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Effective data management for sustainability compliance – and opportunity



Highlights

- **ESG is a business opportunity:** Organizations can leverage ESG initiatives to identify areas for growth, improve efficiency, and enhance their brand reputation.
- **By adopting a strategic approach to planning ESG initiatives and reporting accurate data, businesses can reduce data complexity, minimize operational costs, and streamline sustainability compliance efforts.**
- **Data plays a critical role in planning, measuring, managing, reporting on, and refining ESG practices and progress. Companies can move from manual data management toward a state in which sustainability data is interoperable along the value chain.**
- **Sustainability should be viewed as an integral part of an enterprise's overall business strategy, influencing product development, operations, customer engagement, and the bottom line.**

In this POV



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Effective data management is vital for ESG

Environmental, social, and governance (ESG) performance is a growing concern for businesses across industries due to evolving regulatory demands and stakeholder expectations. Few major companies ignore sustainability these days—Forrester predicts that more than one-third of the global Fortune 100 firms will commit to circular economy goals in 2025.^[1]

Data plays a critical role in planning, measuring, managing, reporting on, and refining ESG practices and progress. A robust sustainability data foundation can position organizations as leaders in this growing global movement. But too often, companies are handling their ESG data with outdated manual processes that make it difficult to accurately and promptly report on sustainability initiatives, not to mention glean useful insights that can inform decision-making.

Recognizing both the challenge and the opportunity, Tata Consultancy Services (TCS) and Oracle have combined their industry expertise and advanced technologies to deliver a robust platform for ESG planning, data management, analysis, and reporting, paving the way for organizations to integrate ESG into core business processes for a sustainable, successful future.

[1] Abhijit Sunil, "Predictions 2025: Environmental Sustainability Drivers Shift From Regulation To Efficiency And Savings," Forrester, October 2024

Why ESG is high on the C-suite agenda

Regulatory requirements are the primary driver for businesses' increasing focus on ESG. As of 2024, nearly half of environmental sustainability decision-makers reported that regulatory compliance was the main reason for ESG reporting.^[2] Countries around the world are setting sustainability requirements defined by the International Sustainability Standards Board of the International Financial Reporting Standards Foundation, including most recently Japan. The global Taskforce on Nature-related Financial Disclosures is also having an influence, and other US and EU standards are emerging and evolving.

Beyond regulatory imperatives, however, ESG presents a business opportunity. C-suite leaders have solid strategic reasons to invest in ESG initiatives and report accurate data about that activity to back up their claims of sustainability progress. Consumers, employees, and investors are all increasingly favorable toward companies that pursue ESG goals and verifiably report about their activities. In addition, it is predicted that operational efficiencies will emerge as a key driver for sustainability initiatives,^[3] as companies seek to integrate sustainable practices into their core business strategies and to improve data collection and reporting methods.

Simply put, focusing on sustainability can reveal new opportunities for growth and boost the bottom line. ESG investment can be an integral part of an overall business strategy that influences product development, operations, and customer engagement. Positioning ESG in this way also enables efficiency in addressing regulatory requirements, because it allows businesses to reduce complexity, minimize costs, and streamline compliance efforts.

The challenges of ESG reporting

Accurately reporting on ESG initiatives is a major challenge for many companies. In the face of growing pressure from customers, employees, and investors, they must provide credible data to confirm the impact of their initiatives. With ESG considerations increasingly integrated into core business strategies and aligned with business objectives, this data must quantify the financial benefits of sustainability programming. Meanwhile, business leaders must keep up with changing sustainability laws and standards.

It is a complex task to provide comprehensive, accurate, and relevant ESG data in the correct formats for numerous purposes. Reporting teams must pull data in various formats from several sources and integrate it all into lucid reports while protecting sensitive information and ensuring compliance with privacy regulations.

This challenge is made far more difficult if teams use manual data collection and reporting methods. The need to manually pull data from complex and disparate systems complicates easy collection of ESG metrics to track progress. Lack of clear business outcomes and return-on-investment (ROI) metrics is also a challenge for these teams.

[2] Sunil, "Predictions 2025."

[3] Ibid.

Representative sustainability data challenges

Data diversity and dispersion:

- A product launch or other major release may result in diverse data stored in disparate systems, which is difficult to manually gather and compile.

Supply chain visibility:

- Many organizations struggle to secure sustainability data on the companies in their supply chain, such as emissions from the extraction, manufacturing, and processing of raw materials.

Reporting approach to water:

- For some companies, water-related reporting may fail to capture complexities such as location-based water stress and scarcity, and value chain water materiality.

AI insights:

- Collaboration among multiple stakeholders is essential to define and validate AI insights for ESG drivers that may be incorporated into the AI utility function.

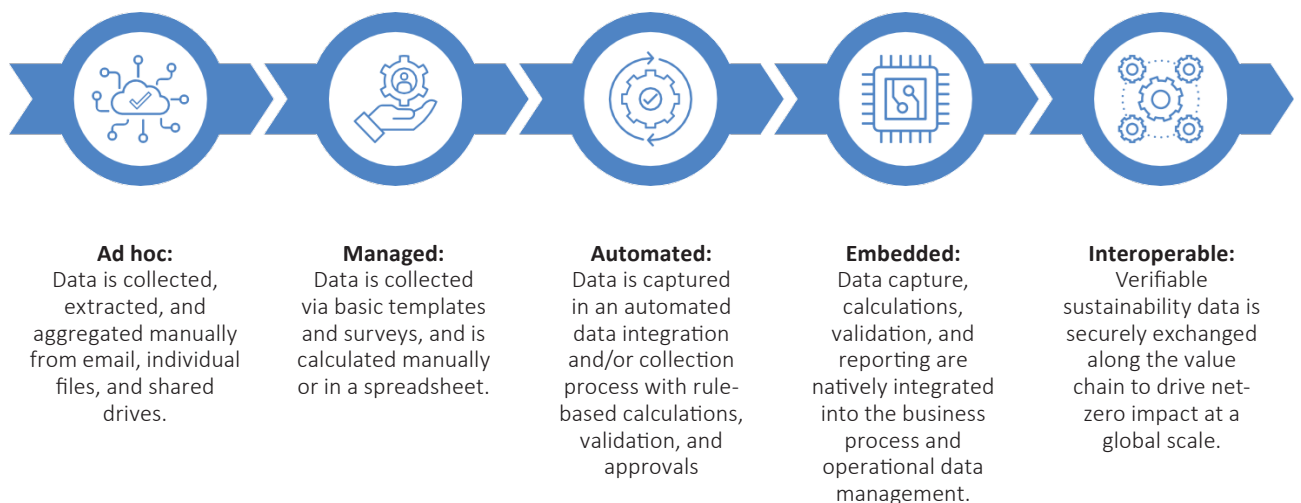
Data privacy:

- Across all ESG data collection and reporting, companies must establish clear guardrails, ethical frameworks, and robust cybersecurity measures.



How TCS and Oracle can help

Instituting new processes and technologies can help companies move from a manual—or ad hoc—method of data collection and management toward a state in which sustainability data is fully interoperable along the value chain. A clear progression shows how such a transformation can increase the impact, transparency, verifiability, and traceability of data reporting:



To help organizations make this sustainability data journey, Oracle has developed Oracle Fusion Cloud Enterprise Performance Management (EPM) for Sustainability, on top of which TCS has developed a robust framework for ESG data management, analysis, and reporting that integrates ESG into core business processes such as supply chain, procurement, finance, and HR. The service leverages the power of TCS' in-depth, industry-specific expertise and offerings to enable organizations to embark on a successful sustainability journey and help achieve significant positive outcomes.

TCS Crystallus™— a set of preconfigured industry offering—accelerates digital transformation by leveraging the Oracle Fusion Cloud Applications Suite to support customers in refining their approach to data collection, processing, and reporting, including streamlining through automation and digitization. The TCS Crystallus™ Sustainability Reporting Methodology helps customers address their ESG data challenges using their existing IT applications with the following steps:

Collect:

- TCS helps organizations define an ESG data collection process map for each data set covering ESG data capture, computation baseline and assumptions, and quality review and approval hierarchy.

Transform:

- TCS helps organizations store, transform, and process ESG data to generate the required input for key performance indicators (KPIs). This includes importing data from numerous source systems and automatically ingesting it into the ESG tool, where it is converted into appropriate formats and used to calculate KPIs.

Review:

- TCS helps organizations review data; model, predict, and plan around ESG topics using forecasting capabilities; document audit requirements; and work on roles to support external assurance.

Report:

- TCS helps organizations apply tools to support reporting according to ESG frameworks, which may require custom build - outs such as dashboard creation and tool configuration based on customer specifications and materiality assessment.

This TCS methodology uses Oracle Cloud EPM for Sustainability, a single source of truth for ESG planning and reporting. This system can collect data from practically any source, including Oracle and non-Oracle applications, using business-owned data integrations, native data input, and input from spreadsheets. The system offers prebuilt and customizable dashboards, and prebuilt KPIs, metrics, and carbon calculators for emissions, social, governance, and all other required disclosure aspects.

TCS can tailor the system to provide custom services based on geography, industry, and specific regulations and can also quickly onboard new regulations. Oracle Cloud EPM for Sustainability also lets users perform scenario modeling for ESG activities, align initiatives across operations, and make decisions based on an integrated understanding of sustainability, finance, and operations. Enabling advanced planning and improved stakeholder alignment, the system enables companies to create an organization-wide, long-term sustainability plan, as well as short-term operations plans for more immediate goals.

Together, TCS and Oracle help customers create a robust sustainability data foundation built on collection and integration of data from diverse sources, and generation of meaningful insights from sustainability data using AI-powered advanced predictions. The methodology empowers users to address compliance with evolving sustainability regulations and standards; effectively communicate about ESG performance to investors, customers, and other stakeholders; and make data-driven decisions to achieve ESG goals and improve operational efficiency.



ESG as opportunity

Organizations worldwide are becoming more environmentally sustainable as they recognize the opportunities embedded in ESG initiatives. According to a compelling ESG report from McKinsey Quarterly, companies with a strong ESG proposition stand to gain top-line growth from improved government and community relations, cost reductions from efficiencies such as lower energy consumption, better support and strategic freedom from fewer regulatory interventions, improved productivity from more motivated employees, and enhanced investment opportunities, to name just a few benefits.^[4] Setting and pursuing sustainability goals can help companies improve their reputations, boost the bottom line, highlight areas for growth and opportunity, and make a meaningful contribution to a more sustainable planet.

ESG data readiness is the key to being able to tap into these benefits. A streamlined, automated data management method such as that provided by TCS and Oracle can provide benefits that go beyond business leaders' expectations.

[4] Witold Henisz et al., "Five ways that ESG creates value," McKinsey Quarterly, November 2019.

Awards and accolades



Contact

Please write to esu.oracle@tcs.com to learn more about end-to-end capabilities that can accelerate your cloud migration.

About Tata Consultancy Services Ltd (TCS)

Tata Consultancy Services (TCS) (BSE: 532540, NSE: TCS) is a digital transformation and technology partner of choice for industry-leading organizations worldwide. Since its inception in 1968, TCS has upheld the highest standards of innovation, engineering excellence and customer service.

Rooted in the heritage of the Tata Group, TCS is focused on creating long term value for its clients, its investors, its employees, and the community at large. With a highly skilled workforce of over 607,000 consultants in 55 countries and 180 service delivery centres across the world, the company has been recognized as a top employer in six continents. With the ability to rapidly apply and scale new technologies, the company has built long term partnerships with its clients – helping them emerge as perpetually adaptive enterprises. Many of these relationships have endured into decades and navigated every technology cycle, from mainframes in the 1970s to Artificial Intelligence today.

TCS sponsors 15 of the world's most prestigious marathons and endurance events, including TCS New York City Marathon, TCS London Marathon and TCS Sydney Marathon with a focus on promoting health, sustainability, and community empowerment. TCS generated consolidated revenues of US \$30.18 billion in the fiscal year ended March 31, 2025.

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