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## Podcast: Inside SAP S/4HANA Cloud

Episode 131: From data to impact: BASF Coatings' journey with SAP Sustainability Footprint Management



**Fig. 1 – Cover art of Inside SAP S/4HANA Cloud podcast**

Figure description – An image with a silhouette of a hand holding up a loupe over a blue circuit board. A solid blue block featuring the title “Inside SAP S/4HANA Cloud From Product Experts to Product Experts” and SAP logo is under the image.

# Transcript

**Claudia Rosbach:** [00:00:00] Welcome to the podcast *Inside SAP S/4HANA Cloud*. There is no customer success without product success and project success.

My name is Claudia and I'm part of the Cloud ERP Product Success team. Today we will talk about SAP's sustainability solutions and SAP Sustainability [00:00:30] Footprint Management in particular. We will learn how our customer, BASF Coatings, is leveraging SAP Sustainability Footprint Management to calculate, manage, and reduce its environmental impact. Here with me today is Maximilian from BASF Coatings and Nico from SAP.

Could the two of you quickly introduce yourself with your current role? Let's start maybe with our external guest, Maximilian.[00:01:00]

**Maximilian Bauer:** Hello, my name is Maximilian Bauer. I'm from Muenster. I've studied food chemistry and started seven years ago at BASF Coatings in the product safety department. Now I'm working in the sustainability department of our company, and want to bring sustainability to a whole new level with the help of data, AI, and all the new tools to measure these numbers. And you can basically [00:01:30] say, I am loving science and data.

**Claudia Rosbach:** Amazing. Over to you, Nico.

**Nico Wottke:** Thanks. Hi everyone. My name is Nico Wottke. I am product expert working in our SAP sustainability product management team. So the team that is basically defining the strategy and the features of our sustainability solutions.

**Claudia Rosbach:** Perfect. Thank you so much. To kick things off, Nico, could you provide us with a broad overview of SAP's Sustainability [00:02:00] Solutions?

**Nico Wottke:** Happy to do so. Yeah. Our vision is really to embed sustainability into the core of business operations and not treat it as an add-on. We do this through the three pillars, applications, data, and AI. So on the application side, the sustainability capabilities are integrated into the core processes, like for example, finance, supply chain or product design. On data, we are building a single sustainability data [00:02:30] foundation via the SAP business data cloud, and that's enabling consistent, auditable and connected insights. Of course, AI. We are infusing artificial intelligence for automation, for predictive insights, and therefore making sustainability faster, smarter, and also scalable. And in general, we are talking here about four focus areas in our sustainability portfolio that have a set of key capabilities. And those capabilities are of [00:03:00] course, constantly revised and evolved based on the needs of personas and of customers like here, BASF coatings. The first focus area is sustainability management.

Here we talk about strategy, KPI, tracking, and of course regulatory reporting. So in the European Union we have the CS RD directive, and here we provide a set of features for doing so. Carbon



accounting is the second focus area, which consists of corporate and product level [00:03:30] footprints that are deeply integrated with finance. Third, sustainable supply chain. This is all about transparency, circularity, and also compliance across the entire value chain. And last, but certainly not the least, operational compliance, which is a well established need and is all about ensuring safety, environmental, and product compliance.

**Claudia Rosbach:** I see. And what makes SAP sustainability solutions stand out?

**Nico Wottke:** So what [00:04:00] makes us stand out is that this sustainability really is embedded in the business suite, so it's part of your ERP and your processes and not a separate system. With our one data model, we ensure harmonized sustainability, financial and operational data. That is then available for audit ready reporting, and also cross domain insights. And with AI at scale, we are delivering here really a lot of additional AI use cases. So what is already available is, [00:04:30] for example, automated emission factor mapping or an AI assisted reporting, and also AI based risk prediction. And we're evolving this further over time to really infuse AI everywhere. This integrated approach then helps our customers to manage risk and show compliance and unlock new value, and thus turning sustainability into a driver of growth and resilience.

**Claudia Rosbach:** Thanks. To our today's topic, could you expand a bit more on SAP [00:05:00] sustainability footprint management?

**Nico Wottke:** So SAP sustainability Footprint management is a cloud solution that is running on the SAP business technology platform, and it enables an ERP centric and end-to-end carbon management. So what do we mean by that? We are calculating corporate and product carbon footprints at scale and always based on existing ERP data, and of course aligned with standards like the greenhouse gas protocol and other yeah, major reporting [00:05:30] standards. And why does it matter? So companies today face growing pressures from regulations such as the CRD that I already mentioned. But also rising investor expectations and the need to decarbonize the entire supply chain and for doing so accurate and auditable carbon data is critical, just for compliance, but also for really strategic decision making and cost efficiency. how SAP sustainability footprint management [00:06:00] works is we're leveraging here existing ERP data, so coming right from SAP S/4HANA Cloud, and this consists both master, but of course also transactional data. So all the material movements that are already there and we are adding then supplier and third party data and thus are able to calculate granular and automated level. Those calculations can be very flexible. So we provide different calculation methods like averages, spend [00:06:30] based, and of course also supplier based. And with that, our customers can also improve the accuracy over time. So for example, start with averages and move towards more and more actual data. And the calculation results are deeply embedded into the processes.

So the results flow back into processes like procurement, like finance, or like planning. And with that we're enabling actions like green sourcing or also carbon informed budgeting. And of course we also have AI capabilities in the [00:07:00] product. So we have, for example. AI-Assisted Emission factor mapping that automatically then maps ERP data to LCA data and therefore we are accelerating the scope three calculation and reducing manual effort.



**Claudia Rosbach:** Thanks for explaining how it actually works. Nico, what are the key use cases that we are addressing today and what sets SAP apart?

**Nico Wottke:** So our key use cases can be broken down into calculating corporate carbon [00:07:30] footprints and product carbon footprints. So for corporate carbon footprints, we provide a full GHG compliant calculation of the GHG protocol scope one, two, and three, and therefore have a visibility for compliance risk management, and also enable our customers to steer decarbonization on their entire company.

On the product level, we are calculating here cradle-to-grave footprints and therefore providing really insights into the [00:08:00] entire product lifecycle so that our customers can then design low carbon products and also support green procurement. And what sets us apart is our ERP centric approach, I would say. So we are really using here real and actual business data and are not relying on some averages or some estimates.

And of course also our integration with the entire SAP suite and enables audit ready reporting and transparency across the entire supply [00:08:30] chain. With that, we had been helping our customers to make sustainability measurable, but also embedded into everyday business decisions. So our customers can really take action. Of course, I can continue for hours and talk about our great product capabilities.

But I guess also, nothing of course speaks louder than real world impacts. So I'm very happy that Maximilian joins here today in this podcast because BASF coatings really is not only a great example of how these [00:09:00] capabilities come to life in practice. But they are also a fantastic partner in jointly driving innovation together.

**Claudia Rosbach:** Amazing, Nico, now that you're mentioning BASF coatings, that's a great segue to Maximilian.

Maximilian, we are thrilled to have you share insights about BASF coatings journey. First, could you give us a brief introduction to BASF coatings for our listeners?

**Maximilian Bauer:** Hello. Yeah, thanks. It's a pleasure to be here.

BASF Coatings is [00:09:30] a global leader in innovative and sustainable service solutions. As part of the BASF Group, we specialize in high performance coating and in especially for automotive and aerospace industries. We are serving both original equipment manufacturers and the aftermarket. Beyond that, we develop advanced surface technologies for a wide range of industrial applications. So we see we have a quite big portfolio. With more than a century of expertise and a [00:10:00] strong presence across Europe, the Americas, and Asia, we combine scientific excellence with customer-focused innovation. And our mission is clear: to drive sustainability, digital transformation, design excellence in everything we do.



In short, BASF Coatings doesn't just protect surfaces. We are enhancing them, making products more durable, efficient, and visually striking. I mean, look at all the colors.

And today, I'm excited to share not only who we are, but also how topics and [00:10:30] digitalization and especially sustainability things has impact. All of us are shaping our journey.

**Claudia Rosbach:** Thank you for that introduction. Now, could you share your experience with SAP Sustainability Footprint Management, and how it has influenced your business operations?

**Maximilian Bauer:** Yeah, sure. we as BASF Coatings, we are a badge based producer. So that means we have the challenge of massive amount of data coming from production. It's basically a streamlined process to [00:11:00] make at coatings, but the point is we have new products every month, every different color Shade is a new product. This means you must be agile to get full sustainability insights into your products.

In the end, the product has. manageable complexity in terms of the production, but the complexity comes as mentioned with the amount of products and the amount of raw materials necessary. And SFM provides exactly what the solution we were searching [00:11:30] for: fast calculations, capabilities to handle hundreds of thousands or even millions of different products and full integration into our system.

I mean, look at the numbers; nobody can handle this manually. And, as the saying goes, you can only improve what you can measure, SFM is offering exactly this to us. these insights, we are now able to offer our customers more sustainable products and make data-driven decisions that then definitely benefit the business and their environment.

**Claudia Rosbach:** [00:12:00] Thanks for sharing these insights. Reflecting on your journey, Maximilian, what would you identify as your key learnings and the challenges you faced while implementing SAP Sustainability Footprint Management?

**Maximilian Bauer:** Implementing SFM, or SAP Sustainability Footprint Management, it has truly been a learning journey for us. One of my key takeaways is that the tool gives you a completely new level of transparency. Suddenly you are able to view your [00:12:30] whole production processes through a kind of sustainability lens, which can be both eyeopening and challenging, due to the amount of information you get. But to really benefit from this transparency, it's very important to plan for the technical complexities that can arise during implementation.

Every company has a different IT landscape, and integrating different systems or data sources can require more time and resources that you might expect from the beginning. There's no one size [00:13:00] fits all approach, or click and connect. Sometimes you need to get creative with technology to make everything work together. Despite these changes, I can say it's absolutely worth the effort. The insights you gain not only help you steer your sustainability strategy, but also empower your teams to make better, more responsible decisions every day.



**Claudia Rosbach:** It's really inspiring to hear about your journey, and I love the creative mindset you are stressing.

Looking ahead, [00:13:30] what's on the horizon for BASF Coatings, especially concerning sustainability initiatives.

**Maximilian Bauer:** Sustainability sometimes faces a bit of headwinds in the public debate, but we are convinced that demand for sustainable products will only increase globally. There's no other way for mankind. That's why we are investing in sustainability now, even if it's not always the popular choice. At this very moment at BASF Coatings, we are entering a new phase of sustainability, one that [00:14:00] goes beyond carbon footprint reduction and dives deeper into additional impact categories like, for example, abiotic resource depletion. That means we are not only looking at how much CO2 we emit, but also how we use finite resources like minerals and metals, which are critical to the coatings industry.

Looking at pigments, for example. It's a game changer for transparency in decision making and Sustainability Footprint Management enables us to offer completely new sustainable products to our customers [00:14:30] with these incidents.

We are also scaling up solutions like the biomass balance approach and camping, help us replace fossil based raw material with renewable or recycled alternatives. These innovations are already embedded in many products and are being adopted by customers across automotive, industrial, and finished markets. Ultimately, our goal is to empower our customers with data-driven insights and sustainable products that meet their climate goal while making [00:15:00] sure we stay ahead of regulatory and market expectations, it's about shaping a future where coatings not only protect surfaces, but also protect the planet.

**Claudia Rosbach:** Fascinating insights. Thanks Maximilian.

And that's actually a very good segue to share some more insights on SAP's plans to extend SAP Sustainability Footprint Management to go beyond carbon. Over to you, Nico.

**Nico Wottke:** Yeah, I, really loved what Maximilian just touched up on, because it perfectly [00:15:30] matches to also our strategy of how we are moving Sustainability Footprint Management forward and moving from carbon only. What we are doing today, really beyond carbon, to calculate multi impact sustainability footprints, so leaders can really manage risk, cost, and growth across more environmental levers. And therefore, of course fulfill the most common reporting standards. let me deep dive a bit what that means. So on the corporate footprint side, of course, we are [00:16:00] continuing our alignment with the greenhouse gas protocol, but also extending it to provide breakdowns into the different greenhouse gases besides the CO2 equivalents. We enhance our support for regulations such as CSRD and if RSS two by providing energy and waste classifications, and also go into water usage.





On the product footprint level, we are also here covering much more standards going forward, for example, PAC V three together for sustainability [00:16:30] or SCP, TI flag. And with that, we are helping our customers to ensure market access and also combined without the need of building point solutions. And, that perfectly fits to what Maximilian outlines. We provide now additional important footprint impact category, such as the abiotic resource depletion. And with that, we're enabling and supporting our customers in their premium positioning and enabling our customers to gain trust [00:17:00] from their customers. But important to say what always stays true, of course, is that our customers need to integrate only once. They need to calculate only once, and can still, of course, reuse the calculated data everywhere. So the calculation is still driven by actual ERP data. Enter results. Flow seamlessly into the business processes.

So it's the same data governance and auditability, but now obliged to more impact areas than before. And that means a lower cost of [00:17:30] compliance with higher decision quality. And let me summarize, maybe we are turning SAP Sustainability Footprint Management into a single source of multi impact decisions with one foundation and many outcomes, and thus ensuring regulatory compliance, cost and risk control. And new revenue and higher margin opportunities for our customers by enabling them to provide sustainability, optimize products and services to their customers. So [00:18:00] exactly what Maximilian also just, outlined.

**Claudia Rosbach:** Could you share any further upcoming enhancements on new features in the sustainability solution portfolio that we should keep an eye out for.

**Nico Wottke:** I mean, there's actually a lot, and I, fear our time in this podcast will not be sufficient. But the big picture is that our roadmap is all about making sustainability intelligent, embedded, and scalable. So we are moving from a pure compliance [00:18:30] driven reporting to steering and value creation. And there are basically three major themes that are shaping here the next wave of our sustainability portfolio, and this now comes back to also this application data and AI framework I already touched on at the beginning.

Of course, we continue to embed sustainability into our core or into our customers core processes. So the sustainability insights will increasingly show up where the decisions really happen. Like for example, [00:19:00] further integration into finance with carbon and costs side by side, and therefore enabling profitability and sustainability in one view with SAP Green Ledger. And, this shift then turns sustainability into a business steering mechanism, and with our one trusted data foundation, we are really doubling down on harmonized sustainability data.

For example, our SAP Sustainability Control Tower solution will become an intelligent [00:19:30] application on SAP Business Data Cloud. This means audit ready, cross-domain data that connects sustainability with finance, supply chain, and operations. AI is everywhere, and, will be everywhere, of course, so expect even more AI driven automation across the entire portfolio, meaning find data collection, accelerating reporting, and providing predictive insights, always with the goal to have less manual effort, faster compliance, [00:20:00] and smarter decisions. So in short, our portfolio is evolving to make sustainability actionable, measurable, and more embedded, powered by AI trusted data and a deep process integration. And that is how we help businesses to move from reporting obligations to competitive advantage.



**Claudia Rosbach:** Thank you so much for this insightful conversation. We would like to close with our Fast Five. These are Fast Five questions that are supposed to [00:20:30] be answered short, and give the audience a nice, crisp answer to important key points. Are you ready?

Remember, you should answer the questions with one word or a short sentence, and we let Maximilian start in. Nico continues.

So what's one eco-friendly habit you swear by at home or at work?

**Maximilian Bauer:** I would say I'm from Minster, and of course this means I'm cycling to work. it clears the mind, [00:21:00] perfect..

**Nico Wottke:** Yeah, for me, it's being mindful about, what I consume and asking myself, if I really need something before buying it.

**Claudia Rosbach:** If you could eliminate one sustainability challenge overnight, what would it be?

**Maximilian Bauer:** For me, it would be electrify everything now, so completely remove the need for fossil fuels.

**Nico Wottke:** For me, it's plastic pollution.

**Claudia Rosbach:** And what's one SAP Sustainability feature that you secretly love?

**Maximilian Bauer:** For me, it's [00:21:30] the shared data foundation. So sustainability built in, not bolted on.

**Nico Wottke:** I, I love the two. Clearly, but I go with the AI assisted emission factor mapping that we have in sustainability footprint management because it's transforming one of the most complex challenges and accurate footprint calculation into automation. And it's, by the way, just a starting point for many more powerful AI use cases that we will bring into our products.

**Claudia Rosbach:** And what's your go-to pick me up? A [00:22:00] strong coffee or a walk in nature.

**Maximilian Bauer:** Sorry for me: coffee always wins.

**Nico Wottke:** So, I would say have a walk in the nature, but with a strong coffee in my hand. And of course this coffee and a reusable cup.

**Claudia Rosbach:** Of course, Nico,

In one word, how do you see the future of sustainability in business?





**Maximilian Bauer:** License to business science will remind us sooner than later. Okay. This wasn't one word, but okay.

**Nico Wottke:** I will go with one word [00:22:30] and just say essential.

**Claudia Rosbach:** Essential. Great closing words. Thank you so much for joining this episode. Stay tuned for more insights and don't forget to subscribe to [sap.com/podcasts](https://sap.com/podcasts). You can also send us your comments and suggestions for the next topics via [insides4@sap.com](mailto:insides4@sap.com). If you enjoyed today's episode, please give us a five star rating on Spotify and Apple Podcast.

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