

Oracle Fusion Cloud Sustainability

Oracle Fusion Cloud Sustainability is the latest solution joining Oracle's Fusion ecosystem that integrates, automates, and captures environmental, social, and governance (ESG) data from business processes in Fusion Applications to improve reporting accuracy, transparency, and compliance, and enable data-driven decisions across business functions to reduce impact.

FLEXIBLE SUSTAINABILITY ACTIVITY FRAMEWORK

Fusion Cloud Sustainability provides a framework for capturing and managing data on any type of environmental, social, or governance activity—from electricity consumption and biodiversity to human rights policies, board trainings, and employee volunteering. Oracle provides accelerators to support common types of activities, while recognizing that customer needs are unique across different industries and sectors. Fusion Sustainability offers a flexible environment, empowering customers to track activities that are most relevant and material to their business.

Activity records can automatically capture data from Accounts Payable invoices, as described below. In addition, Oracle Fusion Cloud Sustainability accepts activity data from external sources via REST APIs and spreadsheets, affording flexibility for customers whose data reside in multiple places, including non-Fusion Oracle applications and non-Oracle applications.

All activities are classified by an activity type, which is then assigned relevant attributes, measure types, and—if the activity generates emissions—the emission types, scope, and scope category (for Scope 3). Customers define the activity types based on the activities that are most relevant—stationary combustion, water withdrawal, purchased energy, or business air travel, for example.

INTEGRATED INVOICE CLASSIFICATION

Invoices are a key source of data for emission calculations, but typical invoice volumes preclude manual processing and calculations. Oracle's integrated invoice classification feature enables customers to capture purchase data at a granular level directly from Accounts Payable invoices and calculate emissions using either generic emission factors or, when available, more accurate ones provided by suppliers. The source invoice is linked directly to the activity record, creating auditability and traceability.

Key Features

- Create a **Sustainability Ledger** that is an auditable source of truth for reporting.
- Capture and manage data in **sustainability activity records**.
- Define **activity types** to capture attributes, measure types, and other relevant details.
- Create activities from Accounts Payable invoices using **invoice classification**.
- Calculate emissions using **ranked emission factor mappings** to improve accuracy.
- Import the Sustainability Ledger into Oracle Enterprise Performance Management (EPM) for **planning, forecasting, and reporting**.
- Analyze trends using **emission dashboards** in Fusion Data Intelligence.

Rank	Rule Name	Status	Conditions	Activity Classification
100	Fabricated Steel	Active	Line description Is Fabricated Steel; Transaction description Is Fabricated Steel	Purchased Goods and Services.Secondary steel products
200	Plastic accessories	Active	Line description Starts with Plastic accessories	Purchased Goods and Services.Other plastic products
210	Office furniture	Active	Natural account description Contains Office furniture	Purchased Goods and Services.Institutional furniture
220	Natural gas for boilers	Active	Natural account description Contains Heating	Stationary Combustion.Natural Gas
230	Office supplies	Active	Natural account Starts with Office supplies	Purchased Goods and Services.Office supplies (not paper)
300	Electricity - California	Active	Supplier name Is PGE	Purchased Energy.CAMX (WECC California).Electricity
310	Kerosene	Active	Line description Contains Kerosene	Stationary Combustion.Kerosene
330	Legal Services - Supremo US	Active	Legal entity Is Supremo US Legal Entity; Item Contains Legal	Purchased Goods and Services.Legal services
340	Gasoline - company cars	Active	Purchasing category Is Company fleet	Mobile Combustion.Gasoline.Passenger Cars 2020
440	Recycling - mixed metals	Active	Supplier name Is Tall Waste Disposal	Waste Generated in Operations.Mixed Metals.Recycled

Figure 1: Invoice classification rules

EMISSION FACTOR MAPPING AND RANKING

As customers begin receiving accurate emission factors from suppliers, they can combine these with granular invoice data to achieve more accurate emission calculations for purchases. Emission factor mapping and ranking allow customers to specify which emission factors are the most accurate and therefore preferred. For example, if a supplier has provided emission factors specific to their products, the customer can configure these factors as preferred over less accurate generic emission factors.

SUSTAINABILITY LEDGER: AN AUDITABLE SOURCE OF TRUTH

The Sustainability Ledger is a set of validated activity records that serves as a source of truth for reporting. The Ledger allows customers to align sustainability reporting with the organizational hierarchies and timelines of financial reporting. A built-in period close process provides the controls that auditors seek.

The operational rigor that the Sustainability Ledger introduces will become more important as regulations requiring financial-level auditing of sustainability reports take effect.

Activity Number	Status	Activity Date	Description	Supplier	Activity Type	Activity Type Attributes	Total CO2e	Action
MC156695	Not active	10/25/2023	8000 Characters max: System (user enter an event, competitor entering etc, will do reserved temp. activation of factors et donne message alpha 10 e...	Lee Supplies	Mobile combustion	Natural gas, Heavy duty trucks	205.01000 kg	...
MC156696	Not active	10/23/2023	Distribution trucks	Lee Supplies	Mobile combustion	Natural gas, Heavy duty trucks	125.01000 kg	...
MC156697	Not active	10/25/2023	Distribution trucks	Lee Supplies	Mobile combustion	Natural gas, Medium and heavy duty trucks	78.02000 kg	...
MC156698	Not active	10/22/2023	Natural gas purchase	Aerogas	Mobile combustion	Natural gas, Light duty trucks	125.01000 kg	...
MC156699	Not active	10/22/2023	Natural gas purchase	Aerogas	Mobile combustion	Diesel, Light duty trucks	78.02000 kg	...
MC156694	Not active	10/21/2023	Dell Inspiron 1430 Intel core i5-1330U/8GB/1TB SSD/14.0"	Info Tech	Purchase goods and services	Computer, electronic and optical products	123.01000 kg	...
MC156693	Not active	10/21/2023	Dell Inspiron 1430 Intel core i5-1330U/8GB/1TB SSD/14.0"	Info Tech	Purchase goods and services	Computer, electronic and optical products	78.02000 kg	...
MC156692	Not active	10/21/2023	Dell Inspiron 1430 Intel core i5-1330U/8GB/1TB SSD/14.0"	Info Tech	Purchase goods and services	Computer, electronic and optical products	1,000,123.01000 kilograms	...
MC156691	Not active	10/21/2023	Pumped ground water	AEC Water Supplies	Water withdrawal			...
MC156690	Not active	10/21/2023	Plastic - Recycled	All Conception	Waste generated in	Plastic, Recycled	78.02000 kg	...

Figure 2: Achieve better reporting visibility from a single source of truth with the sustainability ledger

MEASURE PROGRESS WITH EMISSION DASHBOARDS AND ANALYTICS

Oracle Fusion Cloud Sustainability automatically exports data from the Ledger to Fusion Data Intelligence, which provides pre-defined emission dashboards that enable trend analysis. Customers can create custom analyses for all their activity types, viewing data by geography, legal entity, time, and other attributes. These analyses offer insights that can drive tactical decisions – for example, which regions need better energy reduction plans, which suppliers to engage regarding emission reduction programs, and which types of waste need better recycling plans.

Measuring current sustainability performance is only the first step toward the real goals of reducing emissions and closing other sustainability gaps. While Fusion Data Intelligence helps customers understand how their organizations have been performing up to the present, customers can also import the Sustainability Ledger into Oracle Enterprise Performance Management (EPM), allowing companies to leverage EPM’s powerful strategic planning, scenario modeling and narrative reporting features to set appropriate targets and drive progress toward sustainability goals.

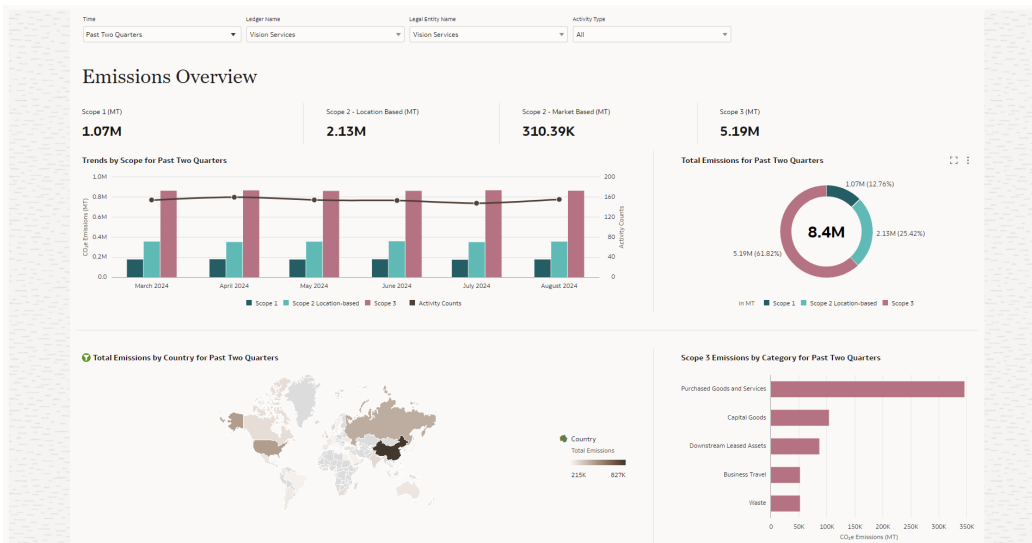


Figure 3: Measure progress with emission dashboards and analytics

LOOKING AHEAD AT THE FUSION ECOSYSTEM FOR SUSTAINABILITY MANAGEMENT

With sustainability rising to the top of the organizational agenda, organizations need enterprise grade sustainability management solutions that provide actionable insights and transparent disclosures. Technology plays a key role in advancing humanity’s efforts to address climate change and sustainability more broadly.

To meet organizational sustainability ambitions and address the associated challenges, companies need enterprise software that embeds sustainability in the bones of their finance, procurement, supply chain, manufacturing, and human resource operations. Integrating sustainability metrics into core operations ensures that data are readily accessible for analysis, empowering individuals at all levels of the organization with the insights and tools needed to drive progress toward sustainability goals.

Fusion Cloud Sustainability will be deeply integrated with the Fusion applications that customers already use to manage day-to-day operations. It will provide decision makers with up-to-date, accurate, thorough data they need to accelerate progress toward sustainability goals and support a transition to more sustainable business models.

Key Business Benefits

- **Accountability.** Leverage real-time data to reduce financial and compliance risk, improve reporting transparency and accuracy, and satisfy stakeholder demands.
- **Resource Efficiency.** Use state-of-the-art reporting, planning and analytics features to develop resource-efficient value chains, decarbonize operations, and deliver measurable results.
- **Automation.** Simplify data gathering with AI-assisted automation of business processes and data flows across Fusion applications.
- **Integration.** Harness the power of Oracle’s fully integrated Fusion application suite to make impactful data-driven sustainability decisions.

By capturing more sustainability data in our finance, procurement, supply chain, and workforce management applications, and leveraging analytics on these native data elements, customers can:

- Build sustainability awareness and measurement into their organizations' operations
- Streamline the data collection process
- Drill back from summarized metrics into the underlying transactional data to get the context needed to drive impactful decisions
- Demonstrate traceability to auditors

Related Products

- Oracle Enterprise Performance Management (EPM)
- Oracle Enterprise Resource Planning (ERP)
- Oracle Supply Chain & Manufacturing (SCM)
- Oracle Human Capital Management (HCM)
- Oracle Fusion Data Intelligence Platform (FDI)

THE ORACLE SUSTAINABILITY ADVANTAGE: BUILT-IN, NOT BOLT-ON

Oracle Fusion Cloud Sustainability is an integrated solution that will continue to build on the capabilities that exist in Oracle's enterprise applications to help organizations make progress towards their sustainability goals. The first release lays the foundation for deep integration with Oracle Fusion applications, beginning with Accounts Payable. In the future, AI-assisted data capture, combined with the rigor of end-to-end traceability, and real-time insights and recommendations will support impactful decision-making for organizations. Oracle's flexible framework enables customers to define what sustainability data is relevant and material to capture, driving better insights and decision-making.

That's the Oracle sustainability advantage—built-in, not bolt-on.



Figure 4: The Fusion ecosystem for sustainability management

ENVISIONING THE FUTURE OF FUSION CLOUD SUSTAINABILITY

AI AUTOMATION

In future releases of Fusion Cloud Sustainability, we plan to offer the ability to create activity records automatically by sourcing transactional data directly from integrated Fusion Applications using approaches such as sustainability metadata attributes and AI. In addition, our goal is to leverage AI to provide business users with targeted recommendations regarding actions that would accelerate progress toward sustainability goals.

PRODUCT CARBON FOOTPRINTS

The Fusion Cloud Sustainability roadmap includes leveraging product data stored in Oracle Fusion Supply Chain & Manufacturing (SCM) to support the creation of product carbon footprints and the transfer of footprint data across a value chain, helping organizations integrate sustainability factors into the procurement process and decision-making.

FUSION INTEGRATION FOR CONTEXTUALIZED DATA

To make decisions that drive progress toward their sustainability goals, organizations need to understand the context behind performance metrics. In future releases, Oracle Fusion Cloud Sustainability will continue to provide links back from activities to the underlying Fusion source transactions, providing visibility into which assets, processes, suppliers, or products need attention. The insights afforded by this connection to the source data will only be possible because Oracle Fusion Cloud Sustainability will draw on operational sustainability data embedded in the Fusion applications.

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