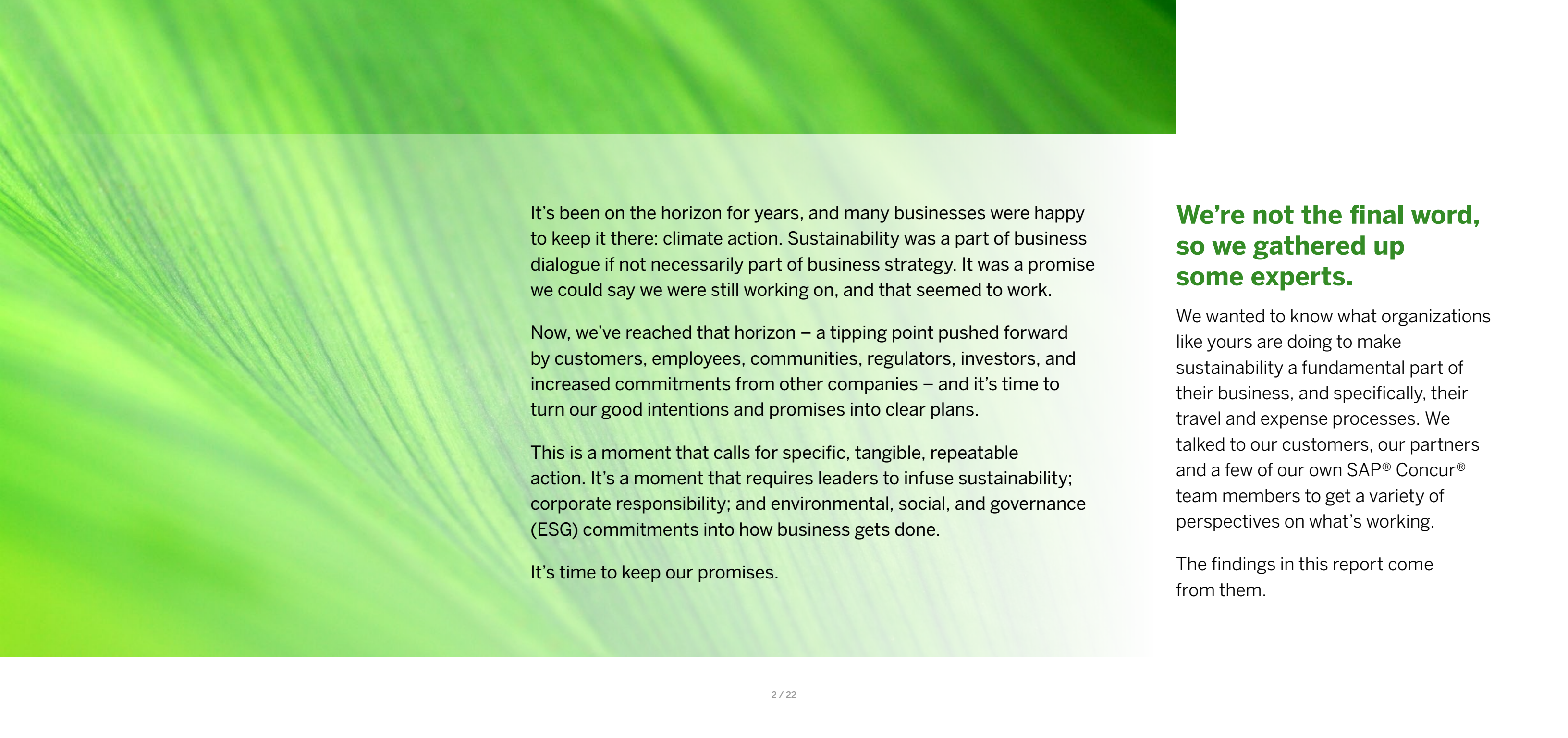# No More Promises

Building Tangible Sustainability Into Your Business

THE BEST RUN **SAP**

It's been on the horizon for years, and many businesses were happy to keep it there: climate action. Sustainability was a part of business dialogue if not necessarily part of business strategy. It was a promise we could say we were still working on, and that seemed to work.

Now, we've reached that horizon – a tipping point pushed forward by customers, employees, communities, regulators, investors, and increased commitments from other companies – and it's time to turn our good intentions and promises into clear plans.

This is a moment that calls for specific, tangible, repeatable action. It's a moment that requires leaders to infuse sustainability; corporate responsibility; and environmental, social, and governance (ESG) commitments into how business gets done.

It's time to keep our promises.

We're not the final word, so we gathered up some experts.

We wanted to know what organizations like yours are doing to make sustainability a fundamental part of their business, and specifically, their travel and expense processes. We talked to our customers, our partners and a few of our own SAP® Concur® team members to get a variety of perspectives on what's working.

The findings in this report come from them.

The Net-Zero Clock is Winding Down

Over the last few years, many organizations have set net-zero carbon goals that are now coming due, so C-suites are clamoring to get to "X" by "Y". Getting there means going beyond marketing promises to operational reality. It means tangible proof of improvement, not more greenwashing.

- Recruitment and retention are also behind businesses' focus on sustainability. In an increasingly tight labor market, corporate sustainability commitments are driving employees' decisions about where to go and if they stay.

- Rapidly changing ESG regulations play a role, as well. In the European Union, for example, scope 3 emissions regulations will *require* organizations to report on business travel emissions.

- Plus, corporate focus on reducing and removing carbon is at an all-time high.

- And finally, it comes down to the realities of financial risk and reward. Regulatory requirements make sustainability a risk-mitigation strategy and, therefore, a financial opportunity. And as the topic continues to draw the attention of leadership, it becomes increasingly important to CFOs.

Companies are getting closer to their net-zero commitments – and they're paying attention – but as economic pressures increase and financial forecasts become more challenging, it will be tempting to turn their heads. As this report shows, they do so at their own risk.

The Path Doesn't Matter, Progress Does

Each organization's ESG and sustainability journeys are unique – and they should be. They should be driven by values, priorities, and regulatory requirements specific to your company or industry. Likewise, companies and industries are all at different points in their journeys, so the support and information organizations need truly runs the gamut.

Where does SAP stand? Zero emissions. Zero waste. Zero inequality.

We strive to lead by example in our own sustainable business operations, and so we:

- Have a climate action goal of net-zero emissions by 2030. On our pathway toward net zero, the next intermediate milestone is 2023, when SAP aims to be carbon neutral in its own operations.

- Are taking steps to recycle our electrical and electronic waste; reduce water usage; and phase out single-use plastics from SAP-run spaces, events, and customer- and employee-facing items.

- Are committed to respecting and promoting human rights across our operations, our extended supply chain, and the product lifecycle.

Just as importantly, we're working to provide solutions that help our customers meet their sustainability objectives, as well as:

- Providing integrated reporting and insight to measure progress, report to regulators, and guide decisions.

- Building sustainability and social responsibility into core processes – from manufacturing and logistics to finance, HR, and the company as a whole.

[Get more information on SAP's sustainability strategy and solutions.](#)

To help you assess where you stand and how best to move forward, we pulled together experts and pooled their insights. They'll provide you with ideas, whether you're just getting started with ESG, building momentum with your initiatives and looking to increase your impact, or setting the pace as an ESG leader and looking for what's next.

CHOOOSE

CHOOOSE offers complete platforms to build and manage high-impact carbon programs – including through the officially endorsed Climate App for SAP Concur that allows businesses to seamlessly measure, reduce, and manage their carbon emissions.

everstream ANALYTICS

Everstream Analytics gives businesses the visibility, predictive insights, and risk analytics to turn supply chains into business-changing assets – removing the traditional blinders of traditional data to offer more complete information, sharper analysis, and accurate predictions.

thrust

Thrust Carbon offers a sustainability intelligence platform that enables businesses to report performance, explore personalized intelligence to reduce their footprint, access comprehensive vendor indexes, and actively nudge and engage employees to change behavior.

tripkicks

Tripkicks enables companies to influence the decisions of travelers to be better aligned with program priorities, helping to move the needle on initiatives like sustainability, traveler experience & wellness, DE&I, and compliance & cost savings.

Getting started with ESG means determining where you can make the biggest difference in and across your business. It's where you do the work to define the impact your organization has on the environment and society. It's where you identify what matters to you and your teams, what your regulatory accountabilities are, and what you should be doing next.

Topic 1: **Focus**

If you're just getting started:

The team at **CHOOOSE** outlines how this process typically begins with a materiality assessment, which can be done internally or by an external consultant. This assessment helps an organization consider what dimensions of sustainability are most important to their business, their customers, their employees – all of their stakeholders. The assessment also:

1. Helps organizations engage those stakeholders in their sustainability strategy and journey.

2. Prioritizes where companies can have the most impact.

That could mean clean energy and climate, or more of a social focus, like diversity, equity, and inclusion (DE&I). Or it could mean a greater focus on business travel, because it contributes to the company's carbon footprint and matters to employees. Either way, that assessment should be built around both its potential impact and the company's ability to make it happen, because the things you, your team, or your customers care most about aren't always what you're equipped to do.

A simple way to get started with travel, expense, and invoice processes.

Automating everyday processes not only makes you more efficient, it also makes your company far less wasteful. Imagine eliminating the last scraps of paper and physical receipts from your AP and expense-reporting processes, for example.

See how your travel program stacks up with this **self-assessment**.

If you're building momentum:

For most organizations, priorities are driven by their industry. We've seen SAP manufacturing customers, for instance, often start with facility and process emissions, or the sourcing of raw materials, before expanding into logistics or delivery emissions and efficiency.

No matter where you started, it's time to move beyond your areas of first impact out across your organization. As you do, it's important to note that in companies where business travel emissions are a small share of their absolute emissions (sticking with our manufacturing example), *travel* emissions are extremely visible to employees. Several SAP Concur customers, in fact, cite this visibility as one of the reasons to prioritize business travel emissions: It's a way to help attract, retain, and engage employees.

Service companies, on the other hand, may start with a focus on their internal offices' energy consumption and waste, then move to DE&I in their procurement process and both emissions and DE&I in business travel.

If you're setting the pace for what's next:

Here's where the big picture gets huge. You'll move beyond your own performance to focus on all the businesses you work with to get work done.

The **Tripkicks** team recommends digging into your supply chain – the vendors, partners, and suppliers you rely on – and making sure they share your sustainability standards.

- Take procurement, for example. Be sure your ESG goals are a part of your sourcing process and are included in any RFPs or RFQs you send out.

- When it comes to business travel, don't just stop at air, rail, and mileage emissions. Examine how your hotel and meetings/events partners are performing on an emissions and waste perspective, or how they're faring with DE&I efforts. Then see if there are ways to better support minority-owned businesses throughout your travel and expense program.

This is also the time to consider supporting sustainable solutions across your supply chain, like Sustainable Aviation Fuel (SAF) – which **CHOOOSE** says will play a meaningful role not only in companies' ability to address business-travel-related carbon emissions, but also in decarbonizing aviation.

Finally, **Everstream Analytics** emphasizes the importance of looking at how catastrophic weather events – even if they only impact a small geographic area – can impact the efficiency of your locations and operations. And if you don't have a physical presence in that area, does your supply chain run through it? To truly be ready for what's next, you'll want to explore predictive climate analytics and forecasting, which can help you manage everything from sourcing, operations, and site planning to delivery and transportation plans.

The future of travel sustainability.

SAP Concur is shaping the future of travel – a project we're calling the Evolution of Concur Travel. In doing so, we will help:

Guide travelers' choices and help them limit emissions by:

- Displaying CO_2 models and green labels.
- Offering multi-modal shopping and policies with travel alternatives.
- Enabling filters for sustainable options.

Deliver reporting that helps organizations fulfill their sustainability goals, including:

- Enriched data detailing sustainability indicators.
- Sustainability dashboards providing visibility into carbon emissions.
- Intelligence that allows you to set, manage, and measure departmental carbon budgets in real time.

Help travelers feel included, accepted, and protected through:

- More control over personal data.
- Improved profile capabilities that support non-binary gender preferences, health data, etc.
- Expanded duty of care partners, providing more options for traveler safety, security, and assistance.

The old adage of "you can only manage what you can measure" is as true for sustainability as anything else. But in an area so new and so rapidly evolving, it's difficult to know if you're measuring the right things – or if what you're doing is what should be done.

Topic 2: **Metrics**

If you're just getting started:

Begin with the materiality assessment mentioned earlier: Making certain your goals are clear by getting granular with how you'll measure them. Lean on tools and templates that have been proven to work, like **Science Based Targets initiative (SBTi)** that have guidance per industry. And look to your partners across key processes to capture the information you need.

What else should you consider? **Thrust Carbon** outlines:

- The importance of using a carbon calculator to get – in real time – the most accurate business travel emissions data possible. And if you work with a travel management company (TMC) or online booking tool, ask them what tips and tricks they can share.

- The need to think broadly about travel emissions. Remember, not all emissions come from transient travel booked via a booking tool or TMC. Don't overlook unmanaged travel bookings, public transportation, taxis, and meetings and events in your emissions reporting.

And the **CHOOOSE** team reminds us of the importance of automation – especially when it comes to business travel – using tools to do the calculations for you faster and more accurately, because they're connecting directly with your travel booking data.

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If you're building momentum:

Now's the time to consider setting a net-zero goal and making sure you have a realistic path to achieving it. Or, if you've set one already, you need to prove your measured progress toward that goal.

Thrust Carbon notes the importance of going beyond preliminary metrics to make sure you're measuring (and that you understand) root causes – and that you're learning which levers to pull to improve the metrics you've already set. It's also important to drill down to the department level to compare and contrast trends, which allows you to pinpoint specific high-emitting processes or behavior. Getting back to our business travel example: It's easy to focus on air travel as a primary emissions culprit, but don't forget to include ground data, like rail, mileage, and rental cars.

Building momentum also means continuous monitoring of how you're doing, not just measuring what you've done. This must include, of course, constant monitoring of your partners, vendors, and entire supply chain, as well.

As **Everstream Analytics** points out, many procurement teams are responsible for continuously monitoring environmental, human, and governance risks across their supply chains. With the right tools, they can map, evaluate, and monitor suppliers and design models to mitigate near and long-term social risks, from human rights violations to workforce and product safety. They can also assess governance risks, such as civil and criminal investigations, bribery and corruption, and data security.

If you're setting the pace for what's next:

Business-wide reporting now becomes a mandate. In the past, companies have separated financial reporting from ESG responsibility reporting, often going as far as creating separate annual reports on the subjects.

Now, leaders from many SAP customers are pulling those reports together to offer a broader look at their business. This integrated reporting connects what's coming into a business – from the intellectual talent of employees to natural resources used in manufacturing – to the activities driven by the business, plus the impact these activities have on society and the environment.

Business leaders will keep this trend moving as they:

- Place greater emphasis on ESG and workforce/people metrics.

- Integrate those metrics with financial measures, aligning all aspects of the business with wider company goals.

- Present unified annual reports that cover all of these subjects.

- Provide employees consistent, clear reporting on measurable sustainability goals – including business travel.

How much does it matter?

Sustainability is now an essential part of business strategy and success. In a 2022 SAP Insights survey of 6,669 business leaders in 40 countries:

- **60% of business leaders say** that sustainability has a moderate or strong effect on long-term competitiveness and profitability.

- **87% say** that sustainability measurement and reporting on environmental issues informs their companies' strategic and operational decisions to a strong or moderate degree – a 12% increase from last year.

- **59% believe** environmental issues are, or will soon be, material to business results.

Topic 3: **Leadership and Employee Engagement**

Building sustainability and ESG into your business takes commitment and engagement up, down, and all across your org chart, whether you have 10 employees or 100,000. We're talking about changing behaviors here – melding a sustainable mindset into the culture of your organization. Because that's the only way for this work to work.

But how do you make it happen?

If you're just getting started:

Tripkicks has some specific tips to set you up for success. It starts with getting executive buy-in early. This isn't a pet project, it's organizational change that requires a commitment from leadership, right from the start. You'll also want to establish a rhythm of communication with employees and executives alike – educating them about the strategy and helping them see how it relates to them.

This must start as soon as the onboarding process and continue through webinars, lunch-and-learns, or any other educational format that fits your company's culture and development model.

Above all, be thoughtful and creative about how you get the word out.

51% of organizations cited senior leadership modeling as a top strategy to help change internal behavior.

—SAP Concur Sustainable Mobility Research 2022

If you're building momentum:

The goal here is to make it impossible for employees to miss your sustainability strategy in their everyday work. Look for ways to give them guidance as they're making decisions, because ultimately, every decision impacts your business and your ESG performance.

The **Thrust Carbon** and **CHOOOSE** teams have found travel is a great place to start. Not only is it a highly visible category that can showcase your successes, it's also an easy way to engage employees whose travel decisions can have an immediate effect. Look for tools and apps that guide employees as they decide where and how to travel – offering info on everything from emissions, to offsets, to their own safety on the road.

At the same time, many SAP customers use procurement system and catalogs as a way to show employees if they're buying from a diverse supplier or not. With the right tools, your teams can see suppliers who are "woman owned" or "Hispanic owned," etc., as well as a host of other identifiers displayed in catalog item details.

How you get there.

Business travelers are looking to their company to help them make more sustainable choices. Having sustainability information for their travel options is important to **nearly all business travelers (94%)**. And it's not just a minor concern, as **48% of business travelers say** having visual indicators of the environmental impact is very or extremely important.

—2022 SAP Concur Global Business Traveler Survey

If you're setting the pace for what's next:

We've seen our most progressive customers move beyond the walls of their organizations and begin leading conversations in their industries and communities – pushing for development standards and frameworks.

You'll also want to make sure you're continuously evaluating the diversity of your own sustainability team to ensure you're exploring ESG goals and plans from every perspective.

Expand accountability to multiple leaders throughout the organization, as well, to amplify the impact of your programs and plans.

An SAP Insights 2022 survey found that the number of businesses assigning accountability for sustainability to more than one leader **increased 24%** from last year. Meanwhile, **19% fewer businesses** than last year left sustainability in the hands of one leader.

—*Source: SAP Insights 2022*

Sustainability and ESG programs might start in one part of your business, but that's not where they stop. Cross-functional ESG teams are critical to remain clear on your strategy, coordinated in your efforts, and focused on your goals.

Topic 4: **Cross-Functional Teams**

Topic 4: **Cross-Functional Teams**

If you're just getting started:

Successful SAP Concur customers advise not to get too complex too quickly. Start with the key players and remain focused on what you can accomplish with your plans and metrics. You should strive to meet and communicate regularly using reporting to keep everyone in the loop on progress.

If you're building momentum:

The key here is assigning dedicated leadership to your efforts, because if you don't have focused resources in place, who's going to be responsible for driving your initiatives? In recent research, we discovered that only 36% of companies have a dedicated sustainability position in place, such as a Sustainability Manager or Chief Sustainability Officer, and just 10% of businesses have an entire team committed to improving sustainability.

If you're setting the pace for what's next:

It's important for your organization to put its money where its promises are and support critical initiatives across the company with focused investment – so advocate for a dedicated budget.

Tripkicks and **Everstream Analytics** recommend building a cross-functional team that spans your company and collaborates on both strategy and execution – making sure you frame sustainability goals in the context of each department's focus. For example, in sourcing and logistics, show how improved sustainability can increase efficiency and reduce costs. In HR, make the connection between sustainability and attracting/retaining the right talent. And in marketing, demonstrate the impact sustainability has on your brand's reputation.

Welcome to the Sustainability Horizon, Here's What We See

Our partners and customers have offered these insights and ideas to help you move forward on your ESG path, but where do you go next? What can you expect in the next three, six, or 12 months?

- According to **Tripkicks**, carbon removals are ripe for innovation, offering an increasing focus on getting carbon dioxide out of the air to complement concepts like sustainable aviation fuel.

- **CHOOOSE** recommends patience and flexibility as reporting standards continue to evolve. Even as the reporting landscape keeps shifting, having a centralized overview of your sustainability data – particularly emissions data – will always be vital. It's the only way to make sure you're ready to report effectively and efficiently.

- **Everstream Analytics** suggests broadening visibility to your extended supplier network to spot ESG vulnerabilities, improve sustainability initiatives and demonstrate compliance with emerging supply chain regulations.

- Our own SAP team reminds us that regulatory requirements will also keep changing, so keep an eye on the European Sustainability Reporting Standards (ESRS), the climate disclosure rule in the U.S., and the International Sustainability Reporting Standard (ISSB). You'll also want to pay attention to additional changes in the countries where you're located and the markets in which you do business.

A Nod to the Experts

We want to thank everyone who's pushing sustainability and ESG efforts forward, especially those partners whose experiences helped us create this report. **CHOOOSE, Thrust Carbon,** and **Tripkicks** are a vital part of the SAP Concur ecosystem – they're SAP Concur App Center partners that extend Concur Travel solutions and help tackle the sustainability challenges we've covered. **Everstream Analytics** is also an SAP partner – working with SAP solutions to bring predictive insight and analysis that can drive inefficiency out of operations and build more flexible, reliable supply chains worldwide.

SAP Concur C·

Tangible Sustainability Together

If you're making – and are planning on keeping – your promise of sustainability, you don't have to do it alone. We're all in this together, and between you, our SAP Concur solutions, our partners, and the insights of all our customers, we'll make travel, supply chains, and business itself more sustainable.

Let's get started >

Sustainability Thought Leadership enUS (23/04)

THE BEST RUN SAP