

GLOBAL STRATEGY EXECUTION SUMMIT

1st Virtual Edition, 9th December 2023

Aligning ESG Objectives & Initiatives with Balanced Scorecard



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EXPERIENCE

- Strategy Execution
- Business Process Management
- Business Planning & Budgeting
- Enterprise Resource Planning
- Supply Chain Execution Systems
- Enterprise Performance Management
- Project Management

- Middle East, Africa, India
- 31 Years

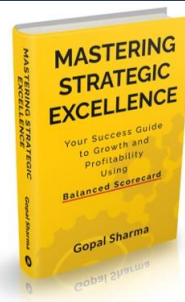
INDUSTRIES

- Agri Food
- Mining
- Automotive
- FMCG
- Manufacturing
- Logistics

CERTIFICATIONS

- BSC Certified Graduate
- PMP
- CPIM
- LSSBB
- EPM (IBM PA)
- ERP

Personal Profile



Education

- MBA from Strathclyde Business School, Scotland (2000)
- B.E. (Hons.) Mechanical from BITS, Pilani, India (1983)

Certifications & Memberships

- Certified Corporate Director (2021)
- Fellow Life Member, Institute of Directors, India (2021)
- Dubai Quality Award Team Leader (2010 – 2019)
- Balanced Scorecard Certified Graduate, Palladium (2008)
- Project Management Professional (2003)

Gopal Sharma

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Experience

- Managing Director & Board Member JESPL, India (2019-2022)
- Managing Partner Score Advisory, UAE (2017-2019)
- Managing Director Score Consultancy, UAE (2011-2017)
- Sr. Manager – Business Excellence Voltas International, UAE & India (2002-2011)
- MEP Manager Sh. Suroor's Private Office, UAE (1993-2002)
- Mechanical Engineer EMCO (1984-1993)

Notable Projects (Engineering)

Facility Management:

- Ruwais Refinery
- Ruwais Housing Complex
- Army General Headquarter

Projects:

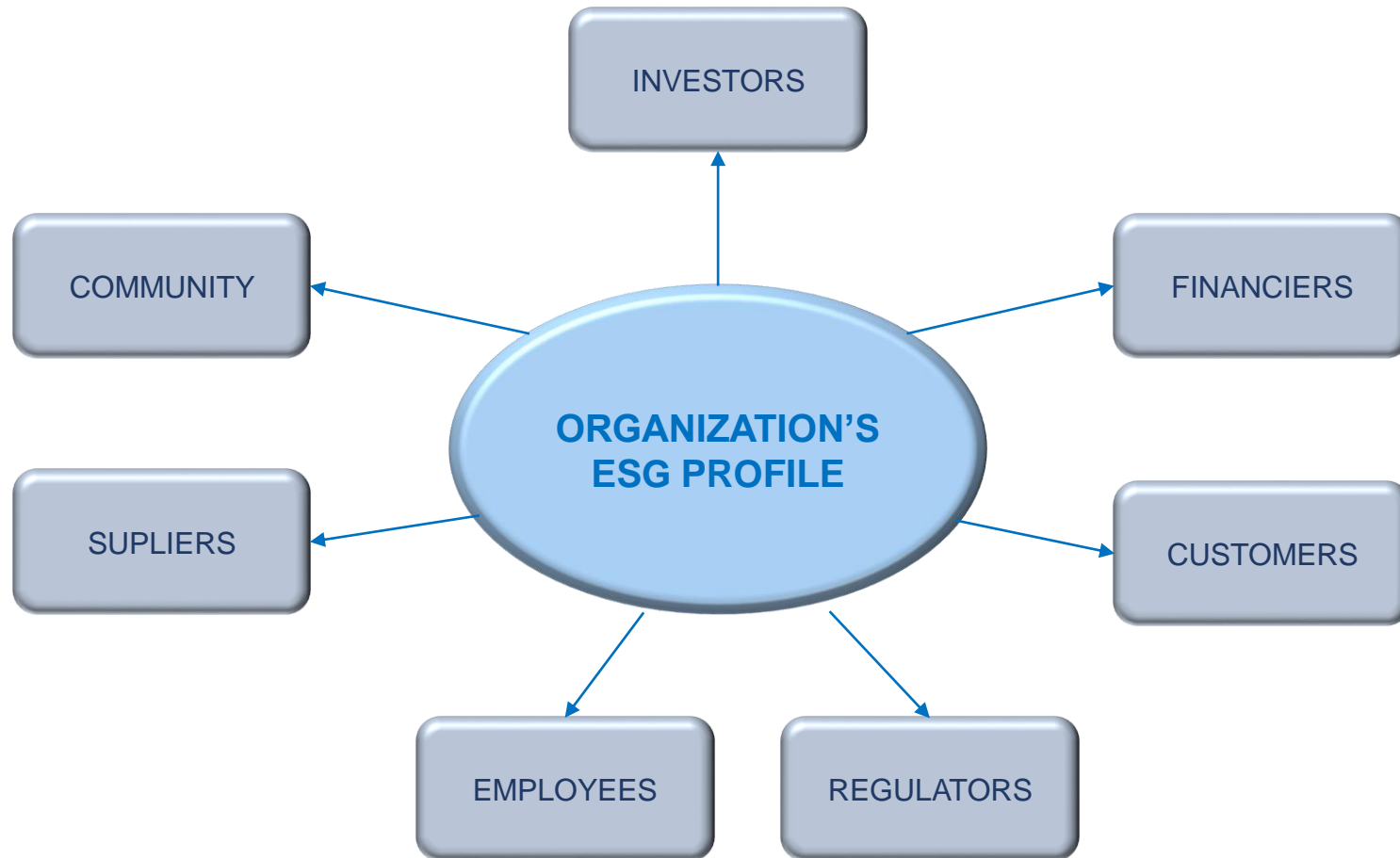
- Burj Khalifa
- Emirates Palace Hotel
- Largest Mall in Abu Dhabi (as Client)
- 5-Star Beach-front Hotel (as Client)

Notable Projects (Consulting)

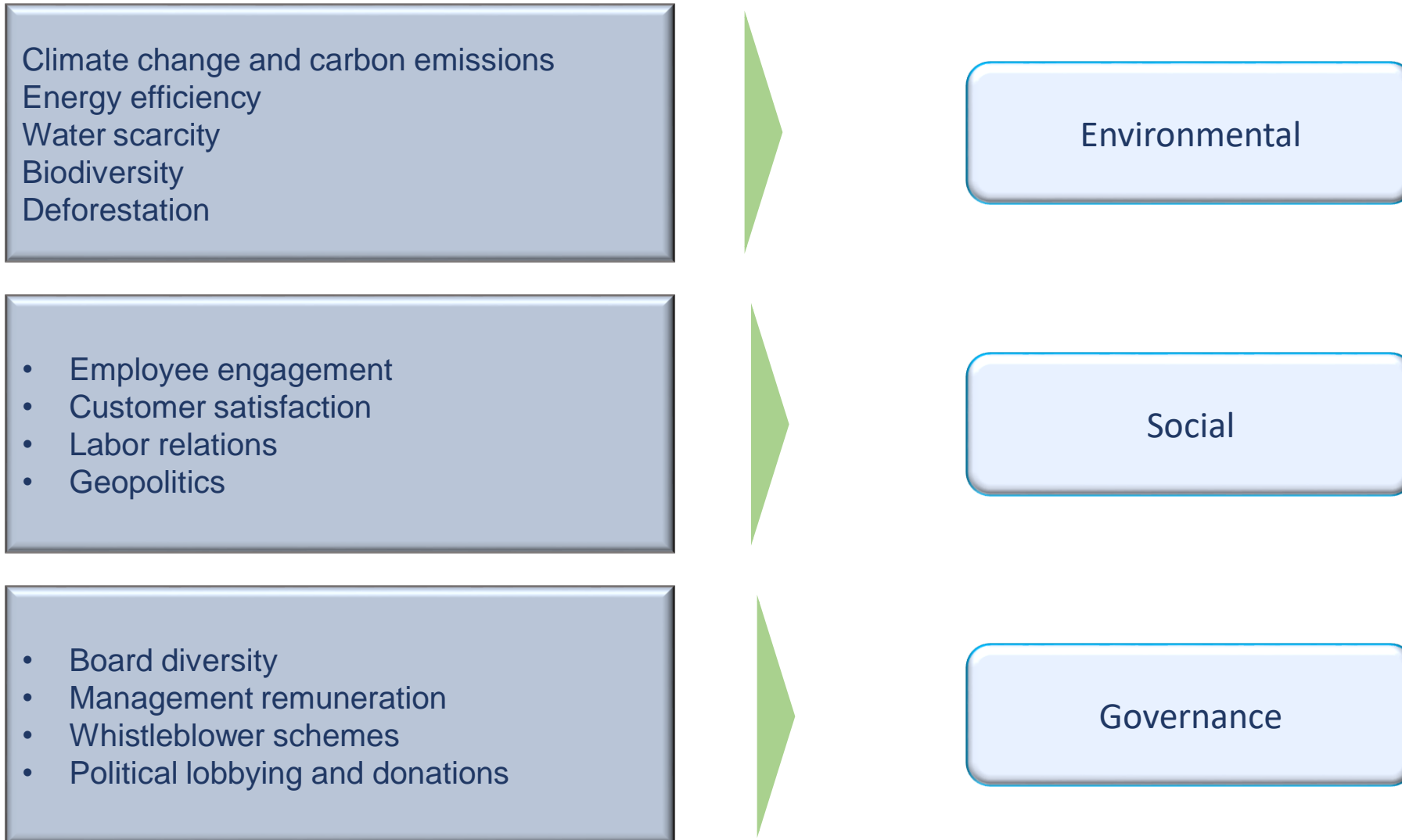
- Voltas: Corporate Strategy, Balanced Scorecard, Business Excellence, IMS & Project Management
- Conglomerate in Qatar: Corporate & BU VMV, Strategy, Balanced Scorecard, Process Documentation, IMS
- PJS Insurance Company in Dubai: BSC, Process Documentation, PMS
- Private School in Dubai: Developing & Mapping KPIs to KHDA Framework, and Implementing PMS

- How to align ESG objectives with Balanced Scorecard
- ESG Assessment
- Questions

Stakeholders Impacted by Organization's ESG Footprint



Major Factors Impacted by E, S, & G



Major Factors Impacted by E, S, & G

| Environmental | Social | Governance |
|---|---|---|
| Increasing operating costs due to higher pricing of greenhouse gas (GHG) emissions | Impacts on company profitability and reputation due to labour disputes or strikes | Multiple directorships of board members leading to conflict of interest |
| Write-offs and early retirement of assets due to enhanced emission reporting obligations and substitution of products with lower emission options | Reduced demand from customers or litigation due to safety risks in products or services | Lack of experienced board members in navigating an energy company through the transition |
| Reduced demand for goods and services due to change in customer choice | Disruption of operations or supply chain due to geopolitical conflicts | Excessive executive remuneration eroding trust in business |
| Costs to adapt/deploy new practices and processes while transitioning to lower emission technology | Demographic or consumer changes shrinking market for the company's products | Scandals due to lax compliance on information disclosure, auditing, accounting or regulations |

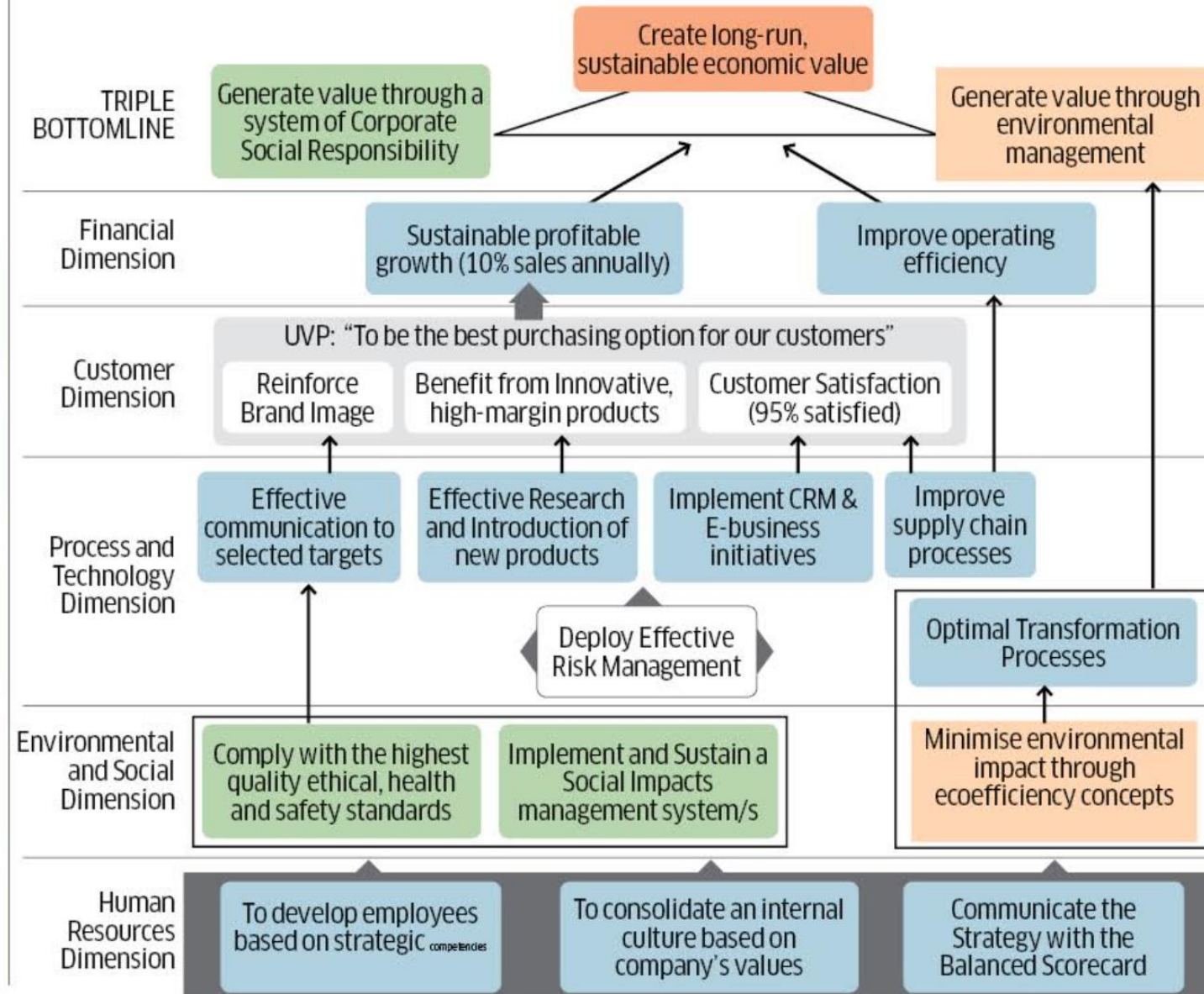
Establishing ESG Corporate Strategy



Updating the Balanced Scorecard for Inclusive Growth Strategies: From Shareholder to Multi-Stakeholder View



Amanco's Triple Bottom Line Strategy Map



Data Courtesy: Robert Kaplan

THRICE THE VALUE: The BSC's updated triple bottom line approach makes it possible for companies to accurately estimate and plan strategically for three crucial dimensions, from financial performance to the environmental and social outcomes, of their projects

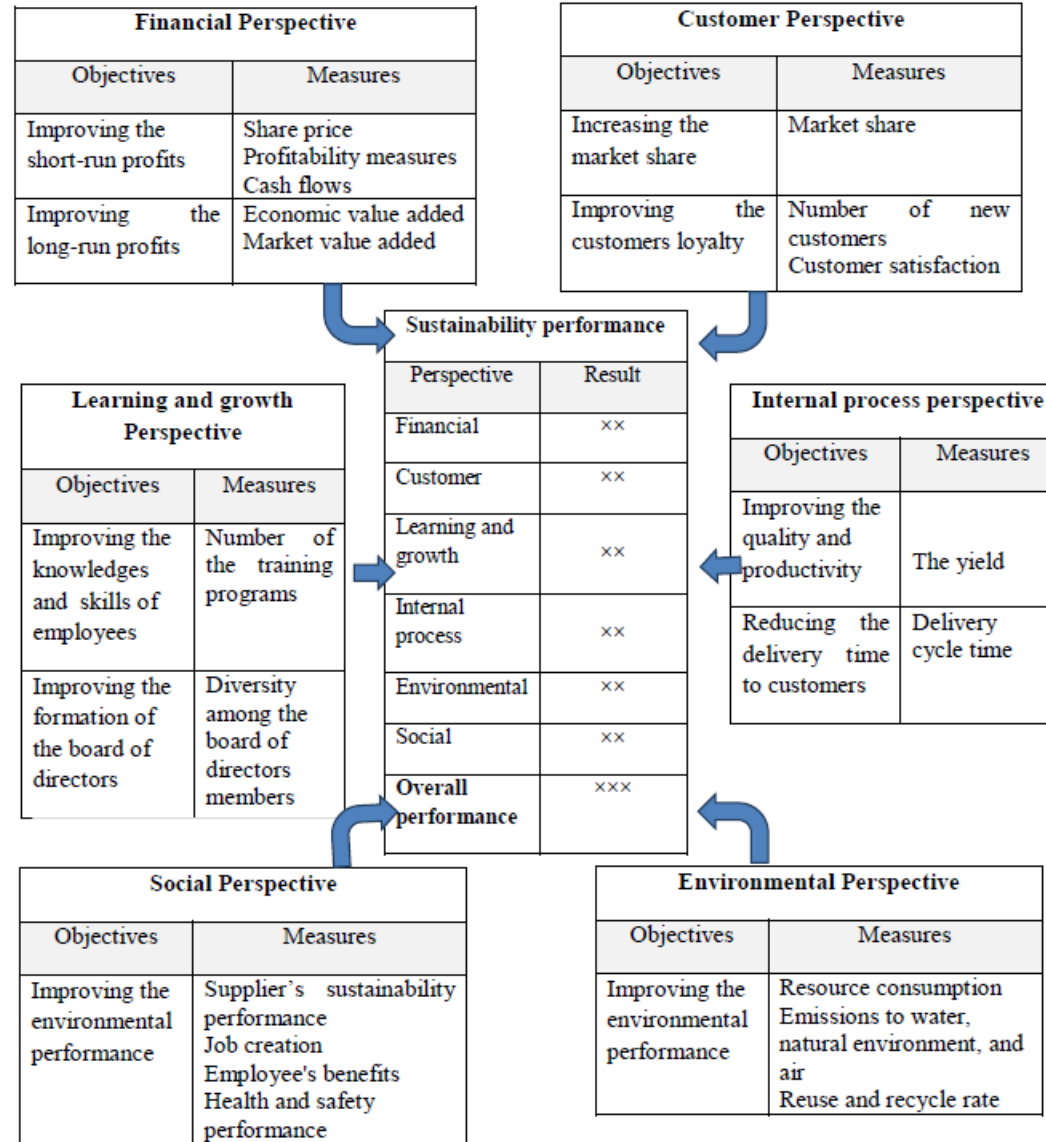


Figure 3: Sustainability Balanced Scorecard containing six perspectives

level will be good or at the same level as the other counterparts. These three levels have three grades which are

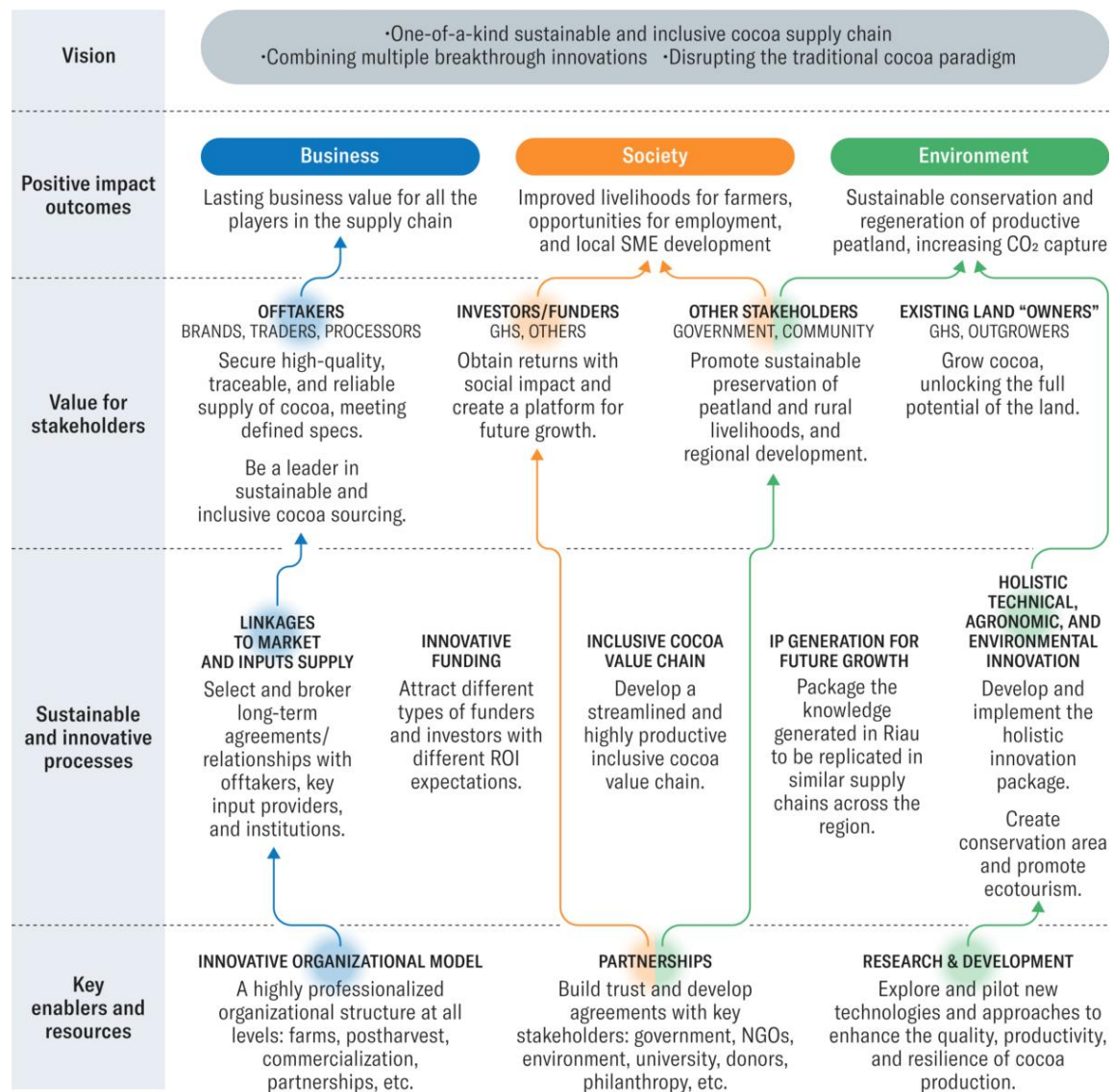
Table 1: Sustainability Balanced Scorecard in a fertilizer company working in Egypt

| Perspectives / Objectives | Performance measures | The weight | Actual performance | Standard performance | Performance level | Result |
|----------------------------------|---|------------|--------------------|----------------------|-------------------|--------|
| Financial Growth | Sales growth | 30% | 24.8% | 15% | 90 | 8.1 |
| | Production volume growth | 30% | 20% | 10% | 90 | 8.1 |
| | Net profits growth | 12% | 8% | 10% | 60 | 2.16 |
| | Return on equity | 16% | 50% | 20% | 90 | 4.32 |
| | Earnings per share | 12% | 1.61 | 12 | 30 | 1.08 |
| Profitability | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Customer | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Market share | The company market share | 30% | 75% | 30% | 90 | 4.05 |
| | Delivery cycle time | 15% | 13 day | 14 day | 60 | 1.35 |
| | New products sales / total sales | 20% | 25% | 10% | 90 | 2.7 |
| | Customer satisfaction | 5% | — | High | 30 | 0.225 |
| | Customer satisfaction surveys | 5% | 75% | 75% | 60 | 0.45 |
| Product quality | Customer Retention Rate | | | | | |
| | Product performance in relation to quality standard | 25% | 90% | 60% | 90 | 3.375 |
| Internal processes | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Quality | Delivery in time rate | 10% | 95% | 85% | 90 | 1.35 |
| | Valid production units ratio | 10% | 98% | 97% | 60 | 0.9 |
| | Number of defect units -10000 | 10% | 20 units | 25 units | 90 | 1.35 |
| | Products cost compared with counterparts | 20% | 80% | 78% | 60 | 1.8 |
| | Inventory / sales ratio | 10% | 10% | 10% | 60 | 0.9 |
| Inventory reduction | Manufacturing cycle efficiency | 10% | 75% | 76% | 60 | 0.9 |
| | Number of new products | 15% | 3 products | 6 products | 30 | 0.675 |
| | Number of new effective components | 15% | 10 components | 10 components | 60 | 1.35 |
| | | | | | | |
| | | | | | | |
| Learning and growth | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Employees retention | Employees turnover rate | 30% | 9% | 12% | 30 | 1.17 |
| | The ratio of the employees participating in the training programs | 30% | 85% | 45% | 90 | 3.51 |
| | Number of the units produced by one employee | 40% | 1300 units | 1000 units | 90 | 4.68 |
| | | | | | | |
| | | | | | | |
| Environmental performance | Energy consumption | 20% | 150 m Therm | 120m Therm | 30 | 1.2 |
| | Resource consumption- | | | | | |

| | | | | | | |
|---|--|-----|-----------|-----|----|-------------|
| Eco-efficiency | formaldehyde | 20% | 2000 tons | — | 60 | 2.4 |
| | Emissions to water | | | | | |
| | Ammonium-Microgram/liter | 7% | 11 | 3 | 30 | 0.42 |
| | Nitrogen- Microgram / liter | 7% | 39 | 40 | 60 | 0.84 |
| | Nitrate- Microgram / liter | 6% | 200 | 100 | 30 | 0.36 |
| | Emissions to air | | | | | |
| | Ammonium | 10% | 0.71 | 25 | 90 | 1.8 |
| | NOXs | 10% | 0.08 | 3 | 90 | 1.8 |
| | Recycle rate | 15% | 70% | 30% | 90 | 2.7 |
| | Number of products for recycling and decomposition | 5% | 10 | 5 | 90 | 0.9 |
| Social Community | | | | | | |
| | Number of Jobs Chances | 10% | 50 | — | 90 | 0.63 |
| | Size of disclosure on sustainability | 5% | Weak | — | 30 | 0.105 |
| | Number of violations | 10% | 2 | — | 90 | 0.63 |
| | Health and safety performance | 35% | Excellent | — | 90 | 2.205 |
| Health and safety Society acceptance | Compliance to regulations | 35% | Excellent | — | 90 | 2.205 |
| | Sustainability audit and communication | 5% | Weak | — | 30 | 0.105 |
| | | | | | | |
| The overall sustainability performance | | | | | | 72.8 |

Riau Cocoa Ecosystem Strategy Map

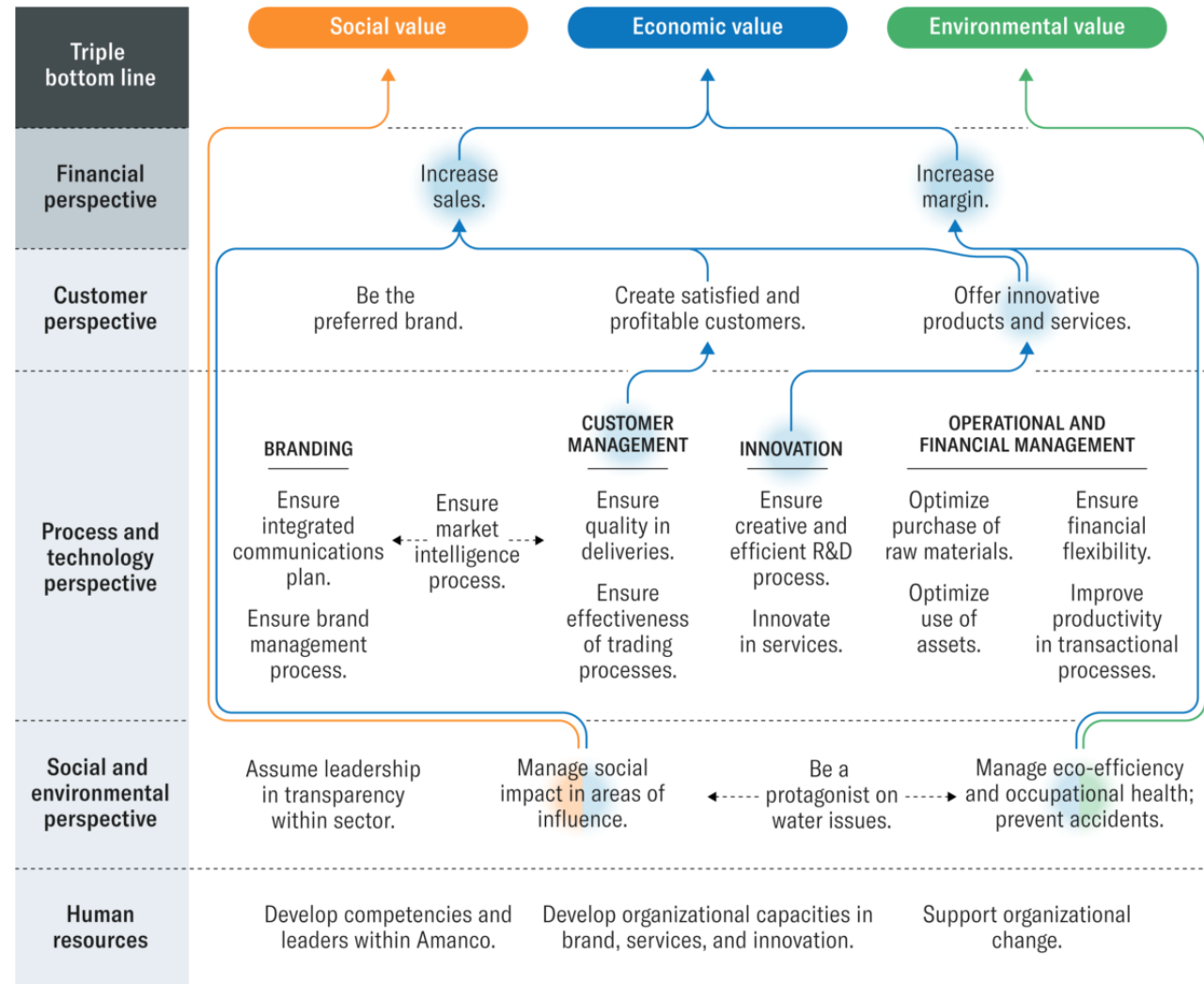
This strategy map portrays how stakeholders across the new cocoa production ecosystem envisioned by PT Guntunghasrat Makmur (GHS) would work collaboratively to create measurable value for businesses, the environment, and society. The causal linkages shown below illustrate some of the connections between strategy map objectives.



Source:
 Harvard Business Review
 Reimagining the Balanced Scorecard for the ESG Era
 by Robert S. Kaplan and David McMillan
 February 03, 2021

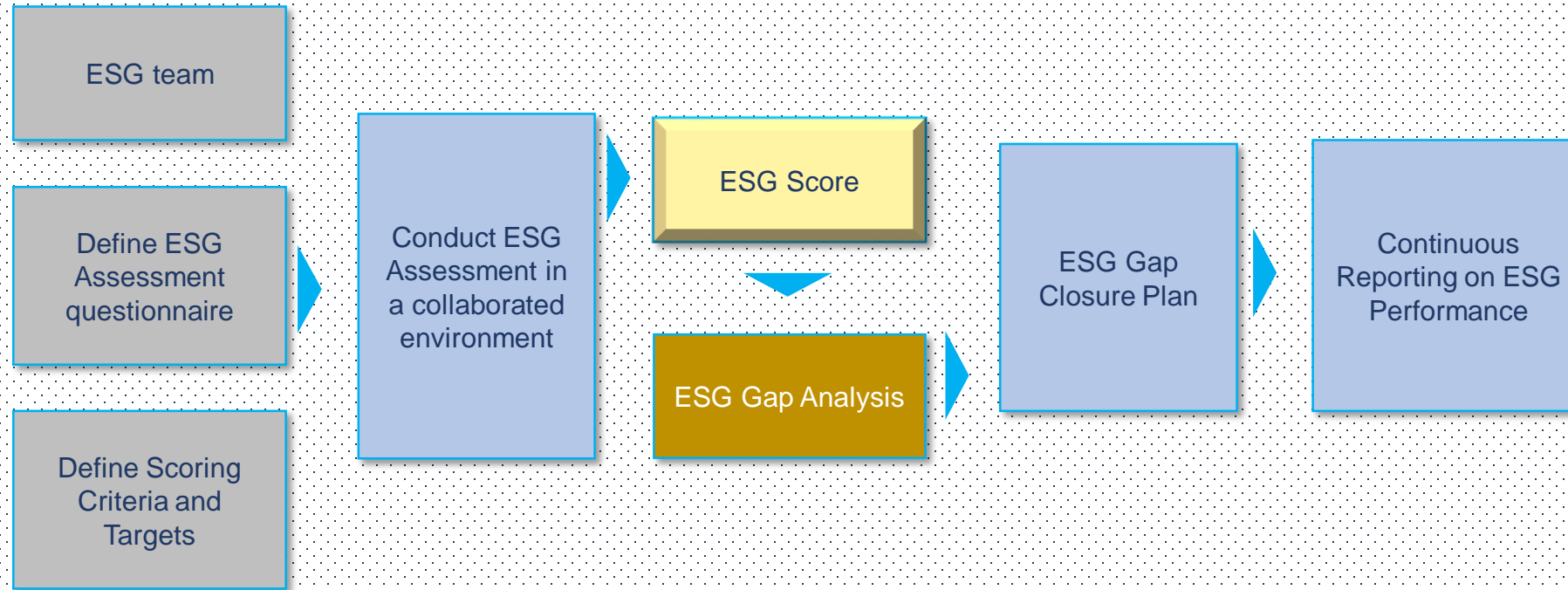
Amanco's Triple Bottom Line Strategy Map

The financial perspective (traditionally the final value output) now has a triple bottom line perspective superimposed on top of it. This new perspective highlights the organizational processes required to drive social and environmental objectives as well as economic value. The causal linkages shown below illustrate some of the connections between strategy map objectives.



Source:
 Harvard Business Review
 Reimagining the Balanced Scorecard for the ESG Era
 by Robert S. Kaplan and David McMillan
 February 03, 2021

Environment, Social, & Governance (ESG) Assessment Aligned to Strategy



*frui***Strategy**

Demonstration....