



REGULATORY COMPLIANCE AND SUSTAINABILITY IN ERP SYSTEMS

Introduction

Regulatory compliance and sustainability have become converging priorities across industries, including the public sector. Global frameworks such as ISO 14001, the EU Corporate Sustainability Reporting Directive (CSRD), and emerging climate disclosure mandates require organizations to deliver accurate, auditable, and timely data. Traditional sustainability tools, often limited to standalone reporting, create silos and increase compliance risk. Enterprise Resource Planning (ERP) systems, particularly Microsoft Dynamics 365, offer an integrated foundation to manage compliance and sustainability within core business processes. By embedding environmental metrics and regulatory controls into ERP workflows, organizations can enhance transparency, reduce risks, and optimize costs. Infosys leverages its deep industry expertise and Microsoft Dynamics 365 capabilities to help entities meet evolving regulations and achieve measurable sustainability outcomes.

Sustainability Needs/Goals

As compliance and sustainability become business imperatives, industries must translate these priorities into clear goals. We focus on Oil and Gas, Manufacturing, and Public Sector because they have the highest environmental impact and face strict regulations. Oil and Gas must cut emissions and manage resources efficiently. Manufacturing needs to reduce energy use and meet global standards like ISO 14001 and CSRD. Public Sector organizations aim for transparency and green initiatives across facilities and fleets. While objectives align on reducing impact and improving accountability, each sector's needs shape its approach and technology choices.



Oil and Gas Industry

- Measure and reduce greenhouse-gas emissions; align with carbon pricing/trading schemes.
- Monitor energy use, flaring, and leaks to improve asset efficiency.
- Ensure traceability for hazardous waste and water management with auditable logs.
- Standardize multi-jurisdiction compliance reporting across joint ventures.



Manufacturing Industry

- Track Scope 1–3 emissions across plants and supply chains.
- Optimize materials and energy to reduce scrap and rework; enable circular practices.
- Meet lifecycle certification requirements (e.g., ISO 14001, CSRD).
- Maintain assurance-ready audit trails and real-time ESG KPIs.



Public Sector Industry

- Improve energy efficiency and carbon tracking across government facilities and fleets.
- Ensure transparency through auditable sustainability reporting and open data initiatives.
- Implement green procurement policies and monitor compliance with climate commitments.
- Coordinate cross-agency sustainability programs with standardized metrics and dashboards.

Why Industries' Sustainability is Becoming Critical

Industries with significant environmental impact are under growing scrutiny. Oil and Gas must reduce emissions and adapt to carbon regulations while maintaining operational efficiency. Manufacturing faces challenges in lowering energy use, minimizing waste, and meeting global standards like ISO 14001 and CSRD. Public Sector organizations are driving transparency and implementing green initiatives across facilities and fleets to achieve climate goals. These sectors are at the forefront of sustainability transformation, requiring data-driven strategies and innovative tools to deliver measurable progress.

Sustainability Solutions

Meeting sustainability and compliance goals requires more than isolated reporting tools. Organizations need integrated systems that combine operational data, regulatory requirements, and actionable insights. Traditional point solutions often fall short because they operate in silos, making it difficult to achieve real-time visibility or drive meaningful improvements. ERP systems, particularly Microsoft Dynamics 365, bridge this gap by embedding sustainability into core business processes. Below are key solution approaches and industry-specific examples that enable organizations to move from compliance reporting to proactive sustainability management.



Typical Tools are Disconnected/ Standalone (Only Reporting)

Many organizations rely on standalone tools that capture sustainability metrics but remain outside core workflows. This disconnect delays reporting, complicates audits, and limits the ability to act on insights for reducing emissions or improving efficiency.



ERP Provides an Integrated View

ERP systems consolidate operational, financial, and supply chain data, creating a single source of truth for compliance and sustainability. By integrating sustainability into ERP, businesses gain real-time dashboards, automated evidence logs, policy-driven controls, and end-to-end traceability across procurement, production, logistics, facilities, and finance.



Microsoft Dynamics 365 ERP Sustainability Capabilities

Microsoft Cloud for Sustainability and Sustainability Manager:

Centralizes ESG data, automates emissions calculations, provides audit trails, and generates reports aligned with frameworks like CSRD, GRI, and SEC climate disclosures. *Example: A public sector agency uses Sustainability Manager to track energy consumption across government buildings and fleets, ensuring compliance with climate commitments.*

Microsoft Dynamics 365 Finance and Supply Chain: Embeds compliance checkpoints and approvals, integrates IoT/SCADA/BMS data for energy and waste tracking, and uses Microsoft Power BI for assurance-ready analytics. *Example: A global manufacturer leverages IoT integration with Microsoft Dynamics 365 to monitor energy usage on production lines, reducing waste and meeting ISO 14001 standards.*

AI and Predictive Insights: Enables scenario planning for regulatory changes and optimizes routes, maintenance, and energy loads to reduce emissions and costs. *Example: An oil and gas operator uses AI-driven predictive maintenance in Microsoft Dynamics 365 to minimize flaring and improve asset efficiency while complying with carbon trading schemes.*

Public Sector Compliance: Microsoft Dynamics 365 US Government (GCC/GCC High) supports FedRAMP-aligned deployments with robust security controls, ensuring transparent and auditable operations. *Example: A government department implements Microsoft Dynamics 365 GCC to manage sustainability reporting securely and meet federal compliance standards.*

Use Cases

Building on the sustainability needs and solutions discussed earlier, these examples illustrate how Infosys, in partnership with Microsoft Dynamics 365, delivers measurable impact across industries by resolving key challenges such as fragmented reporting, compliance complexity, and lack of real-time visibility.

Oil and Gas Industry

1. ERP Modernization for Compliance: Infosys implemented Microsoft Dynamics 365 Finance and Operations for an environmental solutions provider, standardizing finance and procurement across entities and accelerating statutory reporting.

Challenge Addressed: Eliminated fragmented systems, enabling integrated workflows and faster audits.

2. Unified ESG Dashboards: An energy operator used Microsoft Dynamics 365 with Microsoft Cloud for Sustainability to consolidate emissions, water, and waste data for timely disclosures and carbon-trading compliance.

Challenge Addressed: Replaced siloed tools with real-time ESG reporting.

Manufacturing Industry

1. ESG KPIs in Core Operations: Infosys deployed Microsoft Dynamics 365 Finance and Supply Chain to embed ESG KPIs into production planning, reducing scrap and enabling CSRD-aligned reporting.

Challenge Addressed: Overcame manual reporting and lack of traceability with integrated compliance checkpoints.

2. Predictive Maintenance for Energy Savings:

Manufacturers adopted IoT-enabled predictive maintenance with Microsoft Dynamics 365 and Azure, lowering energy use and improving uptime.

Challenge Addressed: Shifted from reactive maintenance to predictive insights for efficiency and compliance.

Public Sector Industry

1. Secure Compliance Management: A government agency implemented Microsoft Dynamics 365 GCC to unify financial and compliance workflows, improving security and transparency.

Challenge Addressed: Resolved fragmented compliance processes with FedRAMP-aligned ERP.

2. Centralized ESG Tracking: Public sector teams used Sustainability Manager with Microsoft Dynamics 365 to monitor energy, fleet fuel, and waste across departments, enabling assurance-ready reporting.

Challenge Addressed: Eliminated inconsistent data collection through centralized ESG metrics.

Conclusion

Embedding regulatory compliance and sustainability within ERP delivers a measurable impact. By unifying operational and ESG data, Microsoft Dynamics 365, implemented by Infosys, enables organizations to move beyond reporting into continuous improvement: automated compliance, auditable trails, and data-driven reduction of emissions and waste. The outcome is resilient operations that meet evolving standards and deliver long-term value.



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