Sustainability Reporting and Analytics: Measuring Impact and Driving Performance

The Best-Run Businesses Run SAP™

From reactive reporting to proactive performance management

Studies show that most large enterprises, including the vast majority of the world's largest companies, now disclose information on sustainability performance. With greater focus on social, environmental, and economic sustainability and higher expectations for transparency and performance improvement, companies must manage large amounts of data for diverse groups of stakeholders.

While acknowledging the importance of meeting higher stakeholder expectations for sustainability that promotes sound business strategies and drives profitable growth, many companies find it difficult to analyze their progress in this area due to:

- An inability to align their operations with sustainability objectives
- Lack of reliable sustainability data resulting from manual and error-prone data-gathering processes
- Excessive time and cost spent gathering data and compiling disclosures, with no improvement to sustainability performance

The SAP® Sustainability Performance Management analytic application helps companies challenged with these issues by tying key business information from operational systems to sustainability reporting and enabling:

- Credible sustainability disclosures
- Efficient data collection and calculation
- Goal setting and the targeting of profitable new initiatives
- Performance management analysis
- Integration with other SAP solutions

Report social, environmental, and economic performance

Report social, environmental, and economic performance

Collect data efficiently from multiple business users

Manage sustainability programs to drive business improvement

Use analytics to turn data into actionable information

Integrate with other software to maximize your investment

SAP Sustainability Performance Management helps companies tailor their sustainability strategies to a particular industry and business context. You can concurrently model and manage multiple sustainability reporting frameworks – both internal, management-focused frameworks and external, disclosure-focused frameworks.

The software helps you focus on the social, environmental, and economic metrics that will be most useful for your stakeholders. You can choose these metrics from a central library of qualitative and quantitative key performance indicators (KPIs), including those based on Global Reporting Initiative (GRI) standards.

Additionally, business users can create and update their own sustainability metrics based on other standards, multiple tiers of subindicators, and calculations of multilevel KPIs. Data in the central KPI library can be searched and filtered to facilitate the sharing and reuse of key sustainability information.

CERTIFIED BY GLOBAL REPORTING INITIATIVE

Companies must now manage large amounts of sustainability-specific data required by reporting frameworks such as the GRI. SAP Sustainability Performance Management is the first solution to be certified by the GRI Certified Software and Tools Program.

Additionally, integration touch points with other SAP solutions are available for 85% of the out-of-the-box GRI quantitative KPIs available in SAP Sustainability Performance Management. This can help you significantly reduce the cost of integrating sustainability reporting with other operational systems.

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SAP Sustainability Performance Management supports automated KPI data collection from source systems as well as efficient, repeatable, and guided manual collection from multiple business-process owners and contributors. Workflow, data requests, validation, and approval processes facilitate collection of qualitative and quantitative data – either on flexible schedules or via ad hoc requests from business process owners, customers, suppliers, financial institutions, and community stakeholders.

You can set flexible reminders of when information for a data request of a KPI is due. You can forward surveys to others who have more knowledge related to a specific KPI request.

The software lets you make adjustments centrally at period close to deal with missing and anomalous data. Audit-trail functionality maintains a searchable record of every action taken to provide transparency and enforce high-integrity reporting. Data collection is designed to work for small, centrally managed sustainability efforts as well as large, delegated, and globally distributed activities.

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Manage sustainability programs to drive business improvement

Report social, environmental, and economic performance

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Integrate with other software to maximize your investment

You can use SAP Sustainability Performance Management to establish sustainability initiatives at the corporate, subsidiary, or site levels and determine your return on investment from those initiatives. You can align business and sustainability KPIs with specific initiatives – from social, community, energy, greenhouse-gas emissions reduction, and water-conservation programs to financial, product, and safety programs.

The software also helps you manage action plans, budgets, and schedules associated with your initiatives to ensure accountability and successful execution of your sustainability objectives. You can establish KPIs that assess the social, environmental, and financial impacts of the initiatives and determine their effectiveness.

The application helps you focus on sustainability as a business driver, rather than just a stand-alone reporting effort.

Use analytics to turn data into actionable information

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SAP Sustainability Performance Management helps you turn the sustainability data you collect into insightful, actionable information. Powerful analytic functionality lets you aggregate results and examine performance across multiple dimensions.

Planning workbooks help business users set targets or benchmarks for different organizations and sustainability indicators. Dashboards and scorecards provide clear and insightful graphical displays that let users get the most from their data. Interactive briefing books facilitate organized compilations of reports, dashboards, and scorecards for communicating performance to your stakeholders.

Flexible formatting of functions for ad hoc reporting helps you analyze both quantitative and qualitative data. Reports using root cause analysis help you more quickly identify sustainability problems and their origins. Expanded printing and exporting options give you greater flexibility in choosing how to view critical information on your sustainability performance.

To be effective, sustainability practices and processes must align with core business goals and strategies and improve enterprise profitability.

Integrate with other software to maximize your investment

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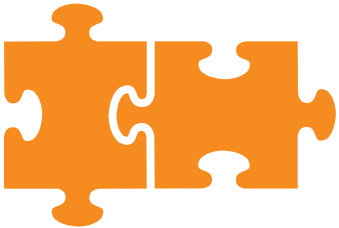
You can use SAP Sustainability Performance Management alone or with other SAP software to:

- Synchronize with key master data in SAP Business Suite software related to organizations and materials
- Apply additional management frameworks and tools – such as the SAP Disclosure Management, SAP Process Control, and SAP Risk Management applications
- Incorporate data from operational systems including the SAP ERP, SAP Recycling Administration, and SAP Environment, Health, and Safety Management (SAP EHS Management) applications



Of 204 GRI quantitative KPIs available in SAP Sustainability Performance Management, 174 have integration touch points with other SAP solutions.

You could roll up data on workplace safety from incident management functionality in SAP EHS Management into KPIs, for example, and compare actual data to targets and benchmarks. Or you could use data gathered with environmental compliance functionality to analyze how well you meet regulatory requirements. Additionally, you could integrate with functions for recycling administration in SAP EHS Management or with SAP Disclosure Management for publication workflow and last-mile reporting.

Evolve to proactive sustainability performance management

Evolve to proactive sustainability performance management

SAP Sustainability Performance Management can help you improve financial performance by aligning key sustainability indicators with corporate, business strategies, risk management, and process improvements. It enables goal setting and managing new initiatives at levels in your organization where information is actionable, while making reporting more efficient and cost-effective.

By embedding social, environmental, and economic sustainability initiatives across your operations, supply chain, and customer relationships, you can turn risks into opportunities and encourage sound business strategies that make your business more competitive and profitable.

Built on proven management processes and tools developed over decades for improving corporate performance, the software helps you move beyond essential monitoring and reporting to creating actionable information and insights. In addition, it can help you:

- Reduce time, cost, and errors in gathering data and compiling disclosures
- Increase credibility with stakeholders and strengthen your brand via better global transparency and accountability
- Focus on strategic execution and target profitable business opportunities

Summary

The SAP® Sustainability Performance Management analytic application helps companies track and communicate sustainability performance, set goals and objectives, and target business improvement opportunities – while reducing the time and cost for collecting data and compiling disclosures. It builds on proven processes for managing and improving corporate performance, delivering a dynamic user experience with a traceable, auditable environment for internal and external disclosures.

Objectives

- Efficiently gather sustainability data and disclose performance
- Improve disclosure auditability and reliability
- Define and prioritize initiatives for business improvement
- Monitor progress in achieving strategic objectives

Solution

- Centralized management of sustainability data, reporting frameworks, and KPIs
- Guided processes to define, prioritize, assign, and track sustainability initiatives
- Functions to analyze, communicate, and execute strategies
- Integration with business data, operational information, and performance management processes

Benefits

- Reduce time, cost, and errors in gathering data and compiling disclosures
- Meet stakeholder demand for transparency and business improvement
- Identify inefficiencies and opportunities for business improvement
- Focus on strategic execution

Learn More

Call your SAP representative or visit us at www.sap.com/lines-of-business/sustainability/reporting-analytics-software.epx.

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