company of excelerateds2p and is available on SAP Store. It includes a collection of packaged services, pre-built content, enhanced configuration, and complimentary extensions built on BTP.
    - Supplier assessments to meet sustainability criteria and track performance.
- SAP Analytics Cloud (SAC):
    - Advanced analytics, reporting, and dashboarding.

Business Rules

The management of business rules supports sustainability initiatives to be more effective, compliant, and aligned with their strategic objectives.

1. Data collection and validation:
    - Rules for data collection from various sources, ensuring data accuracy and completeness.
    - Implementation of validation checks to ensure data integrity and consistency.
2. Performance metrics and KPIs
    - KPIs for Sustainability initiatives (e.g. carbon footprint, energy consumption, water usage).
    - Targets and thresholds for each KPI to monitor performance against sustainability goals.
3. Resource Optimisation:
    - Rules for optimising resource usage, such as energy efficiency, water conservation, and waste reduction.
    - Monitor resource consumption.

Options considered

Option A: SAP Sustainability Control Tower (SCT)

SAP Sustainability Control Tower (SCT) is a cloud-native solution built on SAP Business Technology Platform (SAP BTP). I t can be directly integrated with SFM and Datasphere to source information for the required metrics. SAP SCT is a centralised platform designed to monitor, manage, and optimise sustainability initiatives across an organisation. It leverages data analytics, real-time monitoring, and integrated systems to provide a comprehensive view of an organisation's sustainability performance.

SAP promotes Sustainability Control Towers with the availability of the following features:

The following features are available for SAP Sustainability Control Tower:	
Integrate with supported business systems	SAP Sustainability Control Tower supports the integration with business systems (for example, SAP S/4HANA) to import your business, financial, or emission data.
Source and validate data	Source your data using one of the available channels for data import (for example, using inbound APIs). Validate business activity data and configure master data.
Maintain standard and custom data structure	Select from a variety of predefined sustainability metrics, measures, and dimensions or create your own with the extensibility options. Upload data for each and make it available across SAP Sustainability Control Tower.
Upload actuals and targets	Upload actuals and targets for the ambitions defined in your organization.
Create ambitions	Create ambitions for your organization and monitor their status, checking which ones are on track and which ones are off track. Monitor long-term trends by comparing actuals with the targets you have set.
Manage EU Taxonomy activities	Identify how environmentally sustainable your business activities are, calculate relevant KPIs, and monitor their progress, applying an EU-wide classification system.
Manage greenhouse gas (GHG) reporting activities	Manage business activities and import your activity data, associate emission data, and visually analyze the GHG performance in your company across periods and business activities.
Calculate footprint from business activities	Manage footprint calculations for business activities using imported or manually-defined emission factors, collect GHG data from users across your organization, run calculations, and publish the results to SAP Sustainability Control Tower reporting and steering functionality.
Report on ESG performance using AI	Create AI-based periodic ESG reports using the data you have made available to SAP Sustainability Control Tower.

Relevance

In relation to the Corporate Sustainability Reporting Directive (CSRD) the following capabilities are relevant:

1. Supply Chain Sustainability (Scope 3): Monitor and optimise the sustainability performance of suppliers and logistics partners.
2. Energy Management (Scope 2): Monitor energy consumption across all facilities and compare against predefined targets.
3. Waste Management (Scope 3): Monitor waste generation and disposal practices.
4. Water Management (Scope 1 and 2): Track water usage in manufacturing processes and identify opportunities for conservation.
5. Carbon Footprint (Scope 3): Calculate carbon emissions for each production process and ensure compliance with emission limits.

Standards

SAP SCT is designed to support ESG (Environment, Social, and Governance) reporting by providing a set of pre-defined metrics aligned with the European Sustainability Reporting Standards (ESRS).

It offers Corporate Sustainability Reporting Directive (CSRD) coverage through European Sustainability Reporting Standards (ESRS) and EU Taxonomy. For reporting standards, SAP SCT currently covers 88 metrics throughout the Environmental, Social, and Governance (ESG) areas. The solution is transitioning from supporting voluntary reports such as World Economic Forum (WEF) metrics to adopting ESRS, which can also support customers who are starting to address SEC regulations and ISSB standards. Currently, SAP Sustainability Control Tower supports quantitative metrics only.

Data Management

The following data import channels are available in SAP SCT:

Channel to Import Data	More Information
File uploads	Import data using files in the CSV file format, for example, to mass import GHG emissions in the Collect Emission Data app or to upload data for measures in the Manage ESG Data app.
Integrations	Import data through integrations with supported solutions.
• SAP S/4HANA • SAP S/4HANA Cloud	Use SAP S/4HANA to import financial data in the Manage ESG Data app. • Using the Manage ESG Data App • SAP S/4HANA Integration
• SAP Datasphere	Import data from SAP Datasphere for any of the existing DPIs in SAP Sustainability Control Tower, for example, water withdrawal data in the Manage ESG Data app. • Using the Manage ESG Data App • SAP Datasphere Integration
• SAP EHS Management, environment management	Leverage GHG emission data stored in and import it through the for a given time period. • Using the Import Data from SAP EHS Management Application • SAP EHS Management Integration
• SAP Sustainability Footprint Management	Leverage GHG emission data calculated on the corporate and product level in SAP Sustainability Footprint Management. • Using the Manage ESG Data App • SAP Sustainability Footprint Management Integration
APIs	Import data using APIs available on the Business Accelerator Hubblocked URL using Inbound APIs and Outbound APIs.

Metrics

The sustainability metrics in SAP Sustainability Control Tower support many of the core metrics defined in the European Sustainability Reporting Standards (ESRS). Additionally, the app Manage Metrics provides extensibility capabilities and enables you to add custom metrics, depending on your business needs. Sustainability metrics are classified into four major areas:

- Environmental
- Social
- Governance
- Economic

They are used to measure performance in the areas environmental, social, and corporate governance (ESG) as well as economic. The sustainability metrics allow to identify trends over time by showing how a specific metric's value has increased or decreased. SAP SCT provides two basic types of metrics:

- SAP-provided ready-to-use metrics whose details, for example, which measures or calculation method are used, cannot be further customised.
- Custom: User-defined metrics with two subtypes, Basic and Advanced.

The difference between the metric types is the following:

- Basic metrics don't require additional calculations based on measures.
- Advanced metrics are calculated from data that you upload for the respective measures (actual data).
- Metrics regarding the EU Taxonomy are calculated through the technical screening criteria which serve to identify Taxonomy-aligned activities.

The metrics currently available as per SAP standard can be found in the references.

Measures

A measure is used to quantify a metric, depending on the measure's specific dimensions. For example, the measure Training Costs calculates the applicable value for the metric Training Expenditure across age groups, gender, and ethnicity. The measures currently available as per SAP standard can be found in the references.

Dimensions

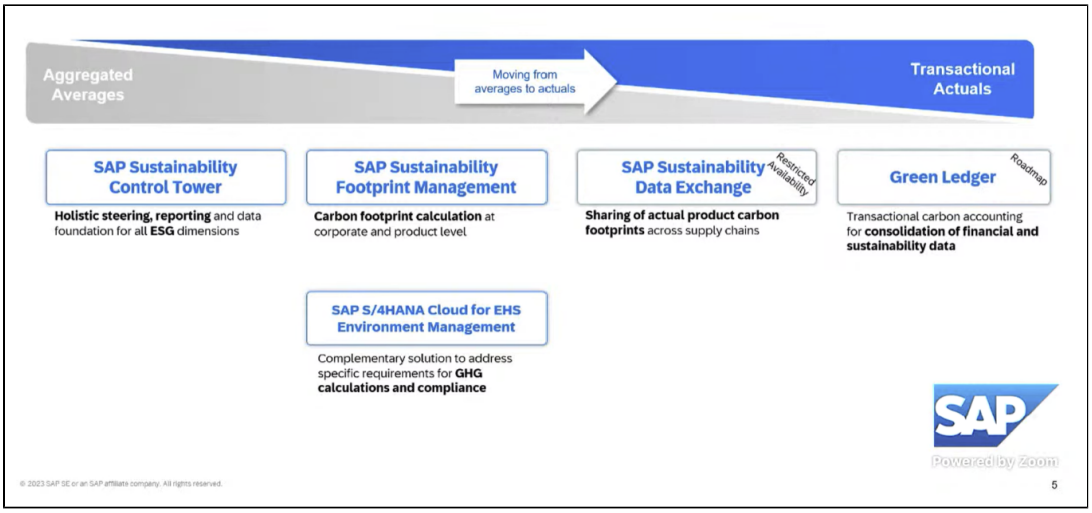
Dimensions are attributes to the measures you create and serve to further define and specify the measures. SAP Sustainability Control Tower provide s 2 basic types of dimensions:

- SAP-provided: Ready-to-use dimensions.
- Custom: User-defined dimensions whose details can be customized based on your business needs. Custom dimensions can be defined in the Manage Custom Dimensions app for the DPIs Generic, Emission, Injury, and People.

The dimensions currently available as per SAP standard can be found in the references.

Integration

SAP Sustainability Footprint Management enables the calculation of corporate footprints for a monthly periodicity. SAP SFM enables to automate the data collection at more granularity. It connects to the ERP system e.g. goods receipt, goods issue, suppliers, products purchased, assigns emission factor. In future SAP SFM will be able to calculate corporate and product footprints as basis for SCT. SAP SFM currently provides an internal API with footprints aggregated at the level of a plant, period, GHG scope and GHG category. It uses this internal API for replicating the corporate footprints.



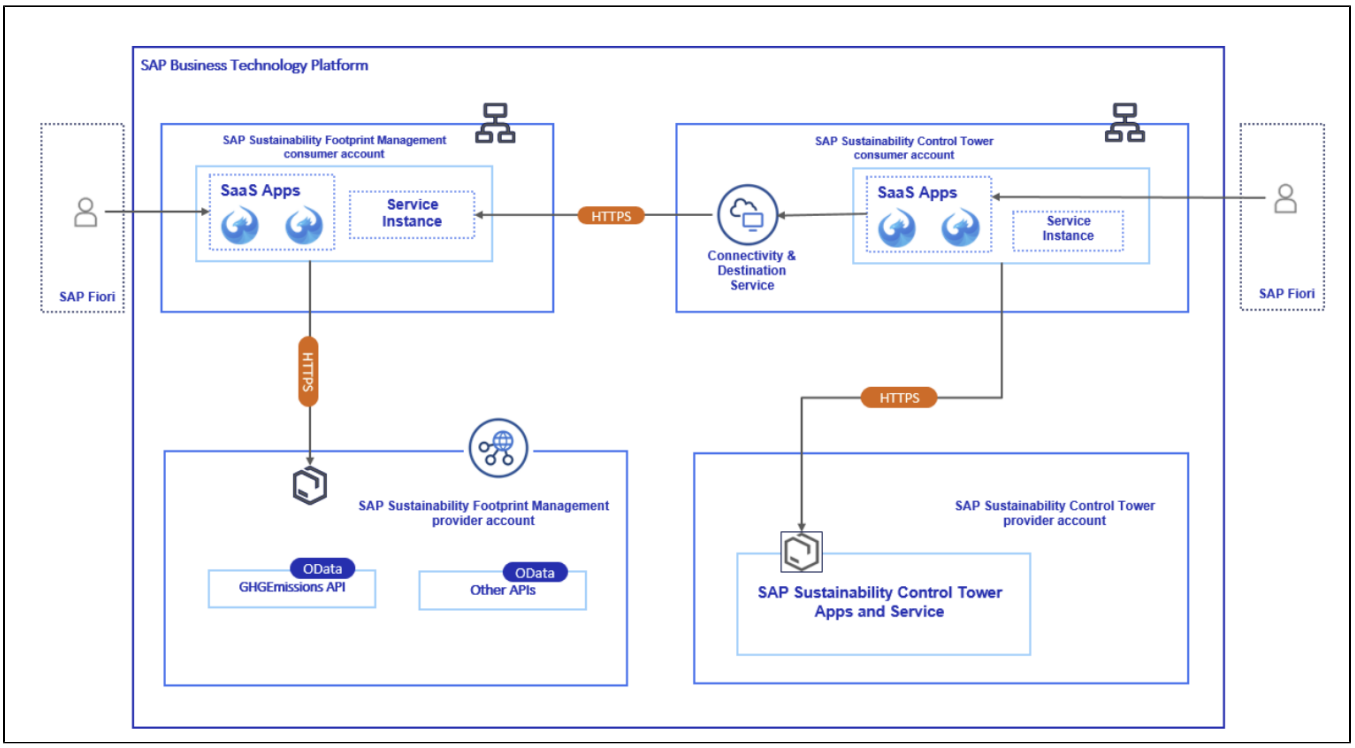
SAP SCT works as self-contained solution. There is no explicit need for SAP Analytics Cloud (SAC) and SAP Datasphere. When it comes to the simulation and forecasting capabilities, these capabilities are embedded via CPE (Calculation and Process Engine) including data harmonisation and modelling capabilities. For some use-cases, like data harmonisation and aggregation from multiple source systems, it may be beneficial to use SAP Datasphere. For some advance analytics and data visualisation features it may be beneficial to use SAC features.

Datasphere

- The views used to import data from SAP Datasphere correspond to the data provider interfaces (DPIs) used in SAP SCT .
- DPIs structure the data into different categories. DPIs are mapped from SAP Datasphere , in which the data is stored, to SAP Sustainability Control Tower .
- Integrate with SAP Datasphere to replicate data. Ability to upload 20 custom dimensions for all available DPIs.

SAP Sustainability Footprint Management (SFM)

With the integration of SAP Sustainability Footprint Management in the SAP Sustainability Control Tower solution, calculated greenhouse gas (GHG) emission data from SAP Sustainability Footprint Management can be reused on corporate level.



EHS Management

Integrate with SAP EHS Management, environment management to import activity data for tracking greenhouse gas (GHG) emission data:

- Import your recorded GHG emissions from SAP EHS Management system.
- Associate activity data with GHG scopes and sub-categories based on pre-defined classifiers.
- Assign emission data to business locations in SAP SCT.
- Analyse emission data in the View Emission Dashboard app.

It is possible to import GHG emissions and offsets from calculation results, data collections, and location aggregations. Restrictions include:

- Only data for the listed substance carbon dioxide equivalent in metric tons is imported.
- Of the GHG data classifiers in SAP EHS Management, a subset is supported.
- Only approved, non-preliminary data is imported.
- The data must be assigned to locations of type *Site* or *Plant*.
- The import uses the SAP S/4HANA configuration for data replication to import calculation results, data collections, and location aggregations using CDS views. Data is imported only for the given time period. The replicated data is transformed and stored into the emissions DPI.

SAP Analytics Cloud (SAC)

It is further possible to integrate SAP Analytics Cloud with SAP SCT for real-time data access and dynamic visualisation on greenhouse gas (GHG) emissions data. Integration steps involve logging in to SAC, establishing a live connection, selecting SAP SCT and setting up a data model for building a dashboard. The integration allows for direct live connections, eliminating the need for data replication. Currently only GHG data is supported.

Reports

There are report creation functionalities available through Calculation and Process Engines (CPE), which are basically creating a form-based PDF. Wit h the apps in the reporting tab pre-defined ESRS-aligned metrics can be explored and support generation of ESG reports with the help of AI.The use of AI is a premium functionality for which you require an AI Units license.

With the Generate *ESG Reports with AI* app AI-based sustainability reports can automatically be generated using out-of-the-box templates. The tool is built into the app *Generate ESG Reports with AI* and is designed to support by automating the reporting process across selected periods. It uses the ESG (environmental, social, governance) data provided to *SAP SCT* and creates reports based allowing for periodic selection (year, quarter, month). These AI-generated reports are available for download in the pdf format and follow the structure predefined in the chosen SAP-provided report template.

Apps

Manage ESG app

Capabilities of the 'Manage ESG app' are as follows:

- Import new data for measures and metrics using CSV files (templates are available in the app). File import is limited to a maximum size of 20 MB.
- Fix data for an existing measure using CSV files.
- Import data from these SAP systems:
    - SAP S/4HANA or SAP S/4HANA Cloud: For the measure 'Amount'.
    - SAP Datasphere.
    - SAP SFM: For GHG emission data using the measure 'CO2e Emissions'.
    - Import data SAP EHS Management, environment management.
- Download and review error logs.
- Validate imported data, run custom metric calculations and publish your data for use in other apps.
- View or export imported data.

There are three tabs available in the Manage ESG app: Measures - Actuals, Custom Metrics - Actuals, and All Metrics - Targets. It is possible to import from a file, from a SAP System or export a template. Existing or new sustainability metrics can be used and data upload data for each.

Option B: Microsoft Cloud for Sustainability

Microsoft Cloud for Sustainability is a comprehensive suite of tools including Microsoft Fabric data platform as part designed to unify various data services and tools into a single, integrated environment. The tool and platform aims to streamline data management, analytics, and business intelligence processes by providing a cohesive suite of tools that work seamlessly together.

Microsoft Purview compliance Manager is a potential option for ESG disclosure.

Microsoft Fabric was investigated by Syensqo via an RFI in 2024 with proof of concept in Taveau site launched for two months. It is a p ilot to test automation of environmental metrics and modelisation for data cleaning to then consume clean data on corporate level. The g oal is to automate the calculation and gathering with traceability of 20 environmental KPIs from SERF to understand if it is technically feasible to create some insights. The solution integrates with the MES system based on a data lake project (Startek). The i dea is to collect water flow taking flow combined with Labware for analytics with pollutant, which results in KPI based on the pre-packaged solution by Microsoft Fabric.

Capabilities of Microsoft Cloud for Sustainability are as follows:

- Data Integration: Integrates data from various sources, including IoT devices, enterprise systems, and third-party data providers, to provide a unified view of sustainability metrics.
- Data Analytics: Uses advanced analytics to process and analyse sustainability data, providing insights into energy consumption, carbon emissions and resource usage.
- Emission Tracking: Tracks and calculates carbon emissions across different scopes (Scope 1, Scope 2, and Scope 3).
- Reporting: Provides tools for generating detailed sustainability reports that comply with regulatory standards and frameworks.
- Dashboards and Visualisation: Customisable dashboards and visualisations to monitor Sustainability performance in real-time.
- Predictive Analytics: Uses machine learning and AI to predict future Sustainability trends and identify areas for improvement.
- Automated Reporting : Automates the generation of Sustainability reports.

Integration with other Microsoft Services and systems:

- Azure IoT: Integrates with Azure IoT to collect and analyse data from connected devices, providing real-time insights into energy usage and emissions.
- Power BI: Uses Power BI for advanced data visualisation and reporting, enables creation of interactive sustainability dashboards.
- Microsoft 365: Leverages Microsoft 365 tools for collaboration and communication, supporting cross-functional sustainability initiatives.
- APIs and SDKs: Extensive Application Programming Interfaces (APIs) and software development kits (SDKs) allow for customisation and integration with other enterprise systems and third-party applications.
- Modular Approach: Flexibility to choose and implement the specific modules and features, allowing for a more tailored solution.
- Possibility to use either Microsoft Fabric or SAP Datasphere as data lake with SAP SCT or Greenomy on top, separating disclosure and data e.g. KPI library.

Key features of Microsoft Fabric are as follows:

1. Data Integration: Microsoft Fabric offers robust data integration capabilities, allowing users to easily connect, ingest, and transform data from various sources, both on-premises and in the cloud.
2. Data Storage: The platform provides scalable and secure data storage solutions, ensuring that data is stored efficiently and can be accessed quickly when needed.
3. Data Processing: With powerful data processing tools, Microsoft Fabric enables users to perform complex data transformations, aggregations, and analyses, making it easier to derive insights from large datasets.
4. Analytics and Business Intelligence: Microsoft Fabric includes advanced analytics and BI tools that help users visualize data, create interactive reports, and share insights across the organisation.
5. Collaboration: The platform supports collaboration among data professionals, allowing teams to work together on data projects, share resources, and maintain data governance.
6. Security and Compliance: Microsoft Fabric ensures that data is protected with robust security measures and compliance with industry standards and regulations.

Option C: Greenomy - (Continue As-Is)

Greenomy is being implemented via an RFI in 2024 as a short term, plug and play off the shelf solution for ESG Disclosure and Performance. It excels in sustainability reporting and compliance, particularly within the context of the EU Taxonomy. It is more suitable for organisations primarily focused on these aspects. The solution is of smaller scope with AI as an option to combine with other tools for supplier interaction and environmental accounting. Greenomy was implemented as a cost effective short term plug-and-play solution. A key decider was the quickest time for return using an off the shelves. Committee expected to sign off on the solution in September 2024.

Evaluation

	Option A - SAP SCT	**Option B - Microsoft Cloud for Sustainability**	**Option C - Greenomy (Continue As-Is)**
Compliance	⊕ Enhances transparency and accuracy about sustainability initiatives and performance. ⊕ Customisable reporting tools. ⊕ Supplies KPIs related to sustainability metrics, required for SCT dashboards and reports. ⊕ Leverages advanced analytics and predictive capabilities tailored to sustainability metrics. ⊖ Ongoing compliance requirements potentially conflict with unknown ERP Rebuild implementation timelines.	⊕ Advanced analytics and AO capabilities provide detailed Sustainability reporting. ⊖ Does not specialise in regulatory compliance, unlike Greenomy of SAP SCT.	⊕ Provides standardised templates and tools to facilitate accurate and consistent ESG reporting. ⊕ Excels in sustainability reporting and compliance, particularly within the context of the EU Taxonomy. ⊕ Specialises in sustainability reporting and compliance, particularly in the context of the EU Taxonomy and other regulatory frameworks. ⊖ Does not offer the same breadth of compliance features across different regions and industries as SAP SCT.
Integration	⊕ Standard integration with existing enterprise systems like ERP, supply chain management, and environmental management systems (SAP SFM, SAP EHS, SAP Ariba, and SAP SuccessFactors). ⊕ Uses SAP Analytics Cloud for in-depth analysis, scenario planning, and forecasting specific to sustainability goals. ⊕ Real-Time Data Monitoring via collection and analysis of data from various sources including IoT (Internet of Things) devices, sensors, and enterprise systems. ⊕ Designed to scale with large enterprises, hence can handle complex and extensive sustainability data across multiple business units and geographies. ⊖ Implementation can be complex, requiring customisation and integration with existing systems.	⊕ Integration with the Microsoft ecosystem: ◦ Tight integration with Microsoft 365 tools like Teams, SharePoint, and Outlook enhances collaboration and communication around sustainability initiatives. ◦ Azure's cloud infrastructure provides scalability, security, and advanced analytics capabilities. ◦ Advanced data visualisation and reporting through Power BI make it easier to create interactive and insightful sustainability dashboards. ⊕ Automation can obtain consistent data and metrics to pinpoint sustainability issues in real-time. ⊕ Versatile data integration and analytics platform that can be customised for a wide range of business needs, including sustainability. ⊕ Unified Data Platform: ◦ Data Integration: Microsoft Cloud for Sustainability offers robust data integration capabilities, bringing together data from various sources into a single platform. ◦ Data Security: Leveraging Azure's security features ensures that Sustainability data is protected and compliant with regulatory standards. ⊖ Integrates well with Microsoft's ecosystem, including Azure, Power BI, and Dynamics 365, but will require customisation and integration efforts to work seamlessly with SAP systems. ⊖ Provides strong analytics capabilities through Power BI and Azure Synapse, but will require additional configuration to focus specifically on sustainability metrics. ⊖ Requires additional effort to achieve the same level of specialisation as SAP Sustainability Control Towers. ⊖ Preference to separating disclosure and data e.g. KPI library, which should be managed outside of Microsoft Cloud for Sustainability e.g. in SAP.	⊕ Design to integrate with various data sources and existing systems. ⊕ Supports API integration to ERP systems and third party applications. ⊖ Lower level of integration with ERP systems and processes. ⊖ Whilst Greenomy can integrate with various systems, it may not offer the same depth of integration with SAP's comprehensive suite of enterprise solutions.

Business Impact	⊕ Unified platform for managing various aspects including ESG, metrics, energy management, carbon accounting and supply chain Sustainability. ⊕ E2E visibility into Sustainability performance across the entire organisation. ⊕ Designed to manage and optimise sustainability initiatives. ⊕ Provides comprehensive tools for tracking, analysing, and reporting on sustainability metrics such as carbon emissions, energy consumption, water usage, and waste management in real-time. ⊕ Ensures a unified approach to sustainability across various business functions, leveraging existing SAP infrastructure and data. ⊕ Detailed reports and dashboards that provide insights into sustainability performance and progress towards goals. ⊖ Dependency on SAP Roadmap. ⊖ Higher initial investment including licencing and implementation efforts. ⊖ New solution hence user adoption and effective utilisation may be challenging.	⊕ Advanced analytics and AI capabilities: • Azure AI and Machine Learning: ◦ Predictive Analytics: Advanced AI and machine learning capabilities provide predictive insights and identify trends in sustainability data. ◦ Customisation: Flexibility to build custom AI models tailored to specific sustainability challenges. • Real-Time Data Processing: ◦ IoT Integration: Azure IoT integration allows for real-time data collection and analysis from connected devices, providing up-to-the-minute insights into energy usage, emissions, and other sustainability metrics. ⊕ Offers data-driven insights to support strategic decision-making and sustainability planning. ⊖ More general-purpose platform hence not expected to have the same depth of specialised features for Sustainability management. ⊖ Does not offer the same level of industry-specific customisation for Sustainability.	⊕ Intuitive and user-friendly interface, making it easier for users to navigate and utilise the platform. ⊕ Lower initial investment. ⊕ Real-time data and advanced analytics capabilities. ⊖ Risk of remaining a spot solution for compliance. ⊖ Does not provide the same level of advanced analytics and predictive capabilities as SAP SCT. ⊖ Not a holistic solution hence not offering the same level of industry-specific customisation and solution capabilities as SAP SCT. ⊖ Lower level of scalability and flexibility for large, complex organizations as SAP SCT.

See also

ESRS_Starter_Pack__SAP_He-export.xlsx

SAP SCT SAP-Road-Map-Explorer-20241002145115.xlsx

SAP-Sustainability Data Exchange Road-Map-Explorer-20241003043425.xlsx

Related KDDs:

KDD063 Sustainability Footprint Management

KDD065 Carbon Accounting

KDD053 EHS Waste Management

SAP Roadmap for Sustainability Control Tower:

SAP-Road-Map-Explorer-SCT 20241017.xlsx

File	Modified
PDF File Workspace Mail - Fwd_ FOR APPROVAL - KDD069 - Sustainability Disclosure and Performance.pdf	Nov 06, 2024 by FALL-ext, Cheikh
Microsoft Excel Spreadsheet SAP-Road-Map-Explorer-SCT 20241017.xlsx	Oct 17, 2024 by SCHWARTZ-ext, Stefanie
Microsoft Excel Spreadsheet SAP-Sustainability Data Exchange Road-Map-Explorer-20241003043425.xlsx	Oct 03, 2024 by SCHWARTZ-ext, Stefanie
Microsoft Excel Spreadsheet ESRS_Starter_Pack__SAP_He-export.xlsx	Oct 02, 2024 by SCHWARTZ-ext, Stefanie
Microsoft Excel Spreadsheet SAP-Road-Map-Explorer-20241002145115.xlsx	Oct 02, 2024 by SCHWARTZ-ext, Stefanie
Microsoft Excel Spreadsheet Metrics__SAP_Help_Portal-export.xlsx	Oct 02, 2024 by SCHWARTZ-ext, Stefanie
Microsoft Excel Spreadsheet Measures__SAP_Help_Portal-export.xlsx	Oct 02, 2024 by SCHWARTZ-ext, Stefanie
Microsoft Excel Spreadsheet Dimensions__SAP_Help_Portal-export (1).xlsx	Oct 02, 2024 by SCHWARTZ-ext, Stefanie

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v. 126	Oct 17, 2024 13:50	**SCHWARTZ-ext, Stefanie**	
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v. 122	Oct 17, 2024 13:40	**FLOURIE, Marie**	
v. 121	Oct 17, 2024 13:33	**SCHWARTZ-ext, Stefanie**	
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