Fujitsu
uvance

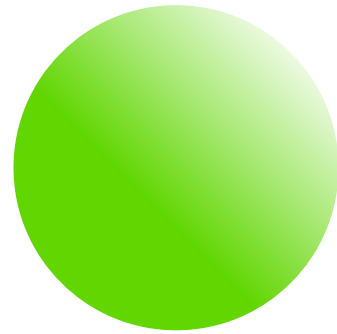# Make your move on sustainable transformation

How to build a modern, efficient, ethical enterprise with Fujitsu and SAP
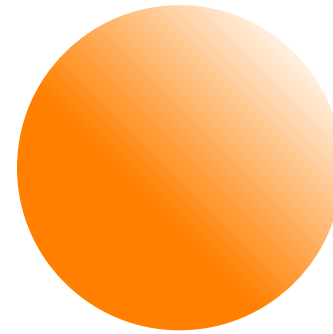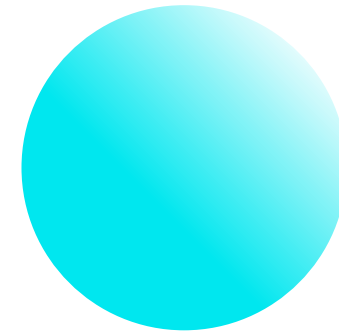
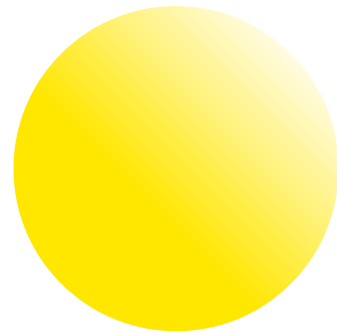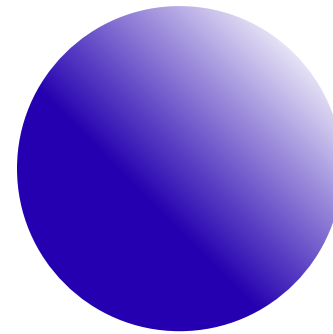FUJITSU | SAP Global Partner

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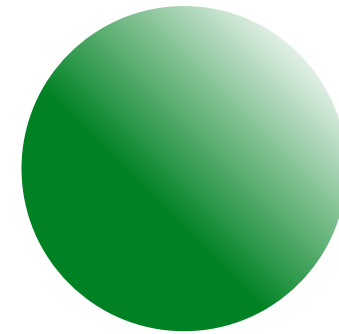
Ready to make your move?

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In recent years, there has been a shift in the way that organizations think about their purpose and focus. Rather than solely working for the benefit of their shareholders, many companies are now seeking to align their goals with those of the communities in which they operate. This means working for the benefit of employees and communities, as well as the planet.

We're seeing a massive emphasis on maintaining competitive advantages and finding efficiency improvements where possible, but now it's about doing this in a much more sustainable way. "

Gerren Mayne, UK Head of SAP Practice

Sustainable transformation, for me, is digital transformation with an Environmental, Social and Governance conscience and delivery focus. **▐▐**

Valerie Oosterhoff,
EMEA Business Development Director

In this eBook, we will explore the key challenges and considerations for IT decision makers seeking to operationalize their organization's DX and SX goals in a cohesive, non-siloed manner. We will also examine how the Fujitsu and SAP partnership can support enterprises in achieving their objectives in these areas as part of a comprehensive ESG strategy.

Sustainability transformation (SX) is the process of transforming business operations to bring about positive change in the environment, society, and economy. This transformation is driven by a variety of internal, external, and macro factors, including increasing customer and employee demands for ethical and responsible business practices, regulatory pressure, and the growing awareness of the need to address issues such as climate change and social inequality.

SX adds an important humanizing layer to organizational digital transformation (DX) efforts. DX is the process of modernizing business operations to keep up with agile, cloud-native, and disruptive competitors, and to use data and emerging technologies to power decision-making and better serve customers (and employees). When aligned, DX has a crucial role to play in allowing organizations to innovate their business models, measure and reduce emissions, ensure ethical supply chains, and invest in their people.

However, the challenge for many organizations is finding the alignment between their DX and SX objectives and programs.

High on the agenda

Fujitsu commissioned a survey, conducted by Forrester Consulting, revealing that sustainability is now a higher priority for enterprise leaders compared to two years ago.

The research found that:

67% said DX will help their organization to implement SX

60% plan to increase investment in the next year

60% of leaders said sustainability had become a high or very high priority in the last 24 months

**41%** said sustainability was in their top three management priorities

Making sense of the drivers of sustainability

There are a variety of internal, external, and macro factors driving the need for sustainability transformation. Internally, organizations are facing increasing pressure from customers and employees to operate in an ethical and responsible manner. Customers want to know that the goods they are buying are ethically sourced and responsibly produced. Employees want to know that they are working for organizations that are leaving a positive legacy on the environment and society.

Talent acquisition, especially among younger generations, often considers ESG in their decision-making process. These individuals want to know a company's social and sustainability goals early on because working for an ethical business is important to them. ESG factors play a significant role in their choice of employer. "

Gerren Mayne, UK Head of SAP Practice
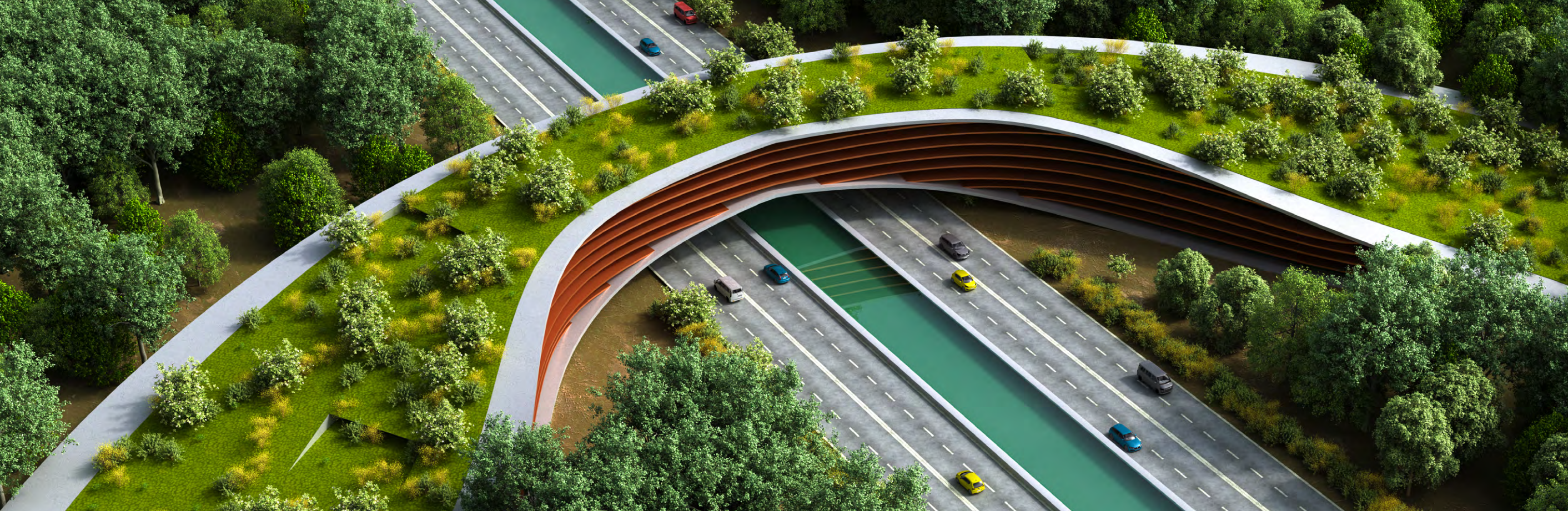
Externally, regulatory pressure is also playing a role in driving the need for sustainability transformation. Governments around the world are implementing increasingly strict regulations to combat climate change and other environmental and social issues. Organizations that do not take these regulations seriously risk being exposed to penalties and damaging their reputation.

On a macro level, the growing awareness of the need to address issues such as climate change and social inequality is driving the need for sustainability transformation. As organizations increasingly recognize the long-term value of investing in sustainability, they are willing to commit to decarbonization and other social and environmental issues. However, the challenge lies in measuring, substantiating, and reporting these efforts, and in employing the technology to do so.

Global direction

UN Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) are a set of 17 goals adopted by the United Nations General Assembly in 2015. These goals aim to end poverty, protect the planet, and ensure peace and prosperity for all people. The SDGs are a universal call to action to address some of the world's most pressing challenges, including inequality, climate change, and lack of access to healthcare and education.

Fujitsu and SAP are both committed to supporting the United Nations' SDGs. Specifically, we are focusing on promoting goals related to responsible consumption and production, industry, innovation and infrastructure, clean energy, and economic growth. As a global organization, Fujitsu has integrated the principles of the SDGs into our own sustainable transformation efforts. We use technology and digital communities to enable our employees to contribute to these causes within their working hours, empowering them to make a positive impact in the world.
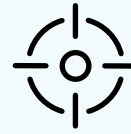
Making an impact

Addressing Science Based Targets

Science Based Targets (SBTs) are emissions reduction targets for organizations that are in line with the level of decarbonization required to keep global warming to well below 2 degrees Celsius above pre-industrial levels, as agreed upon in the Paris Agreement. These targets are based on the latest scientific evidence, and are intended to help organizations transition to a low-carbon economy and play their part in combating climate change. To be considered "science-based," a target must be in line with the level of decarbonization required to meet the goals of the Paris Agreement, and must be supported by an approved methodology and be subject to third-party verification.

Fujitsu and SAP are both committed to using SBTs to reduce greenhouse gas emissions and increase the use of renewable energy. We provide support to our customers in incorporating SBTs into their operations and supply chain through the implementation of methods and initiatives that aim to reduce carbon emissions. These initiatives include setting SBTs to decrease emissions from operations and the supply chain and increase the use of renewable energy sources.

The triple layered business model

A modern business isn't solely a commercial entity –
its impact extends across three key pillars:

The economic pillar

Including business activities,
customer relationships, costs and revenues.

The environmental life cycle pillar

Including supply chains, production,
distribution and end-of-life.

The social stakeholder pillar

Including employees, end-users,
local communities and social impact.

As the world's economies adapt to tighter monetary environments, organizations are placing even greater emphasis on profitability to stay in business. There's no getting away from the bottom line – but we believe that taking this triple-layered, pragmatic view equips an organization for success in the long-run.

A sustainable transformation is just one part of a wider, more complete change in how we look at everything. It involves looking at how we do things, how we source things, and, essentially, how we live. "

Valerie Oosterhoff, EMEA Business Development Director

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Challenges in aligning SX and DX

One of the key challenges in aligning SX with DX is operationalizing sustainability across the organization and wider customer and partner ecosystem. There are three key areas in which this challenge presents itself:

The humanizing layer

Business programs and processes

Enterprise technology

At the humanizing layer, the challenge lies in embedding SX into individual roles and responsibilities. This requires a shift in corporate strategy and reporting, from focusing solely on financial goals to considering a broader range of metrics such as decarbonization, community impact, ethical sourcing, diversity, equity, and inclusion, and employee wellbeing.

To ensure that SX is embedded into the organization's DNA, it is important to devolve ownership of environmental, social, and governance (ESG) initiatives to individuals and teams, so that they can feel part of the transformation.

In terms of business programs and processes, the challenge is to assess the success of these programs and processes in terms of more than just efficiency and productivity. This requires the development of metrics for ESG impact, as well as consistent and comprehensive transformation covering areas such as power and energy consumption, supply chain ethics and sustainability, circular economy, waste reduction, and water consumption.

Finally, **in terms of enterprise technology**, the challenge is to leverage technology to enable a comprehensive and quantitative approach to ESG. This means using technology to track, measure, and report on ESG initiatives at a granular level, and to learn and improve based on this data. For example, technology can be used to implement more robust and reliable processes around cybersecurity, tax transparency, and the monitoring of bribery and corruption. Additionally, technology can be used to set and track recycling targets, helping organizations to reduce their waste and improve their sustainability.

Overall, operationalizing SX across the organization and wider ecosystem is a complex challenge that requires a combination of cultural and behavioral change, the development of new metrics and processes, and the use of technology to enable data-driven decision making and continuous improvement. By addressing these challenges, organizations can ensure that their SX and DX goals are aligned and that they are able to advance in both efficiency and sustainability.

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Making progress possible

How Fujitsu and SAP support enterprises in operationalizing SX

As organizations seek to align their economic, social, and environmental responsibilities, the role of sustainability within the organization and its integration into decision-making processes becomes increasingly important. While determining the environmental impact of decisions and change requests can be challenging, organizations are beginning to consider this factor alongside traditional metrics like price and reliability. At the same time, stakeholders are recognizing the value of integrating sustainability into business operations.

Our approach to sustainable transformation is centered on the three pillars of environment, society, and economic growth.

Fujitsu and SAP's global partnership offers comprehensive SAP solutions and services to help organizations optimize their processes, improve operational efficiency, and drive digital transformation. By automating SAP operations and focusing on SAP landscapes, our partnership enables businesses to become truly efficient, data-driven intelligent enterprises with the agility to innovate in any economic climate.

Our approach to sustainable transformation is centered on the three pillars of **environment**, **society**, and **economic growth**. We work with organizations to improve efficiency and transparency, eliminate waste, and ensure responsible consumption and ethical practices, helping them advance their business sustainably towards a "true net-zero" future. To support organizations in achieving their sustainability goals, Fujitsu and SAP offer ways to enhance operational efficiency, monitor emissions, and optimize processes. In addition, our support allows SAP legacy customers to access a well-established ecosystem of partners to guide and accelerate their environmental, social, and governance (ESG) efforts.

The SAP portfolio offers a range of solutions to support organizations on their sustainability journey. ERP modernization with SAP S/4HANA helps organizations develop a stronger, cloud-based, and future-ready SAP system that can transform their business performance. Sustainability and ESG reporting solutions like SAP Sustainability Control Tower allow organizations to act on their sustainability goals at scale, providing audit-ready data and connecting HR, finance, and supply chain structures to key sustainability metrics. Fujitsu's Track and Trust digital ledger technology brings transparency and trust to an organization's supply chain, enabling them to track and trace products, ensure ethical sourcing, and reduce the risk of contamination.

By working together, Fujitsu and SAP help our customers advance their sustainability targets, creating long-term value for their employees, communities, and the planet.

Fujitsu and SAP's sustainability-focused portfolio

SAP Control Tower

SAP Control Tower is a sustainability management and environmental, social, and governance (ESG) solution that enables businesses to act on their sustainability goals at scale. The tool allows for the creation of audit-ready data and the connection of HR, finance, and supply chain structures to key sustainability metrics. This enables organizations to respond efficiently to common standards for voluntary and mandatory reporting. SAP Control Tower also helps build trust and transparency with stakeholders by providing accurate, auditable, and reliable financial and non-financial data.

S/4HANA

S/4HANA is a cloud-based SAP solution that can improve the performance of businesses. It allows for reporting against ESG requirements and provides the necessary compute power to manage ESG components across functions. It also supports migration to cloud-based solutions and focuses on improving efficiency and transparency in operations. This can help to eliminate waste and ensure responsible consumption and ethical practices in modernization plans.

Track and Trust

Fujitsu's Track and Trust technology is a digital ledger-based solution that offers a trusted point of validation for various stages of production, supply, distribution, and sales. It provides supply chain traceability and transparency, allowing for the tracing, tracking, and verifying of an item's credentials throughout its journey. This can help improve operating efficiencies, reduce waste in the supply chain and eliminate any unethical practices. Additionally, it can support organizations in achieving their Sustainable Development Goals and implementing their Environmental, Social, and Governance strategies.
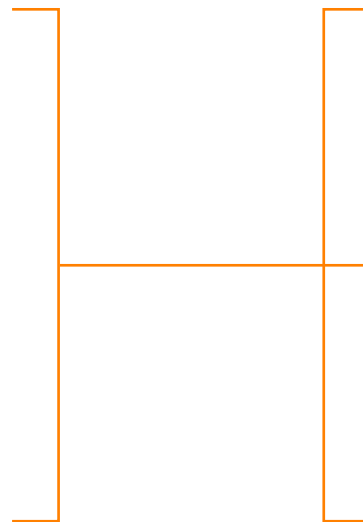
Making a difference to European supply chains

AB InBev

Establishing provenance in beer production using DLT

In October 2020, **AB InBev** launched a pilot in Europe to give full transparency and traceability of its supply chain of barley, from consumer to the farm for one of its brands, Leffe. This pilot is an important episode in the journey to 2025, by which AB InBev pledges to have used its research knowledge, technology, and financing to transform 100% of its direct farmers with skills, connectivity, and financial empowerment.

We're excited about the potential to bring this project to our European growers, and to show beer drinkers where the barley in their Leffe is from. **"**

Erik Novaes, Vice President of Procurement & Sustainability, AB InBev

Challenge:

To produce a data set and platform delivering a decentralized, immutable, and real-time environment.

Solution:

New private, permissioned blockchain solution. Integration of applications, corporate SAP ERP, and external 3rd party environments. Consumer mobile application for interacting with the blockchain solution.

Outcomes:

Pilot success represents a milestone in building the digital capability to help achieve AB InBev's environmental and sustainability goals. It gives consumers transparency into what goes into making their beer.

Extending the Fujitsu Uvance philosophy to SAP estates

Fujitsu Uvance is Fujitsu's commitment to connecting companies and leveraging their strengths to drive positive change. Sustainability is at the core of Fujitsu Uvance's mission, and it seeks to advance customers' businesses in a way that has a positive environmental, societal, and economic impact. Fujitsu Uvance works with SAP to provide technology-supported, recycled-oriented, green value chain solutions. It also focuses on helping create a more foresighted, automated, data-driven, and human-focused community. By leveraging the right technology, data, and shared values, Fujitsu Uvance helps businesses align their sustainability goals with their business priorities.

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Making your impact

Sustainability is increasingly becoming a key component scrutinized to assess the longer-term, holistic success of any business. An organization's approach and its commitments to initiatives such as Net Zero increasingly matters to customers and employees. It influences who they choose to buy from and work for. Organizations that fail to address sustainability risk alienating their customers and workforce, while damaging their reputation.

Advancing your business sustainably and operating responsibly is essential to meeting your ESG targets and benefiting wider society. To do that, you need to leverage the right technology, digital practices, data, and shared values. Only then can you make a positive environmental, societal, and economic impact. This is where Fujitsu and SAP can support you. Our combined offering provides the foundations for you to transition to a more sustainable business model by measuring and reducing emissions, ensuring ethical supply chains, and investing in your people. And all this while making operations simpler and more efficient.

For everyone, sustainability needs to be a fundamental factor in all ongoing commercial decision making. Sustainable transformation means purposeful change. Keen to stay ahead of the curve, Fujitsu is already helping businesses advance in this area. We can do this for you too. So, you can look forward to a true net-zero future, unlock growth opportunities, reduce inequality, ensure employee wellbeing, and benefit society at large.

In conclusion, sustainability transformation is essential for organizations to create long-term value and to align their goals with those of the communities in which they operate. However, aligning SX and DX goals and programs can be a challenge. The Fujitsu and SAP partnership can support you to reach your SX goals by providing a portfolio of solutions and services, helping you to modernize your operations and advance in both efficiency and sustainability.

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Ready to make your move?

We can help you to leverage SAP technology to guide your sustainable transformation.

> If you'd like to discuss your transformation in more detail, please email askfujitsu@fujitsu.com and we'll put you in touch with one of our experts.

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