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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.

Fusion Cloud Sustainability provides a user interface for viewing and editing sustainability activities. Multiple activities can be selected at one time to perform an action—Validate, Post, Cancel, or Delete—making it easy to at on selected activities efficiently. You can also configure search views and decimal place precision to enhance usability.

Sustainability Policy Advisor

The AI-powered Sustainability Policy Advisor helps sustainability analysts accurately report on corporate sustainability initiatives. A Retrieval-Augmented Generation (RAG) artificial intelligence agent can search a set of documents uploaded by the administrator to answer questions. The agent boosts the productivity of sustainability analysts by providing answers to policy questions, without the analyst having to search through multiple documents to find relevant answers. The material available for the agent could be internal documents describing company policies, goals, data sources, and emission calculation methodologies; public regulatory or framework guidelines - for example, Greenhouse Gas Protocol, Carbon Border Adjustment Mechanism (CBAM), European Sustainability Reporting Standards (ESRS); or your company's public sustainability reports.

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.
- Boost productivity with the **AI-powered Sustainability Policy Advisor** which provides answers to policy questions.
- 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.

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.

Figure 1: Invoice classification rules

Create and manage emission factor mappings

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. The Emission Factor Mappings page enables users to search, view, create, update, and delete mappings, streamlining the overall emission factor management experience. Filtering based on emission type, activity type, and other mapping attributes such as legal entity or supplier helps you analyze existing data, identify issues, and validate rankings to ensure that the correct emission factors are selected for calculations.

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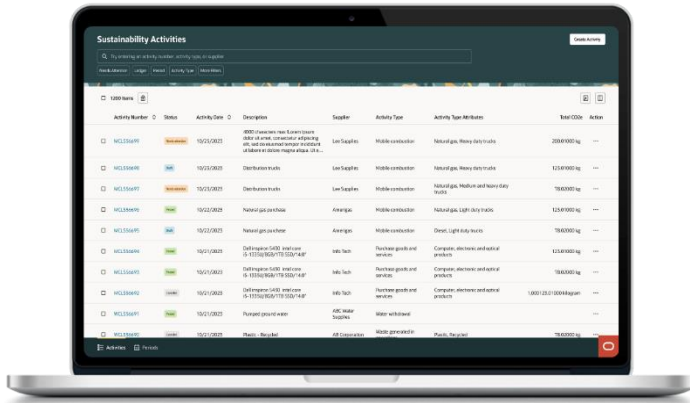
Figure 2: Achieve better reporting visibility from a single source of truth with the sustainability ledger

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.
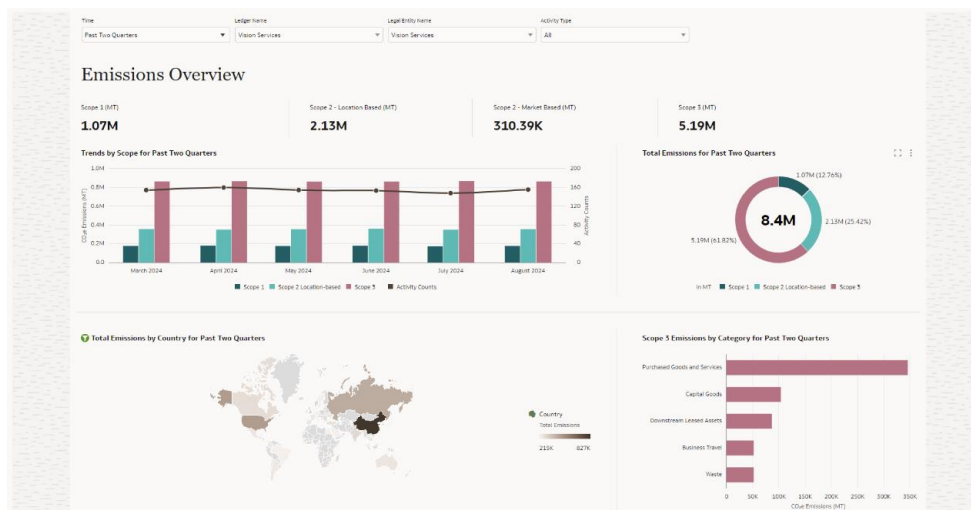

Figure 3: Measure progress with emission dashboards and analytics

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.

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.

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

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.

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 Fusion Sustainability Ecosystem Vision

Enterprise grade sustainability management solutions that provide actionable insights and transparent disclosures.
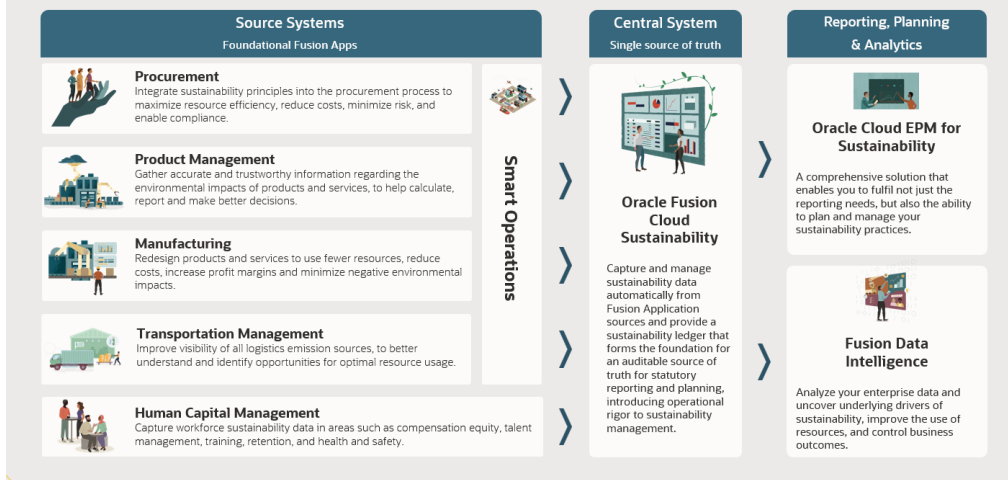
Source Systems — Foundational Fusion Apps		Central System — Single source of truth	Reporting, Planning & Analytics
Procurement Integrate sustainability principles into the procurement process to maximize resource efficiency, reduce costs, minimize risk, and enable compliance.		**Oracle Fusion Cloud Sustainability** Capture and manage sustainability data automatically from Fusion Application sources and provide a sustainability ledger that forms the foundation for an auditable source of truth for statutory reporting and planning, introducing operational rigor to sustainability management.	**Oracle Cloud EPM for Sustainability** A comprehensive solution that enables you to fulfil not just the reporting needs, but also the ability to plan and manage your sustainability practices.
Product Management Gather accurate and trustworthy information regarding the environmental impacts of products and services, to help calculate, report and make better decisions.	Smart Operations		
Manufacturing Redesign products and services to use fewer resources, reduce costs, increase profit margins and minimize negative environmental impacts.			**Fusion Data Intelligence** Analyze your enterprise data and uncover underlying drivers of sustainability, improve the use of resources, and control business outcomes.
Transportation Management Improve visibility of all logistics emission sources, to better understand and identify opportunities for optimal resource usage.			
Human Capital Management Capture workforce sustainability data in areas such as compensation equity, talent management, training, retention, and health and safety.			

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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