



# Reduce Sustainability Risks of Existing and New Products

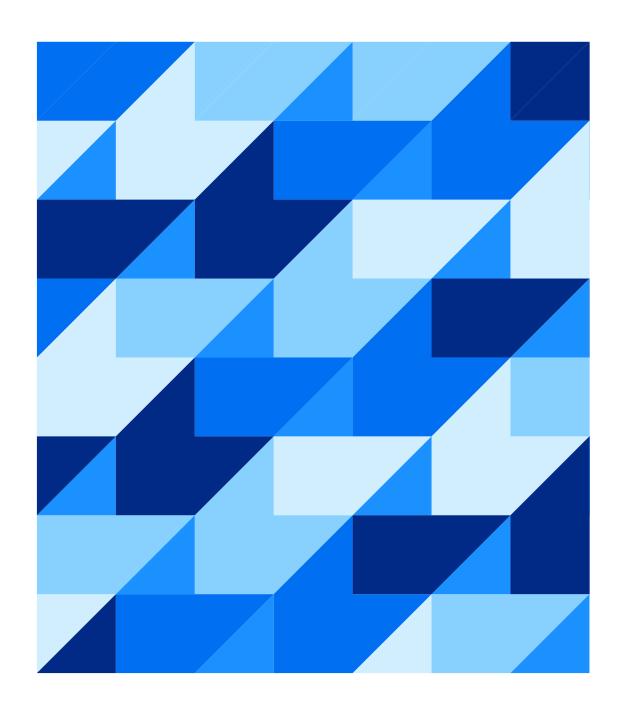
Brose Fahrzeugteile SE & Co. KG, Bamberg

Andreas Lukesch, Michael Seifert

**Automotive Parts** 







# **Company information**

#### **COMPANY NAME:**

Brose Fahrzeugteile SE & Co. Kommanditgesellschaft, Bamberg

#### **HEADQUARTERS:**

Coburg, Germany

#### **INDUSTRY:**

**Automotive Parts** 

#### **WEBSITE:**

https://www.brose.com

#### **NUMBER OF EMPLOYEES:**

Approx. 31.000

Brose is one of the five largest family-owned automotive suppliers in the world. Every third new car is equipped with at least one Brose product. The mechatronics specialist develops and manufactures systems for vehicle doors, liftgates, and seats. Brose also produces electric motors from 200 watts to 14 kilowatts for various applications such as steering, thermal management, or drives for e-bikes and e-scooters. The company employs around 32,000 people at 68 locations in 24 countries. In 2023, the Brose Group generated a turnover of 7.9 billion euros.

# **Reduce Sustainability Risks of Products**

# Brose Fahrzeugteile SE & Co. KG, Bamberg





Today's Human Rights Due Diligence requires the handling of multiple sources of information. Additionally, companies need to demonstrate sufficient effort to improve the situation within their supply chains, which requires a seamless integration of business partners into the Due Diligence process. This asks for an integrated platform, that brings together risk identification, evaluation, and mitigation. The administrative burden shall be reduced to a minimum with a user-friendly solution that is being used not only by subject matter experts but the whole purchasing organization. Reporting obligations need to be fulfilled along the process and handling of the tool.



The solution is based on SAP Business Technology Platform. It collects data from various sources, including audits, self-assessments, and continuous risk monitoring, and transforms this into a single risk assessment. Based on a traffic light system it is easy and intuitive for users to prioritize the most relevant activities. With its design, adding or changing data sources is easily possible. The activity and measure management feature helps Brose to plan targeted activities and mitigate risk. Measures can be initiated manually or automatically based on risk assessment changes or incidents. Suppliers are directly integrated; tasks are sent to counterparts at the business partner.

### **⋨二** OUTCOME:

- Holistic supplier risk profile
- User-friendly scoring system combining multiple data sources
- Risk traffic light and drill-down functionality
- Proactive risk management
- Flexible activity and action management
- Easy integration and extension of external data providers
- Seamless integration with existing systems

# ONE

unified platform for comprehensive supplier collaboration and real-time supply chain intelligence within SAP environment ~4,000

Suppliers are continuously monitored, representing >98% of annual purchasing volume

**-75%** 

Administrative effort, allowing to focus on improvements

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prosustain revolutionizes supply chain compliance with seamless integration and intuitive usability. By automating risk management, enabling real-time data insights and integrating the suppliers directly, it ensures regulatory adherence while simplifying complex processes. This innovation empowers businesses to proactively mitigate risks, enhance transparency, and drive sustainability with unprecedented efficiency.



Andreas Lukesch
Purchasing Brose Group



# Participating partner information

With over 20 years of SAP expertise, conarum specializes in procurement, master data management, governance (MDG), and SAP technology.

Our experience in supplier integration, process digitization and end-to-end solutions were the starting point for our innovative **proconarum and prosustain** offering on SAP BTP.

#### **COMPANY NAME:**

conarum GmbH & Co KG

66

We have been used to satisfying our customers for over 20 years. We can look back on a successful collaboration with Brose in particular. Our development projects make it possible to close process gaps and improve business for Brose.

We are particularly satisfied with our delivery in time and in budget".

Stefan Bäumler, Managing Director





# **Challenges**

# GLOBAL CHALLENGES

- Human Rights & Environmental Violations: Increasing reports of forced labor and deforestation make ethical supply chain oversight critical.
- Regulatory Pressure: Compliance with LkSG and upcoming CSDDD laws demands stricter due diligence.
- Data Fragmentation: Sustainability data is scattered, making risk assessment difficult.
- Rising Consumer Expectations: Customers demand transparency and ethical sourcing.
- **Supply Chain Disruptions**: Global crises (e.g., COVID-19, geopolitical conflicts) highlight weak risk management.
- Climate Change Impact: Extreme weather disrupts supply chains, requiring proactive sustainability strategies.
- Workforce Challenges: Compliance teams face growing workloads, affecting productivity and morale.

### **(3)** BUSINESS CHALLENGES

Before implementing prosustain, our organization faced significant challenges in managing supply chain compliance and risk assessment:

- **Fragmented Data Sources**: Compliance-related data was scattered which making holistic risk assessment difficult.
- **Manual Processes**: Time-consuming, error-prone workflows hindered proactive risk mitigation.
- Regulatory Pressure: Keeping up with evolving LkSG and CSDDD regulations was complex and resource-intensive.

We needed an integrated, automated solution to centralize risk data, improve decision-making, and streamline compliance—leading to the adoption of prosustain.

# **Objectives**

# **OPERATION** PROJECTIVES

- Single Point of Truth: All relevant intelligence is aggregated at one platform, providing full transparency and allowing to define appropriate activities.
- User-Friendly Scoring System: Implement "Brose Risk Score" for clear, actionable risk assessment.
- Leverage Existing Infrastructure: Use a platform already integrated into the Brose landscape for seamless adoption.
- **Teaming up for Success:** Suppliers and Brose work on a joint platform on mitigation and improvement activities
- Proactive Risk Management: Enable automated and manual interventions to mitigate risks efficiently using adaptable workflows.
- Comprehensive Data Integration: Consolidate internal and external data sources for holistic insights.
- Enhanced Compliance & Reporting: Improve regulatory adherence through structured, data-driven evaluations.

### WHY SAP

- Global Standardization & Scalability: SAP provides a globally consistent platform, enabling Brose to standardize business processes across international locations
- Future-readiness & Innovation: SAP technologies like SAP HANA, AI integration and Business Data Cloud support Brose's strategic move toward a more intelligent, data-driven enterprise.
- SAP BTP for AI & Cloud Enablement: SAP Business Technology Platform (BTP) offers the flexibility to embed AI into Brose's landscape and processes, boosting automation and innovation.
- Cloud Strategy with conarum & SAP Partner Build: With SAP BTP and conarum as a certified SAP Partner Build, Brose has found the ideal foundation to establish and scale its SAP cloud strategy.
- Security & Compliance: SAP's strong compliance framework and enterprise-grade security meet Brose's stringent requirements for data protection and regulatory alignment.
- Ecosystem & Integration: SAP's broad ecosystem and integration capabilities ensure smooth alignment with Brose's existing systems and global operations.
- Strategic Long-Term Investment: SAP serves as a sustainable, future-ready platform that supports Brose's long-term digital transformation goals and operational excellence.

# Project or use case



### **OVERALL USE CASE**

Brose's purchasing department faced significant challenges in ensuring supply chain compliance and sustainability. Sustainability-related data was dispersed across various internal and external sources, making it difficult to obtain a unified view of supplier compliance. Therefore, within an IT project proustain was introduced allowing to focus on efficient risk mitigation, while administration, documentation and reporting efforts are reduced to a minimum. Maintaining transparency, upholding corporate responsibility, and thus contributing to a resilient supply chain creates the benefits Brose seeks for the future of its supply chain management, integrating the information also for supplier decisions.



### **USE OF ARTIFICIAL INTELLIGENCE IN THE PROJECT**

Although AI was not directly implemented in this phase, the project laid the foundation for future AI integration. By ensuring high data quality and leveraging SAP BTP as a scalable platform, Brose established a robust infrastructure for AI-driven risk assessment and predictive analytics.

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# Benefits and outcomes 1 of 2

## BUSINESS OR SOCIAL

- Efficient Risk Management: The Brose Risk Score enables a structured and automated supplier evaluation, enhancing compliance oversight.
- Enhanced Collaboration: The collaboration with suppliers via the Brose Supplier Portal improves data sharing, fostering better engagement and transparency.
- Comprehensive Data Integration: Seamlessly aggregates relevant internal and external sustainability data for informed decision-making.
- Scalable & Integrated Platform: The fully integrated solution ensures a seamless adoption and expansion.
- Single Source of Truth: Establishes one centralized location for compliance data, simplifying reporting and regulatory adherence.

## **□** IT\*

- System and technology harmonization
- Get rid of "excel sheets" and local developments
- SAP is a strategic platform for us
- Enhance the existing platform Apps
- Improve integration and business flow
- Possibility to us AI capabilities

<sup>\*</sup>IT benefits are required if you are using SAP Business Technology Platform offerings

# Benefits and outcomes 2 of 2

PEOPLE RELATED: PERSONAL PERSPECTIVE

### Brose Perspective:

- **Automation of repetitive tasks:** No more manual compliance checks but focus on creating impact
- **Reduced frustration**: Transparent & consistent data is enhancing decision quality

### Supplier Employee's Perspective:

- **Well-known interfaces**: Supplier portal fosters transparent communication and strengthens partnership.
- Clear Responsibilities increases satisfaction: Direct access to purchasing counterparts and sustainability experts in dialogue function of activity management

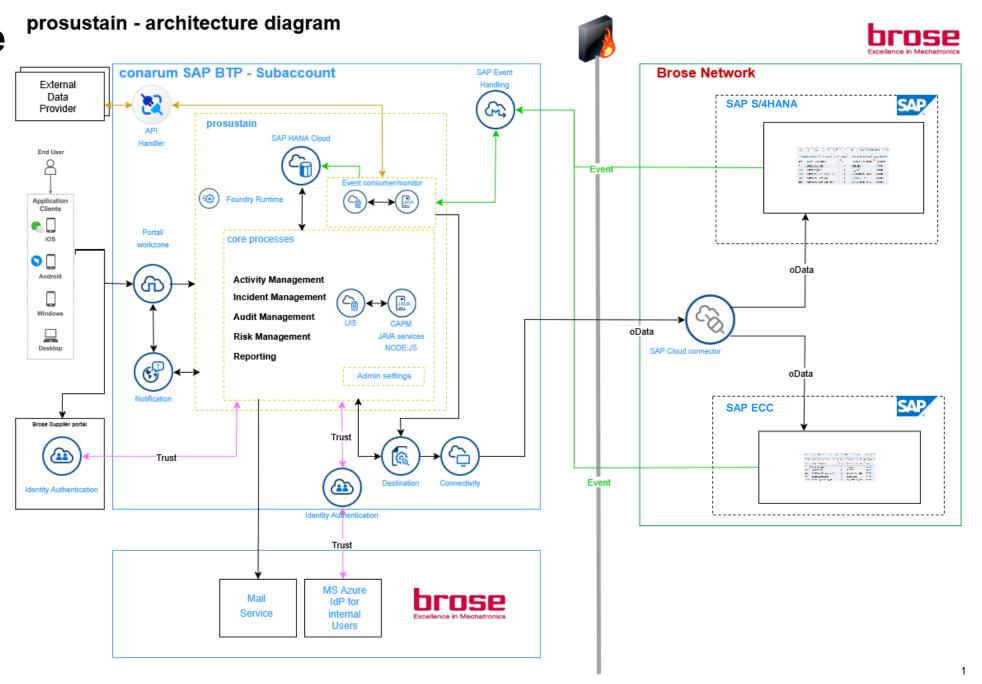
### Workforce in Supply Base

**Proactive Risk Management**: Structured identification of poor working conditions in supply base actively improves daily life of workers for more sustainable production

With prosustain, we now have a seamless and transparent way to collaborate, ensuring compliance and efficiency at every step.



# **Architecture**



# Deployment details 1 of 3

### SAP TECHNOLOGIES USED

	SAP Offerings	DEPLOYMENT STATUS LIVE Proof of Concepy	SAP Business AI SCENARIO (if applicable)	CONTRIBUTION TO PROJECT
1	SAP Business Technology Platform	Live	Example: Information aggregation	SAP BTP is the central technology platform used for prosustain  (Al: information aggregation for BAFA reporting and analysis of the activities and tasks in combination with business analytic data → Status: planned)
2	SAP ECC and SAP S/4HANA	Live		Data Integration of master data
3				
4				
5				

### **DEPLOYMENT STATUS:**

Live

### **DEPLOYMENT COUNTRY:**

Global

### DATE:

June 2024

#### **NUMBER OF END USERS:**

> 250

### TRANSACTION VOLUME:

N/A

Are you using SAP BTP? If YES, move to slide 13

# Deployment details 2 of 3

The following SAP Business Technology Platform (SAP BTP) solutions are part of the project:

	TECHNOLOGY	SAP BTP SOLUTION	CONTRIBUTION TO PROJECT
1	Application Development and Automation	SAP BTP, Cloud Foundry runtime, SAP Event Mesh SAP Build Work Zone Object Store on SAP BTP SAP HANA	<ul> <li>Runtime environment for prosustain, including:</li> <li>The Build Work Zone is responsible for the UI launchpad and the notification management</li> <li>Object Store on SAP BTP is the central data storage for unstructured data and documents</li> </ul>
2	Extended Planning and Analysis	-	
3	Data and Analytics	SAP HANA Cloud	Central data storage
4	Integration	SAP Cloud Connector	Integration to SAP ERP systems
5	Artificial Intelligence	Can be integrated	

\*For partners only

\*LICENSED THROUGH THE SAP BUILD/TECH ADOPTION PROGRAM:

Yes

#### \*LISTED ON SAP STORE:

At the moment part of proconarum solution; will be separated in independent solution

\*MONETIZED (SOLD TO YOUR CUSTOMERS):

Yes

\*CO-INNOVATION WITH SAP:

No

\*NUMBER OF CUSTOMERS USING THE SOLUTION/APP:

4

proconarum | conarum GmbH & Co. KG (sap.com)

# Deployment details 3 of 3

The following offerings from SAP services or application packages were utilized during the implementation or deployment phase.

	SAP SERVICE OR APPLICATION PACKAGE	CONTRIBUTION TO THE PROJECT
1	SAP Alert Notification service for SAP BTP	Application Alert Handling
2		
3		
4		
5		

### **Other Packages**

