



The Sustainable Supply Chain

Leveraging Your Spend Power

Tonie Wentzel: Solution Advisor Total Spend Management

Annette McKenzie: Market Development Total Spend Management

PUBLIC

THE BEST RUN 



THE IMPACTS OF OUR PRODUCTS
Volvo Cars' recycled plastics vision

Our sustainability reporting for 2018 is integrated in our Annual Report.

Volvo Car Group Annual Report 2018



Better solutions

Electrolux products enable consumers to live better lives while saving energy and water.  THE RENEWABLE MATERIALS COMPANY



Better operations

We constantly challenge ourselves to improve through innovation, safety, and quality.



Better society

Wherever we are in the world, Electrolux empowers consumers and suppliers, and supports local communities.



Social

We care about all our people, respect local communities, and conduct ethical business.



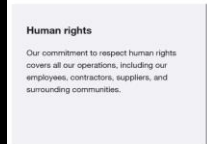
Environmental

We use natural resources with care, combat global warming, and respect the environment.



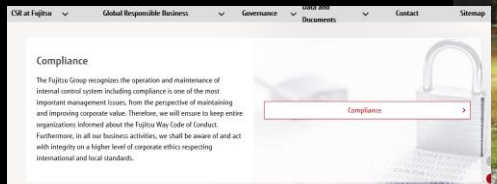
Economic

We help customers be sustainable, choose like-minded partners, and reward investors sustainably.



Human rights

Our commitment to respect human rights covers all our operations, including our employees, contractors, suppliers, and surrounding communities.



Compliance

The Fujitsu Group recognizes the operation and maintenance of internal control system including compliance is one of the most important management issues, from the perspective of maintaining and improving corporate value. Therefore, we will ensure to keep entire organizations informed about the Fujitsu Way Code of Conduct. Furthermore, in all our business activities, we shall be aware of and act with integrity on a higher level of corporate ethics respecting international and local standards.

Compliance



Supply Chain

The Fujitsu Group sets "Co-existence with Suppliers", "Fair and Proper Evaluation and Selection of Suppliers" and "Promotion of CSR-Conscious Procurement Activities" as the procurement guidelines for its global procurement activities, and will accomplish a CSR risk-free procurement to fulfill our corporate social responsibility.

Supply Chain

Socio-Economic ICT Impact

Our goal is to realize a trusted Human Centric Intelligent Society. The Fujitsu Group will create social value and contribute to the achievement of the UN Sustainable Development Goals and, in doing so, enhance our reputation as a globally trusted organization.

SDG-related Activities in Fujitsu

Human Rights, Diversity and Inclusion

Based on the Fujitsu Way Code of Conduct, the Fujitsu Group will ensure to underlay the spirit of "Respect for human rights" for all our corporate and individual activities, and we will strive to have 130,000 Group employees around the world accept diverse human resources and embrace individuality without bias toward nationality, gender, age differences, or disabilities.

Human Rights

Diversity and Inclusion

Wellbeing

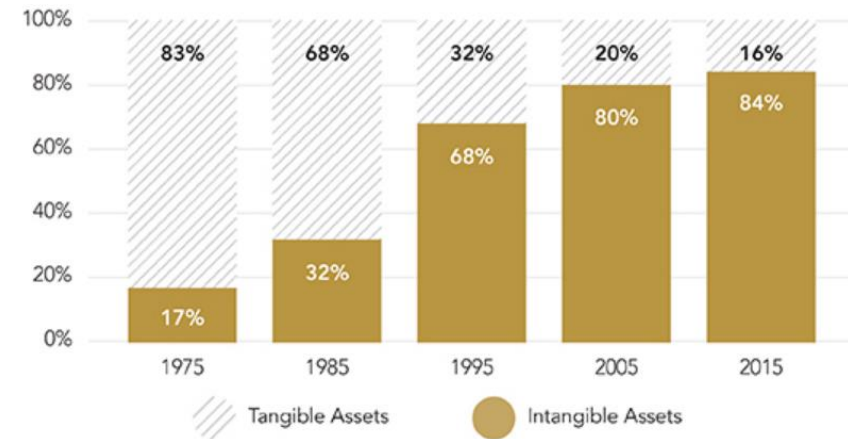
The Fujitsu Group aims to enrich and continuously improve our positive health culture where our employees can work to their full potential, both in mind and body. We value the importance of our people, and will strive to enable them to succeed in their own personal development and growth.

Performance Evaluation and Compensation / Work Environment

Health Management

Human Resource Development and Career Design

S&P 500 Market Value



SOURCE: INTANGIBLE ASSET MARKET VALUE STUDY, 2017

The principle: 3 sustainability pillars



1 Social sustainability: human and workplace rights

- Attack forced labour and human trafficking
- Fight inequality to vulnerable groups and create workplace diversity
- Protect fair wages and improve working conditions
- Provide apprenticeships
- Rehabilitation of ex-offenders
- Health and safety issues
- Data protection (GDPR)

2 Economic sustainability: responsible sourcing



- Impact livelihood of workers' communities
- Impart training & education to sustain community engagement
- Support smaller firms
- Pay taxes (no evasion)
- Sanctions programs
- Fair treatment of suppliers (e.g. formal and fair contracts, prompt payment)

3 Environmental sustainability: energy and climate change



- Avert environment damaging actions and decisions
- Reward good practices that benefit eco-protection
- Sustainable consumption of natural resources (timber, water, etc).
- Farming issues, food safety and provenance
- Local issues – noise, litter, traffic
- Recycling and obsolescence including the “circular economy”

END IT

END IT



End It Movement: Kelly Miller's Story

More from PullSpark

☒ Autoplay next video

Sustainability

Why Should Companies Care About Their Spend?

- Impacts brand value and business performance
- Empowers companies to meet corporate objectives
- Avoids risk of workplace and human rights violations

.. but requires embedded risk intelligence for impactful sourcing and procurement best practices

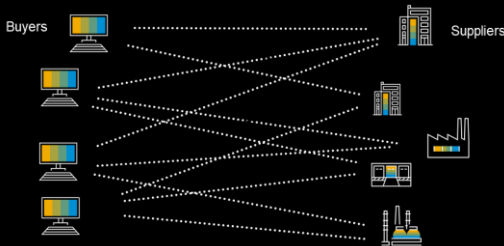


39% of consumers are likely not to buy a company's products or services if they believe they are not "responsible". 25% will actively advise friends and family to avoid the company.

2016 US National Survey on Corporate Social Responsibility

Ariba Network is ~~incrementally~~ fundamentally different better than anything else out there

Point-to-Point Integration Paper-Fax-email-EDI-Portal



- Costly setup & maintenance
- Lack of Community Intelligence and support
- Business rules duplicated



Business Network Model Open.Smart.Simple



- Configure your business rules once
- Community intelligence, support and innovation
- Drive speed and efficiency by plugging into an existing community

SAP Ariba



amazon.com

+ ebay +

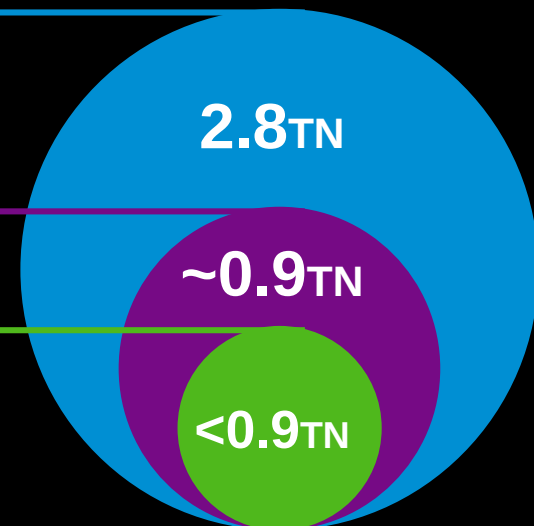
Alibaba Group

Smaller business networks (combined)

2.8TN

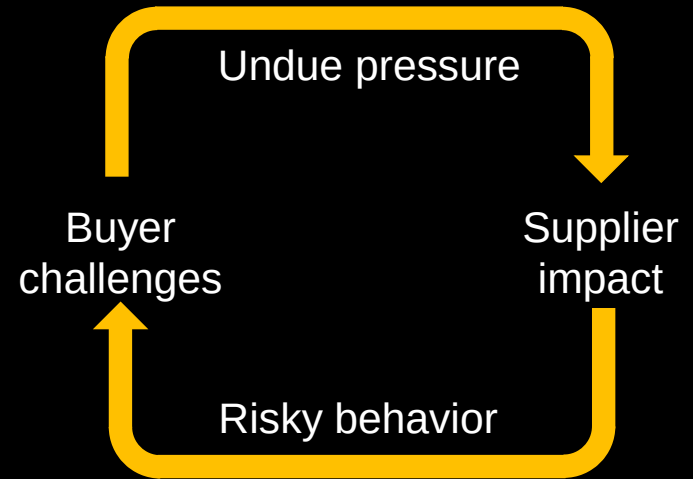
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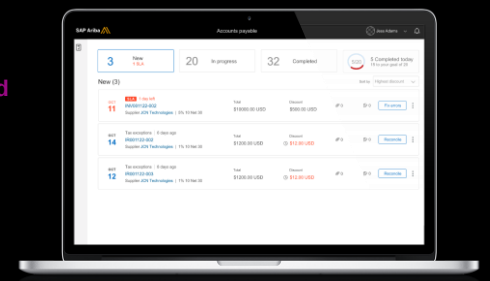
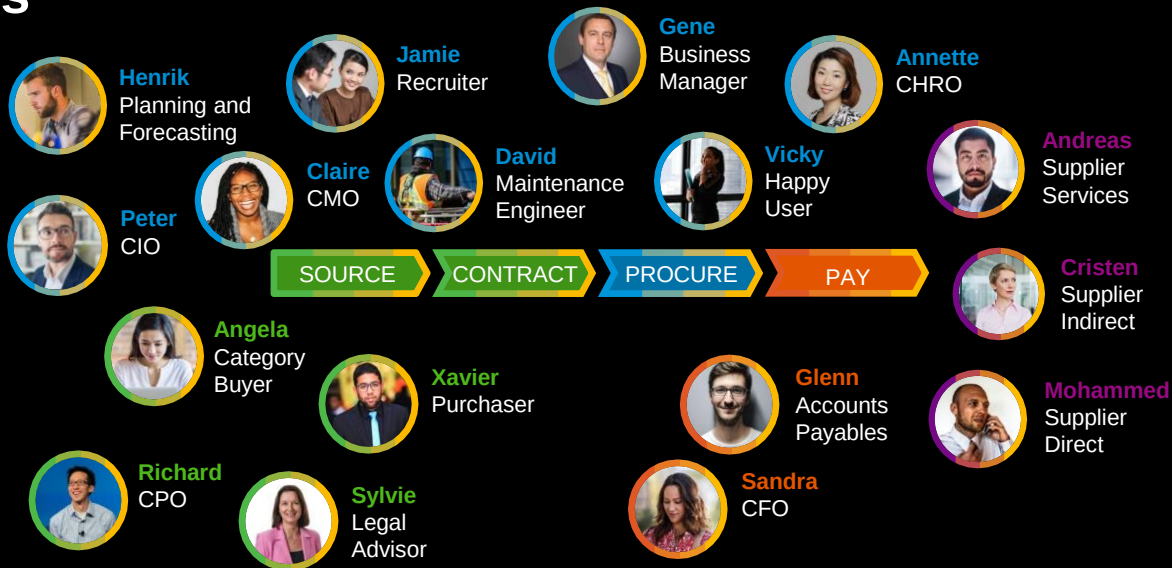
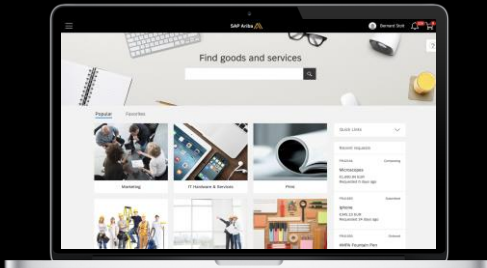


Challenges driving sustainability objectives in procurement

- Inconsistent, volatile, fragmented information on potential risks (e.g. **Supplier Master Data**)
- Effective due diligence and monitoring is often lengthy and costly
- Multiple questionnaires and audits focus on “document management” and not on impact-based decisions : “**Tick Box Mentality**”
- Risk not integrated into procurement processes, causing redundant requests for same information
- Post-contract costs and inefficiencies from business disruptions bleed sourced savings
- Inconsistent metrics and multitude of ratings to track

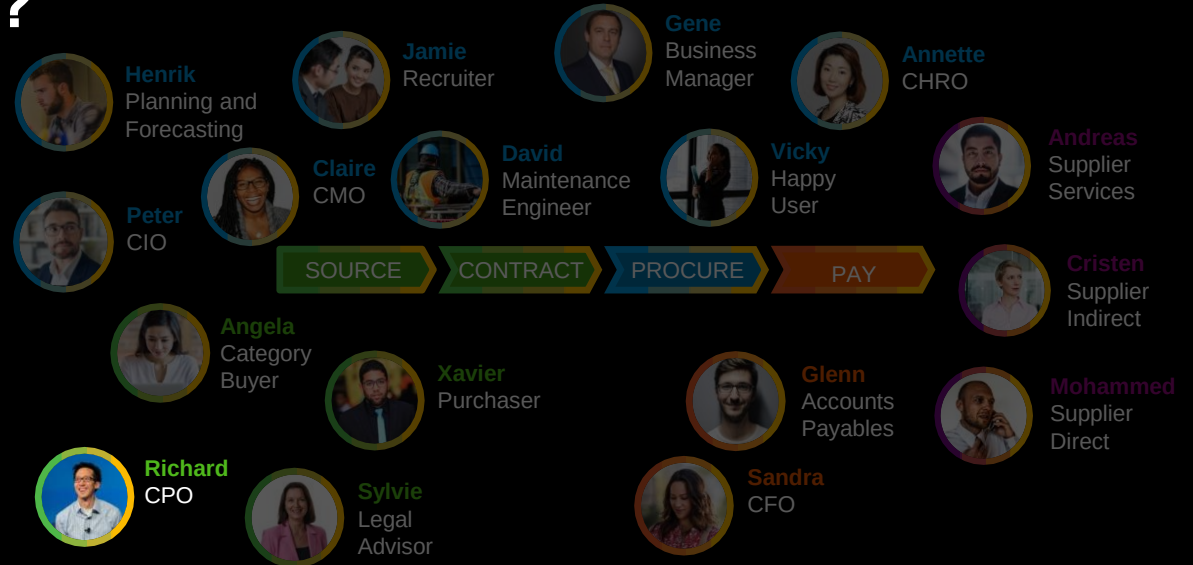


Procurement Stakeholders



Why can't the CPO sleep at night?

- How can we increase our savings?
- We need to standardize our processes
- Which contracts do we have for Maintenance activities?
- How can we reduce our Maverick spend?
- Why is nobody following our policies?
- Where are we at risk in our Supply Chain?
- If we buy a tool, what will the ROI be?



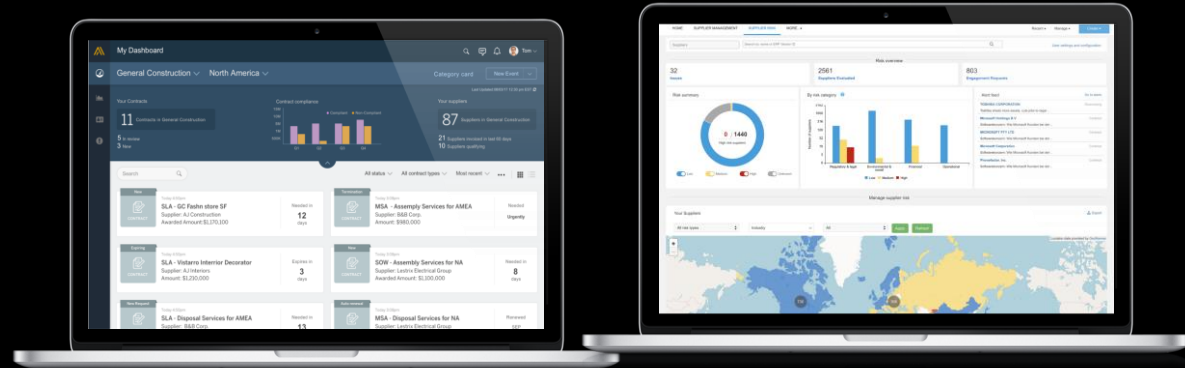


Richard
CPO

How can SAP can help

- Give more Visibility and Transparency
- Streamlined processes end-to-end
- Maximization of team efficiency
- Become more compliant
- More spend under management
- Less risk in the Supply Chain
- Deliver % savings target
- Stronger negotiations with suppliers

What Richard gets



SAP Ariba Supplier Risk to Manage Sustainability

Broad Content & Risk Insights Across Multiple Risk Domains

3rd Party data input (optional add-ons via API)

Available for connect

- ✓ Check on regulatory and compliance violations **Exiger - ScreenIQ**
- ✓ Forced labor risk exposure **Made In A Free World**

3rd Party Strategy

- ✓ Financial common API
- ◆ Political, Social, Environment, Economic Inherent risk
- ◆ Environmental and Social Inherent risks
- ◆ Inclusion & Diversity verification
- ◆ Cyber Security

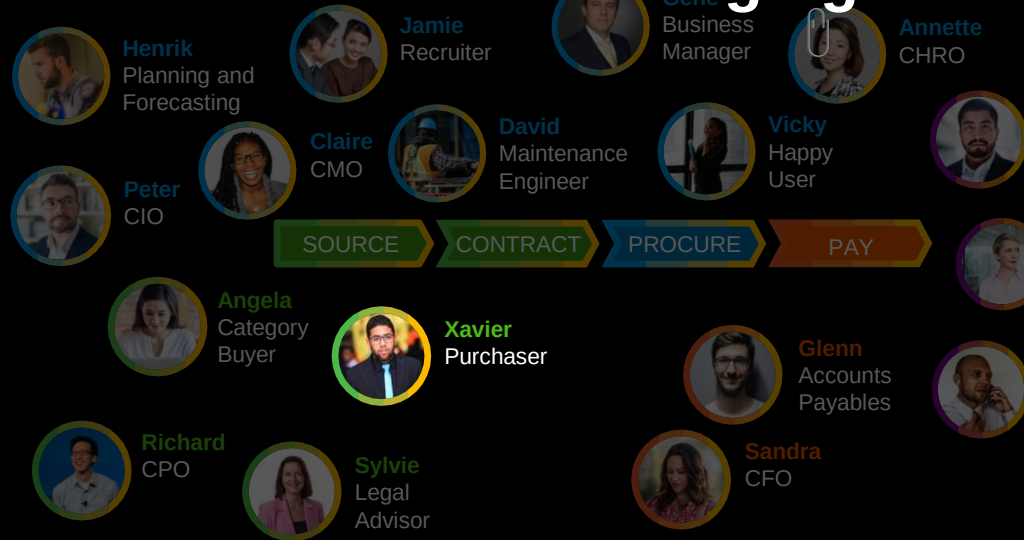
Timelines and roadmap plans are subject to change.



Included

- ✓ **Enriched Corporate Information**
Parentage and linkages, Diversity indicators, Trade styles/ Alternate name, Family tree / Corporate hierarchy, # of suits, liens, judgements, Bankruptcy indicator C
- ✓ **WEF: Country Risk**
Country's risk management ranking Country's competitiveness ranking
- ✓ **GDACS: Natural Disasters**
Natural disaster alerts
- ✓ **Semantic Visions: Adverse Media**
600,000+ global and regional news sites and expert blogs, government databases, private databases
- ✓ **15 Custom Fields**
Load data in that connects with the risk score

Why are Procurement Professionals banging their head against the wall?



- To Do List!**
- Find space in agenda to meet the 6 suppliers of John's RFP
 - Deal with their email questions
 - Ask the intranet people to tell users we can't help them under 100k
 - Clean my archive
 - Find out new policy for GDPR
 - Setup training for the new guy
 - Pivot in Excel prices matrix for BOM F083
 - Figure out reverse auction strategy (boss likes that stuff)
 - NDA has not been signed yet by Stratos

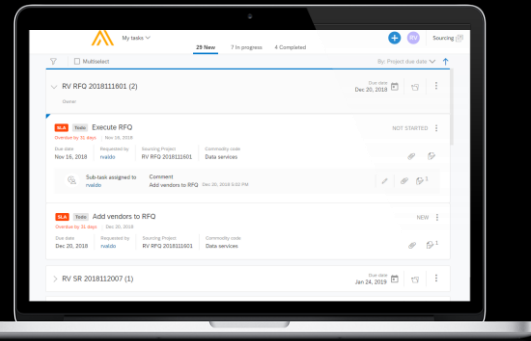


Xavier
Purchaser

How can SAP can help

- Persona based view gives focus
- RFP's can be turned into Contract automatically
- Full Collaboration with suppliers
- Discover new suppliers
- Savings can be tracked
- Great results with Auctions
- Do more with the team, faster and with more savings
- Manage work efficiently with the Procurement Operations Desk

What Xavier gets



Executive conversation: Building **empathy** and **trust**

Typical topics

Sourcing

Sourcing and contracts management integration to reduce cycle times
Run rate of sourcing events accelerated to deliver more unit price savings
Tools that provide additional capacity to bring more spend under management

Supplier risk

Automation of supplier onboarding and risk management
Audit cost reduction through automated risk platform
Automated reporting and alerting to facilitate risk management

Buying

Automated workflows that reduce requisitioning cycle times
Guided buying capability and/or catalogs to provide greater levels of governance/compliance
More efficient management of low-value, high-volume spend (tail spend)

Payables

Invoice payment cycle times reduced to enable negotiation of prompt payment discounts
Electronic, “touchless” processing of invoices

Sustainability topics

Compliance with ethical sourcing policies
Supplier collaboration to develop eco-friendly products
Sourced suppliers have the necessary CSR and sustainability-related certificates

Suppliers prequalified for risk for sourcing events
Social impact of awarding business
Supply base segmented by risk
Cross-referencing of suppliers against global watch lists for environmental and social abuses

End-user visibility into impact of purchasing choice (e.g., local, diverse, minority-owned suppliers)
Guided buying capability and/or catalogs to promote only suppliers complying with ethical policies
Electronic processing of purchase orders and receipts to reduce paper and carbon footprint

High on-time payment rate and faster processing for local, small suppliers
Electronic processing of invoices to reduce paper and carbon footprint

Changing the Way Work Gets Done

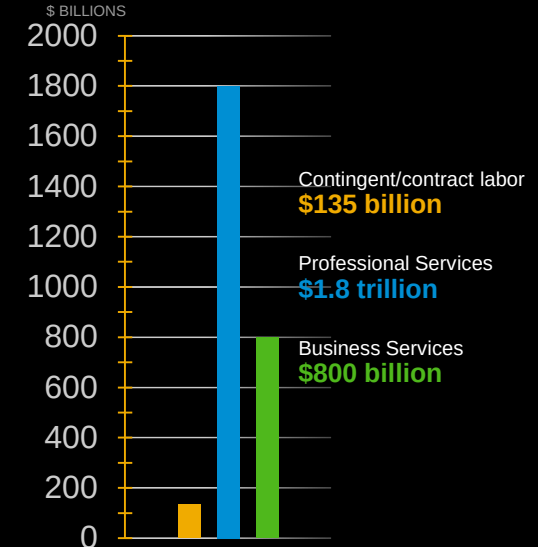
External labor is also part of your spend

.. and part of your supply chain sustainability



44% of workforce spend is on external resources

External Workforce Insights 2018: The Forces Reshaping How Work Gets Done, a report from SAP Fieldglass and Oxford Economics



The Forrester Wave: Services Procurement, Q1 2017

Spend Management – Sustainable Travel

- Incentive for sustainable travel?
- Employees must have insight to act:
 - Chose flights with least emission at time of booking
 - Compare emission for flight versus train at time of booking
 - Make travel and expense paperless
 - Choose hotels with sustainable practice
- Partner ecosystem required to expand tools/insights



Some companies are specifically segmenting corporate travel in their CSR reports. As part of its 2016 sustainability reporting, Royal Bank of Scotland says it has "reduced total business travel carbon emissions by 14 per cent since 2014, 35 per cent from a 2011 baseline," and is "on track to meet our target to reduce business travel emissions by 50 per cent by 2020." In aviation, reaching emissions targets will be aided by initiatives to use more fuel-efficient aircraft. Last year, 66 countries signed up to the voluntary phases established by CORSIA (Carbon Offsetting Scheme for International Aviation), which will mitigate "80 per cent of the growth in carbon emissions above 2020 levels between 2021 and 2035". Some of today's flight-booking systems already list competing flights, indicating the carbon impact for each flight segment.

And when it comes to tomorrow's ground transport, electrification is key to keeping carbon emissions at bay, with Belgium, Luxembourg and the Netherlands spearheading electric driving. Today, 25 per cent of the EU's plug-in hybrid and fully electric vehicles are driving in the Benelux countries, and 31 per cent of all charging

points are in these three countries. Dutch State Secretary Van Veldhoven recently stated: "Charging your electric vehicle should be just as easy as charging your phone. And yet, when people have to travel long distances, they ask themselves, 'Are there enough charging points in other countries? Can I pay with my Dutch card, and are the prices similar?'"

"We have a set of customers for whom carbon footprint is high on their priority list", says John Dietz, VP of SAP Concur Labs, the branch of the company that explores new ideas, interfaces and prototypes. "Usually we find that it's not driven by the travel or the expense part of a company but another part of the business that says that we want to add this to our eco footprint pillar."

KEY TAKEAWAYS

- Green values are becoming a more prominent part of corporate branding
- Travel-booking systems will provide better transparency so that ecological choices can be aligned with company booking policy

Only
16%

of travel management professionals incentivise their business travellers to stay in hotels with sustainable practice

Only
4%

require travellers to book suppliers with sustainable practices

Source: GBTA Foundation, Corporate social responsibility: Going Beyond Green (2017)

Five Recommendations

1. Take a strategic perspective, balancing risk & opportunity
2. Decide what really matters and prioritise
3. Ensure the right data is available to make confident decisions
4. Collaborate with partners
5. Alignment and top-level support

Thank you

Tonie Wentzel

tonie.wentzel@sap.com

Solution Advisor Procurement
SAP Spend Management

Annette McKenzie

annette.mckenzie@sap.com

Market Development
SAP Spend Management

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