Beyond Compliance: Unlocking Strategic Value through Sustainability with SAP in Africa

AFSUG | 21 October 2025

PwC Disclaimer

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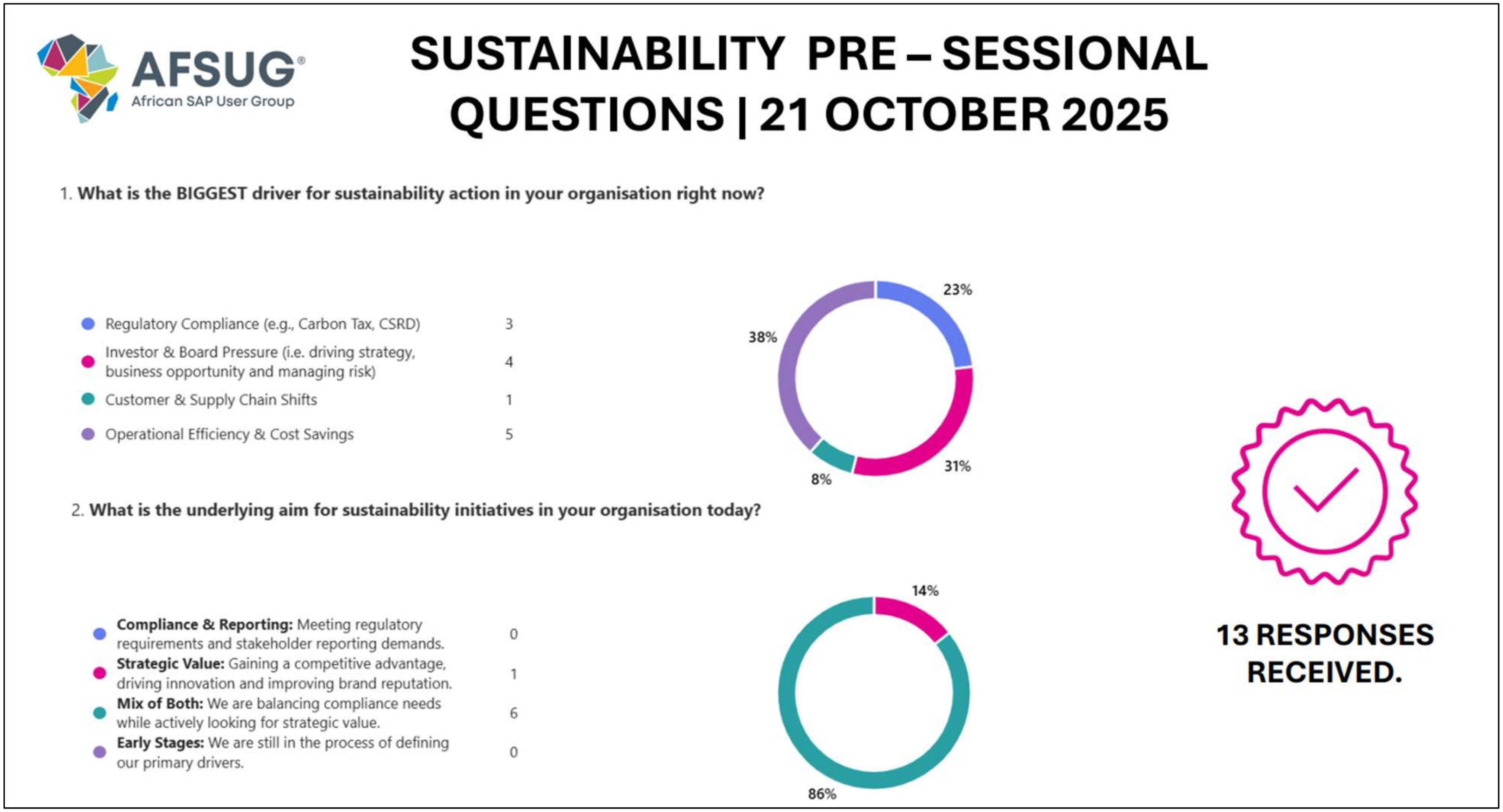
Demystifying Sustainability

Poll results



Typical focus areas

Environment Pillar				Social Pillar				Governance Pillar	
Climate Change	Natural Capital	Pollution & Waste	Environment Opportunity	Human Capital	Product Liability	Stakeholder Opposition	Social Opportunity	Corporate Governance	Corporate Behaviour
Carbon Emissions	Water Stress	Toxic Emissions & Waste	Opportunities in Clean Tech	Labour Management	Product Safety & Quality	Controversial Sourcing	Access to Communication	Board - Transformation	Business Ethics
Product Carbon Footprint	Biodiversity & Land Use	Packaging Material & Waste	Opportunities in Green Building	Health & Safety	Chemical Safety	Investing in local communities	Access to Finance	Pay	Anti-Competitive Practices
Financing Environment Impact	Raw Material Sourcing	Electronic Waste	Opportunities in Renewable Energy	Human Capital Development	Financial Product Safety		Access to Health Care	Ownership - BBBEE	Corruption & Instability
Climate Change Vulnerability				Supply Chain Labor Standards	Privacy & Data Security		Opportunities in Nutrition & Health	Accounting	Financial System Instability
					Responsible Investment				Tax Transparency
					Insuring Health & Demo. Risk				

Sustainability = ultimate goal of **long-term value creation,** by fostering positive relationships and adapting to changing societal expectations as well as understanding risks and opportunities allows organisations to enhance resilience but also leading to more **purpose-driven, strategic and adaptable sustainability initiatives**.

Materiality in the context of sustainability

A double materiality perspective integrates sustainability into the business model, identifies innovation opportunities, and supports the maintenance of a social license to operate by avoiding negative impacts and upholding trust and legitimacy.

Impact materiality

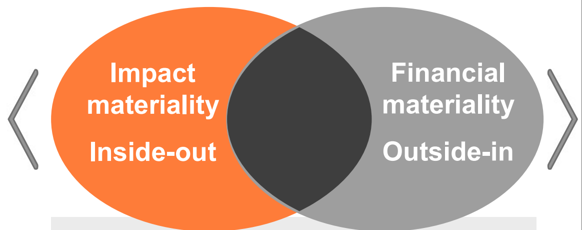
actual or potential

A sustainability matter is material from an impact perspective when:

- it pertains to the undertaking's material **actual or potential, positive or negative** impacts **on people or the environment** (environmental, social and governance matters),
- over the short-, medium- and long-term time horizons.

It includes impacts connected with the undertaking's **own operations and value chain**, including through its **products and services**, as well as through its **business relationships**.

Materiality perspectives



Sustainability matter is "material"
when it meets the criteria defined
for impact materiality
OR for financial materiality
OR both

Financial materiality → *Risk & opportunity*

only prospective

A sustainability matter is material from a financial perspective:

- if it generates risks or opportunities that affect (or could reasonably be expected to affect) the undertaking **financial position, financial performance, cash flows, access to finance or cost of capital**
- over the short, medium or long term.
- **"Impact materiality deferred" can create financially material matters**

Consideration of impact on all affected stakeholders → investors + business partners + employees + communities + environment + …

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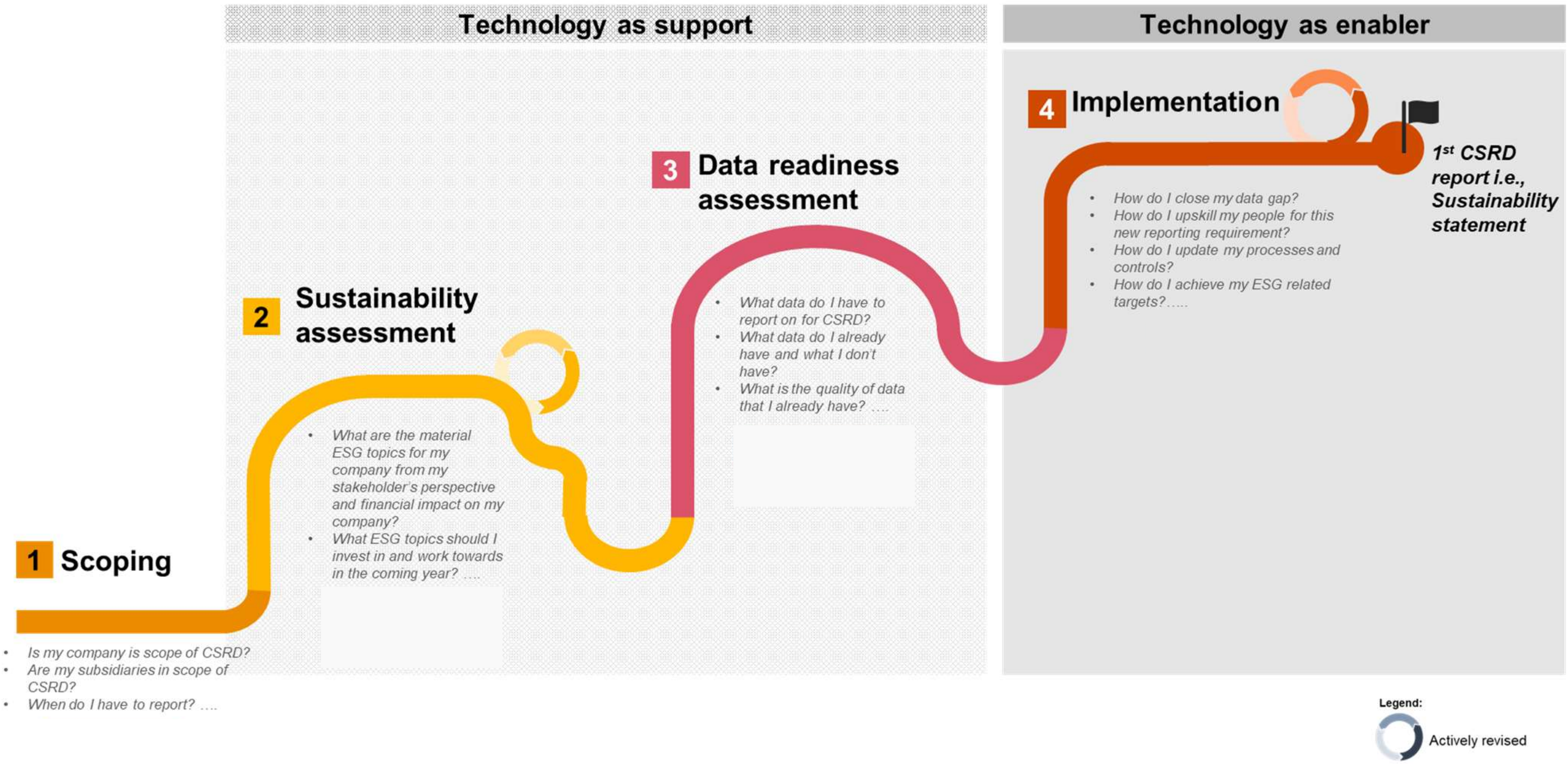
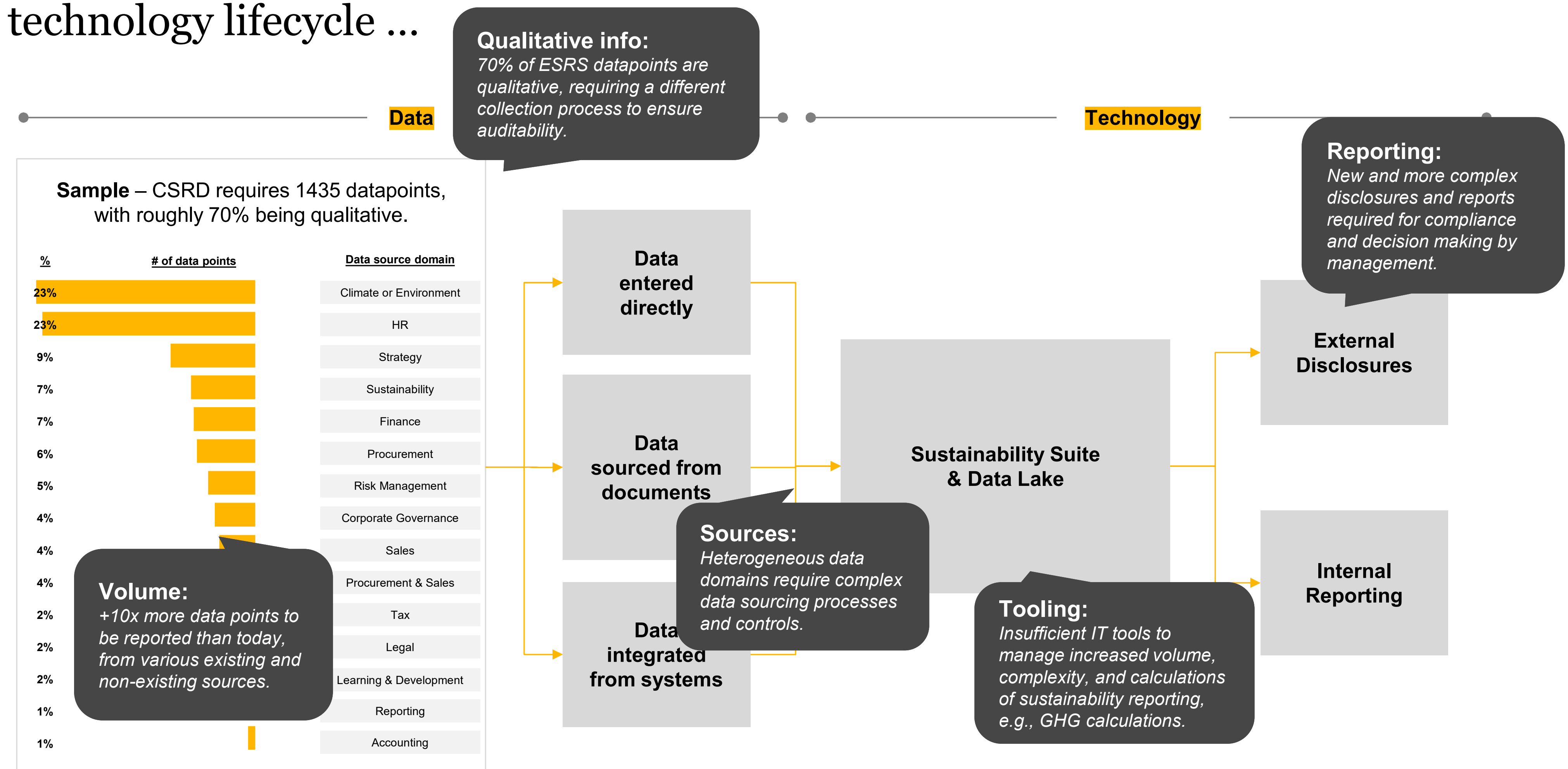
Lessons learned from the front lines

Our end-to-end sustainability reporting approach is in-line with ESRS guidance and industry best practices, leveraging technology ...



... to overcome the significant reporting challenges across the entire data and technology lifecycle ...



... to enable holistic sustainability disclosure and analytical capabilities required for compliance and performance management

1 …comply, disclose, and integrate **sustainability regulatory disclosures** within existing statutory reports, e.g., CSRD, EU taxonomy;

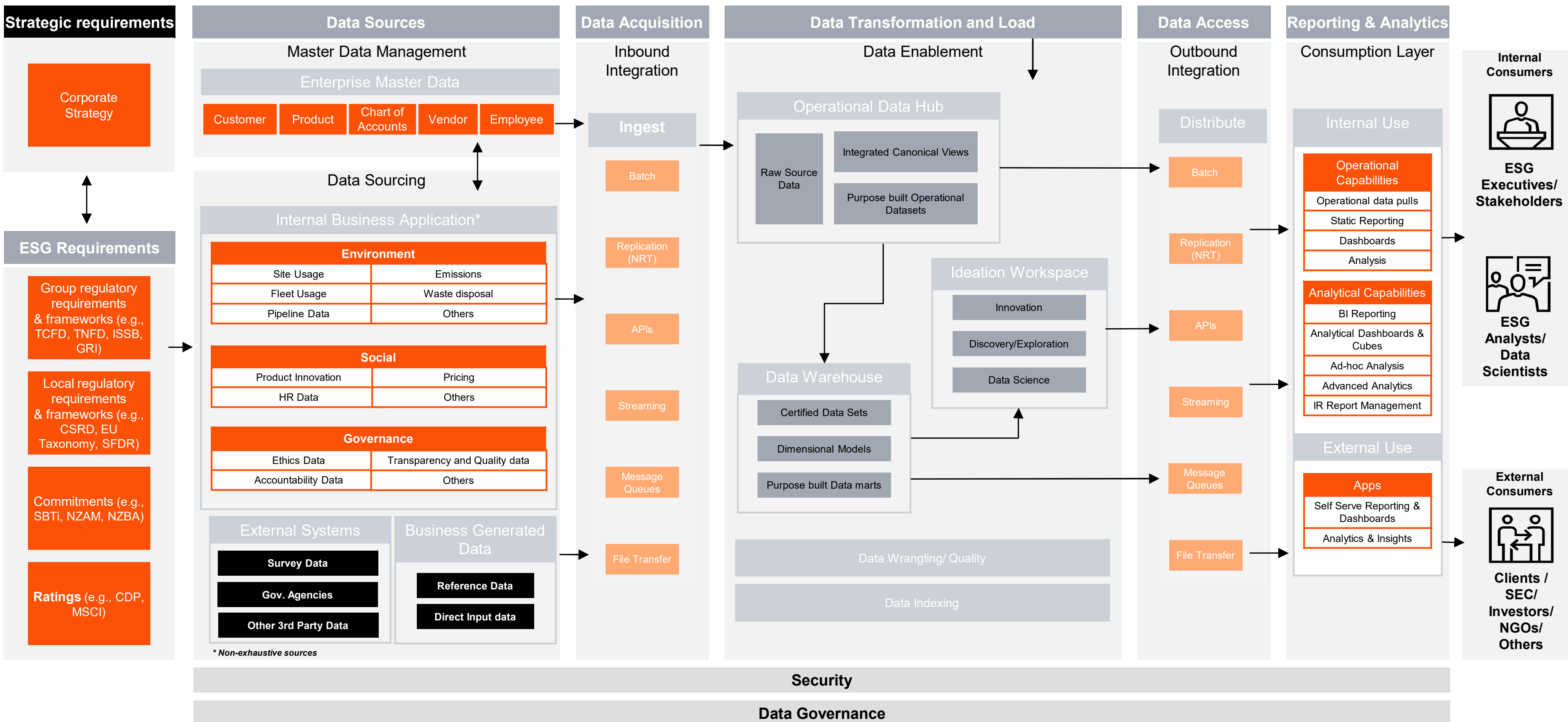
2 …**monitor and steer the ESG performance** in-line with company strategy and targets;

Information
is at the heart of sustainability reporting and transformation

3 …**manage and control auditable ESG reporting workflows** with integrated governance, processes and controls;

4 …**collect quantitative and qualitative ESG data** from heterogeneous sources and domains.

Align ESRS with ‘data first’ approach



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Making Sustainability tangible

Fundamental Technical Challenges with ESG Reporting

Data Collection	Collection and Consolidation of more than 500 +ESG data types from ERP and Finance systems, Property Management databases, Suppliers Data files and other business platforms.
Data Normalization	Multiple metric units, multi currency cost, multiple consumption, multiple time periods and data types
Data Structure & Hierarchy	Multiple data structure retrievals, extraction and reporting into ESG frameworks providing one source of truth
Calculations	Complex tiered calculations for different types of emissions with multiple conversion factors
Auditability	Tracing back of data to source systems/files with an audit record of changes made and managing data quality

SAP Sustainability Control Tower – Solution Capabilities

SAP Sustainability Control Tower for holistic and integrated Sustainability Performance Management

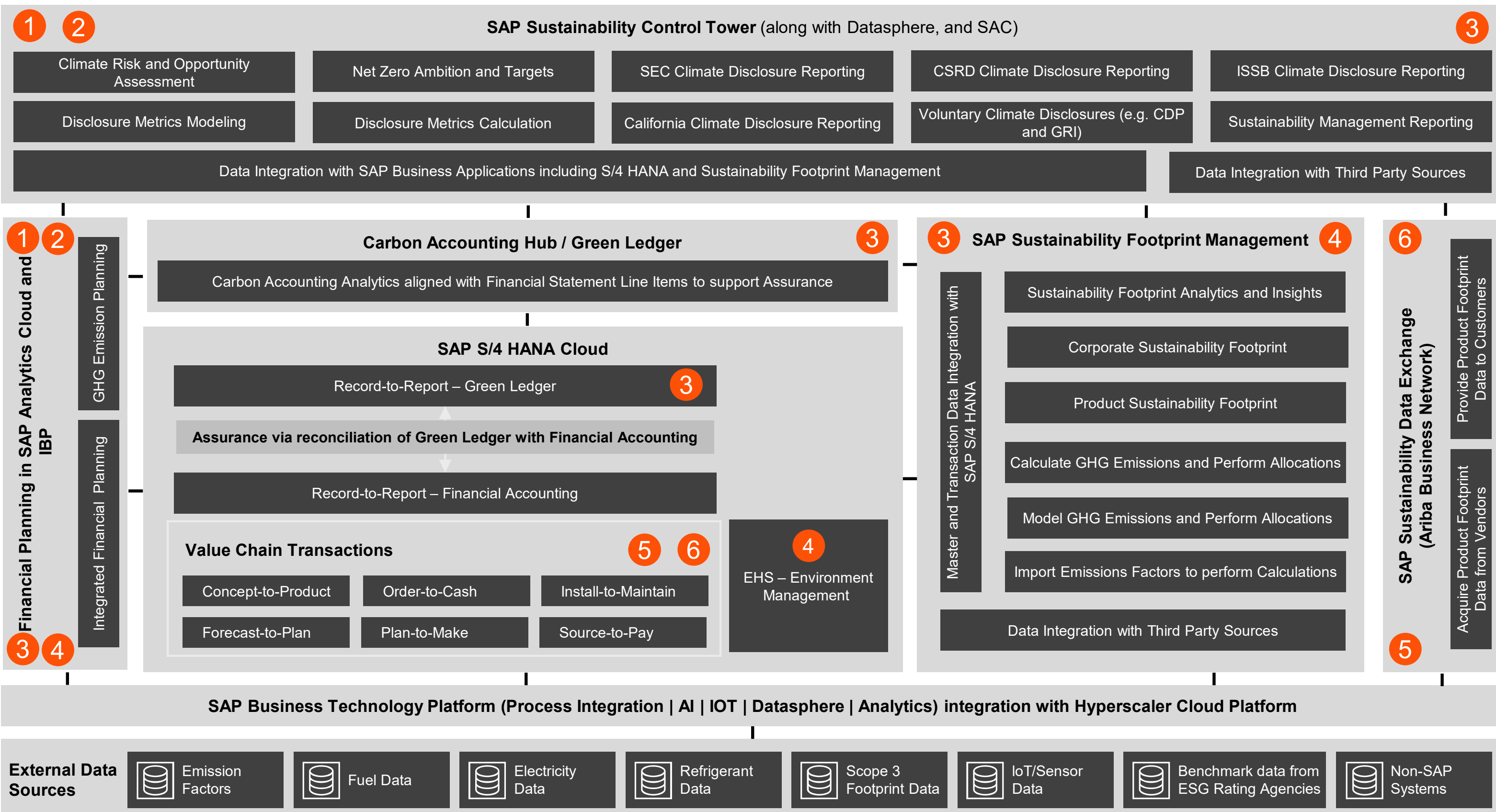
Data Sourcing & Key Figure Management	Data Acquisition and Harmonization	Reference Content & Data Enrichment	Semantic Variants, Periods & Versions
Performance Insights	Dashboards and Expert Analytics	Valuation of Impacts	Connected Indicators & Scores
Performance Improvement	Driver Analysis, What-if Scenarios	Target Setting and Monitoring	Abatement Projects
Stakeholder Reporting and Communication	Annual Integrated Reporting	Statutory Reporting	“Leading Practice” Disclosures
Business Network & External Data Integration	Industry Benchmarks	Business Partner Collaboration	

Data Lineage and Audit Safety

Extensibility and Governance

Ease of Provisioning yet Ready to Grow

SAP ESG Solution Architecture Portfolio Overview



Address sustainability disclosure reporting and transformation topics by enabling SAP reference architecture:

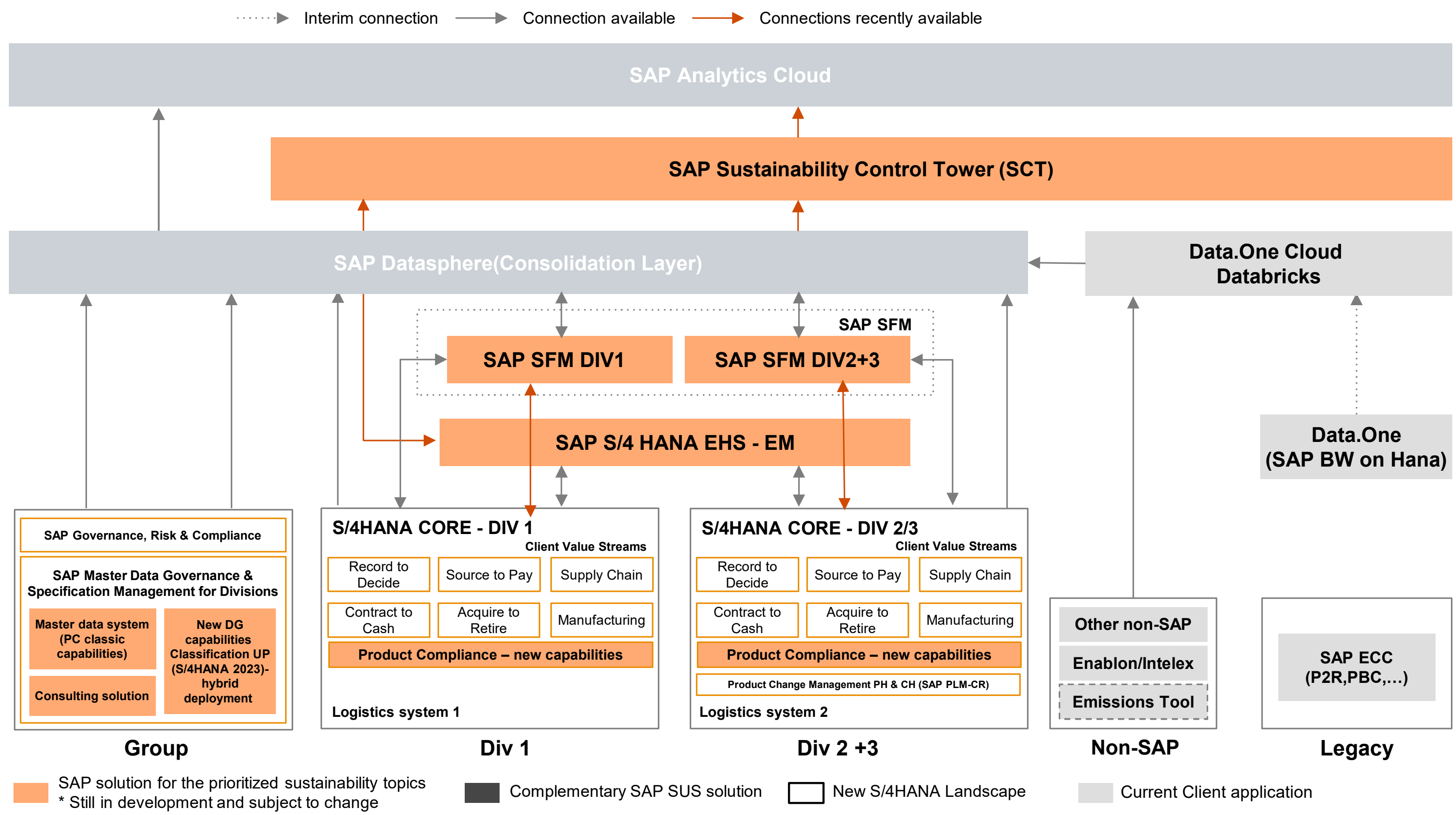
1. **Assess Climate Change Risks and Opportunities (TCFD)**
2. **Establish Net Zero Transformation Goals (SBTi)**
3. **Comply with Climate Disclosure Reporting to address investor trust and transparency gap**
4. **Manage Corporate and Product Sustainability Footprint to enable climate disclosure reporting**
5. **Drive sustainability transformation in upstream value chain via supplier collaboration**
6. **Monetize sustainability opportunities in downstream value chain via product design and business model innovation**

Illustrative Technology Architecture with SAP Products for a Global Pharma Company

Embed ESG as core workstream of an SAP/S4 transformation using SAP SCT as ESG Reporting solution

Investor Grade Tech-enabled Reporting Elements:

- **Integrated Architecture**: Leverage existing architecture and tools to build a scalable and integrated solution with focus on ESG-specific data and tools, calculation engine and rules, allocations, carbon ledger and adjustments, planning and forecast KPIs, reports and dashboards
- **Traceability**: End-to-end traceability between the source data, reports and disclosures
- **Audit & Controls**: Defined SOX-level controls across the end-to-end business processes, from climate data sources through disclosures
- **Self Service Reporting**: Self-service - KPI, data visualization, dynamic user-driven what-if modeling, integrated with existing management and external reporting tools



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Key takeaways

Feel free to reach out, we'd love to hear from you

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Thank you