



ORACLE

Sustainable Supply Chains

Embedding sustainability
into your business operations

Companies have been under the spotlight to display tangible progress when it comes to environmental, social, and governance (ESG) initiatives. Despite growing public demand for action and government mandates for environmental transparency, many business leaders are still struggling to develop and execute ESG plans and track and measure success.

Supply chain processes impact ESG initiatives, and companies must understand sustainability beyond procurement and cost reduction efforts, and across the end-to-end value chain.¹

Embedding sustainability in the value chain

Sustainability best practice is an intrinsic part of every aspect of supply chain, from sourcing from reliable suppliers, designing products and packaging, and managing demand and supply plans, to leveraging predictive insights to reduce maintenance issues, optimizing inventory to reduce waste and obsolescence, and lowering carbon footprint with efficient logistics and last mile delivery.

It starts with a more visible and predictive supply chain. [Oracle Fusion Cloud Supply Chain Management \(SCM\)](#) delivers a complete and flexible cloud with capabilities you need to support resilience, agility, innovation, and growth across your entire business, with solutions across every business function and industry, and a commitment to delivering the industry's only consumer-grade enterprise user experience.



Planning for ESG

A well-planned supply chain is an efficient supply chain—and an efficient supply chain is a sustainable supply chain. Predicting the future and fully anticipating demand is never simple, but with greater visibility of all supply chain and commercial operations, you can make plans you can trust—and significantly cut waste and costs in the process.

Start with evaluating the impact of sustainability in your supply chain on financial targets with [Oracle Sales and Operations Planning](#), giving you a complete view of sustainability metrics across multiple dimensions. Complement that view with other data such as demand predictions to understand upcoming supply chain requirements, and eliminate wastage and overspending with [Oracle Demand Management](#).

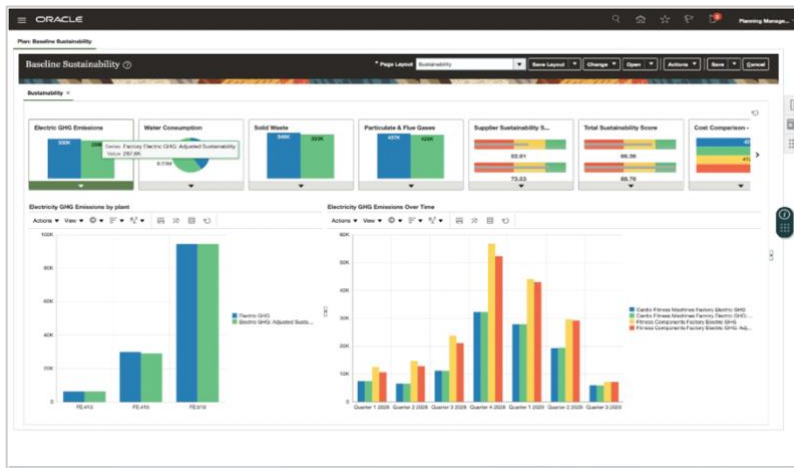
DID YOU KNOW?

Eight supply chains account for more than 50% of global emissions: food, construction, fashion, fast-moving consumer goods, electronics, automotive, professional services and freight
[World Economic Forum](#)



“With Oracle’s Demand Management Cloud, we’ve been able to realize millions of dollars in savings through inventory reductions and more than \$2M through reduced food disposals.”

John Matrachisia
CIO, LiDestri



The top 3 motivators for improving supply chain sustainability: cost savings (61%), compliance with regulatory requirements (51%) and pressure from partners/suppliers (41%)

[Ernst & Young Supply Chain Sustainability Report 2022](#)

Sustainable procurement

Embedding sustainability into sourcing and procurement processes can help drive long-term value for your business and supplier relationships. Collaborate with ethical suppliers and source materials responsibly with [Oracle Procurement](#) and [SCM Analytics](#).

Qualifying the right sourcing partners is a critical piece of the sustainability puzzle—and it all revolves around the enforcement of a strong qualification process, and high sustainability standards. These include screening and assessing suppliers with questionnaires, score cards and audits, and including ESG contractual clauses in contracts.



91% of business leaders are facing major challenges in making progress on sustainability and ESG initiatives including finding the right data to track progress, and time-consuming manual processes to report on ESG metrics.

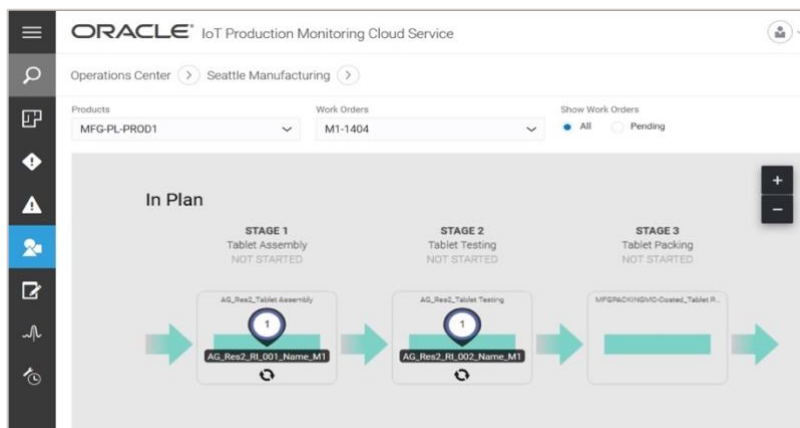
93% of business leaders say technology has raised the standard for success in corporate sustainability.

[Oracle 2022 ESG Global Study](#)

Circular manufacturing

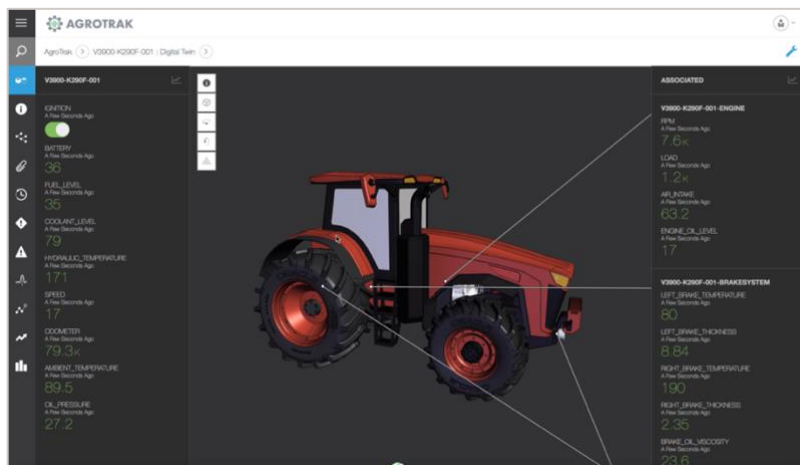
By improving the efficiency of manufacturing operations and reducing energy and water consumption, you can simultaneously cut costs, reduce waste, improve margins, and optimize the use of environmentally critical resources. Streamline production to improve yield and resource utilization with [Oracle Manufacturing](#).

Leveraging [Oracle Internet of Things \(IoT\)](#) into your manufacturing operations enables the creation of a digital twin that will provide more opportunities to fully visualize and manage complex manufacturing flows and maintain product quality.



Streamlined maintenance and field service

Every asset you own or operate—including your manufacturing facilities, trucks, and other vehicles, needs to have a long and productive life so you can get the maximum return from your investment. [Oracle Maintenance](#) and [IoT Asset Monitoring](#) can track performance of serviceable items to enhance efficiency, ensuring components are disposed of, refurbished or re-used accordingly, and that any material disposal is in compliance with product takeback and recycling environmental procedures and regulations.



Low carbon logistics

According to the United States Environmental Protection Agency (EPA), transportation accounts for the largest portion (27%) of total U.S. greenhouse gases (GHG) emissions in 2020.² In fact, the World Resources Institute's Greenhouse Gas Protocol mentions how “Kraft Foods found that value chain emissions comprise more than 90 percent of the company's total emissions.”³



Supply chain emissions are 11.4x higher than operational emissions.

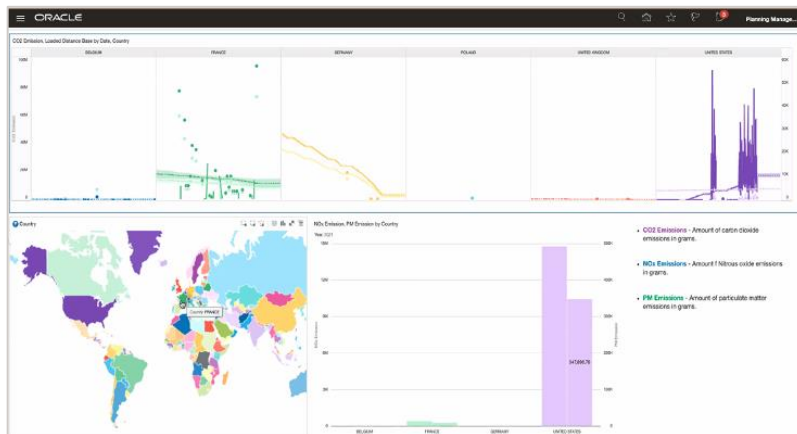
[CDP Global Supply Chain Report](#)



“Unilever is committed to growing our businesses sustainably. Working with Oracle Transportation Management, we are contributing to a more sustainable supply chain through streamlining shipping, improving communications with providers, and helping reduce CO2 emissions.”

Wendy Herrick
Vice President Supply Chain - US
Unilever

Monitor and reduce logistics emissions through [Oracle Transportation Management](#) and [Logistics Network Modeling](#), using “what-if” scenarios to analyze impact on transportation routes and partner carriers, and incorporating [IoT Fleet](#) and [Cargo Condition Monitoring](#) tracks shipment conditions in-transit, reducing waste. Stay on top of trade and environment-related regulations and ensure proper compliance with [Oracle Global Trade Management](#).



Optimized inventory & warehouse utilization

Maintaining a sustainable inventory strategy means inventory is produced as needed, minimizing obsolete materials and maximizing warehouse utilization, but without causing out of stock situations that can increase costs and affect company profitability.

[Oracle Order Management](#) automatically selects the best supply source, and fulfills orders with flexibility, simplifying the end-to-end ordering process.

Through [Oracle Warehouse Management](#), companies gain complete inventory visibility, and support seasonal demand spikes. Automate warehouse operations and ensure proper warehouse space utilization, achieving a smaller physical footprint, reducing waste by minimizing pallet damages and picking errors, and lowering energy consumption.



Product innovation and design

The European Commission estimates that over 80% of all product-related environmental impacts are determined during the design phase of a product.⁴ Clear sustainability standards need to be set and enforced from the beginning of the product lifecycle, with ESG considerations included in design development, such as the use of recycled and recyclable components and packaging. [Oracle Product Lifecycle Management](#) allows companies to

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“Oracle makes it easier for us to get an overview of our spend and environmental impact, loads, carrier management, and even how we interact with our logistics providers.”

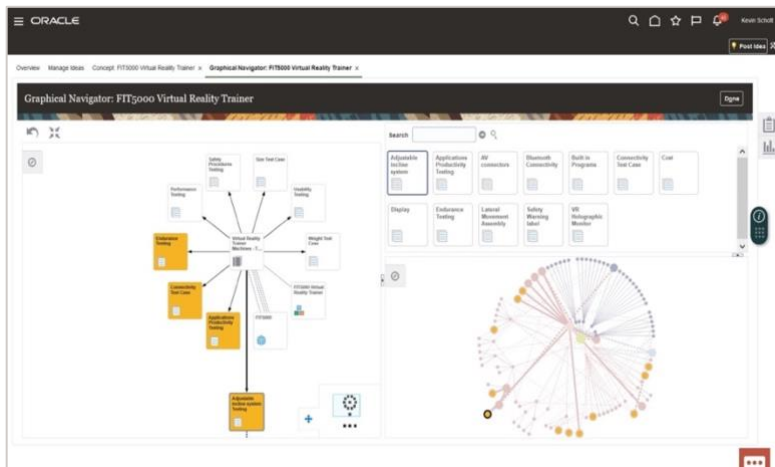
Ewonne Lennartsson
Global Integrated Logistics
Director **Tetra Pak**



DID YOU KNOW?

In 2021, 71% of responding suppliers reported Scope 1 emissions, and 55% reported Scope 2 (location and/or market based) emissions, and only 20% of suppliers reported Scope 3 emissions from purchased goods and services.
[CDP Global Supply Chain Report](#)

make informed decisions, designing products with the environment in mind, while driving product innovation.



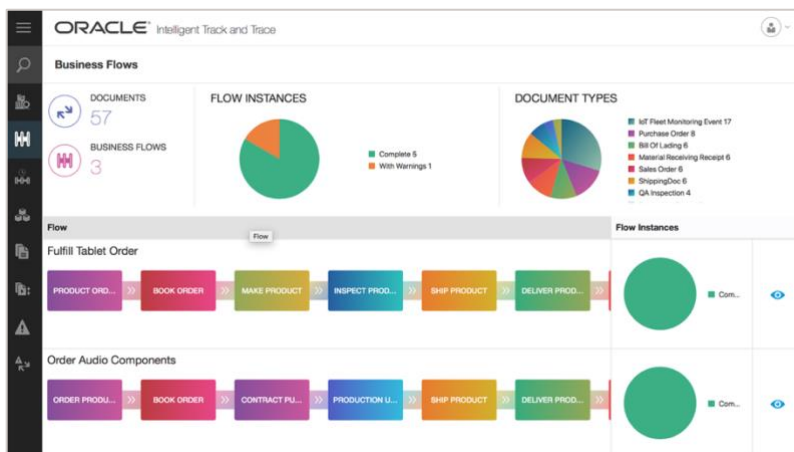
“Our customers want to understand where their products come from. We have to make sure the data we collect is correct and not tampered by anyone.”

Lukas Puender
Co-Founder **Retraced**

Transparent and traceable

Supply chain transparency is crucial in every business operation, especially as companies are accountable not just to shareholders and regulators, but also to consumers. Companies must be able to trace where and how their goods are produced, using reliable data, and communicate this information to internal and external stakeholders.

[Oracle Intelligent Track & Trace](#) is built on blockchain technology that can track materials from ethical sources and countries of origin, and products from the manufacturer, to help prevent inefficiency and waste by making supply chains transparent and accountable.



Responding companies reported almost 1.8 billion metric tons of GHG emission reductions last year, saving over US\$29 billion.

[CDP Global Supply Chain Report](#)

Build your sustainable future today

Start building a sustainable future by adopting circular economy strategies with a more sustainable supply chain. [Learn more about Oracle's supply chain sustainability solutions.](#)

¹ [How sustainable supply chains are driving business transformation](#), Rae-Anne Alves & Glenn Steinberg, EY, September 20, 2022.

² [Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990–2020](#), United States Environmental Protection Agency, 2022.

³ [Greenhouse Gas Protocol FAQ](#), World Resources Institute.

⁴ [Sustainable Product Policy](#), European Commission.

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