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SUSTAINABLE DEVELOPMENT GOALS

Business Growth and Social Impact: Integrating the UN Sustainable Development Goals into Your Corporate Strategy

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NON-EXHAUSTIVE

Companies have been encouraged to participate in the United Nations Sustainable Development Goals (SDGs) to create global systemic change

Along with the tools and frameworks provided by the UN Global Compact, global partnerships have advocated for private sector partnerships for the SDGs by designing specific indicators relevant to companies

United Nations Global Compact

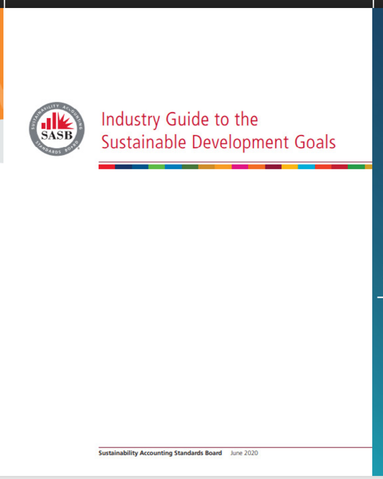
UNGC Industry Guides on SDGs

ADOPTION OF SDGS WITH PRIVATE SECTOR STANDARDS

GIIN GLOBAL IMPACT INVESTING NETWORK

GIIN IRIS+ Impact Performance Measurements Towards the SDGs

SASB



SASB Industry Guide to the Sustainable Development Goals in 2020

GRI

GRI Guides on Mapping and Reporting on the SDGs

B Lab

B Lab SDG Action Manager

NON-EXHAUSTIVE

Stakeholders across industries and value chains are demanding real impact from companies

INVESTORS
U.S. sustainable funds, largely aligned to SDGs, have more than tripled and achieved assets totaling ~$500 billion in 2019

NGOS AND ACTIVISTS
Nonprofits and watchdogs have put intense pressure across industries such as retail, consumer products, agriculture, mining, etc. for sustainable practices

CUSTOMERS
Although sustainability-marketed products account for 16% of the Consumer Packaged Goods (CPG) market, they accounted for more than 50% of industry growth

EMPLOYEES
Nine out of ten millennials (aged 22 and 37) would consider taking a pay cut to work at a company with missions and values they believe in

COMMUNITIES
Frustrations with social inequality have forced companies to re-evaluate their corporate values and their relationships with communities

SUPPLIERS
With most of a company's environmental impact occurring within supply chains, companies need to build closer linkages and measurement standards

GOVERNMENTS
Global challenges, such as COVID-19, have shown the need for stronger Public-Private Partnerships

OTHER COMPANIES
S&P 500 companies publishing sustainability reports have increased from 20% in 2011 to 86% in 2018

NON-EXHAUSTIVE

Although facing social pressures, companies may feel that they are already working on sustainability initiatives, or may not know where to begin

COMMON SUSTAINABILITY INITIATIVES

Corporate Philanthropy
Donations of money and time to improve social welfare and image as corporate citizens

Regulatory Compliance
Social, environmental, and governance initiatives to comply with regulations and reduce risks / negative impact

Operational Efficiency
Corporate initiatives with positive environmental and social benefits that reduce costs and improve efficiency

COMMON SUSTAINABILITY OBSTACLES

Unclear Vision & Strategy

"We need to change, but there isn't a strong sense of urgency or commitment."

"Business needs crowd out the important social initiatives."

"We don't really have a well developed or coherent strategy that's easily explained."

Lack of Alignment

"The people we rely on to execute our strategy don't have an understanding of what it is."

"Our support units are not very effective business partners."

"Recognition and rewards are not based on driving the strategy and change we need."

Disjointed Planning & Processes

"I'm not sure our resources are allocated against priorities and our best opportunities."

"Our strategic, operational, and financial plans are not aligned."

"We spend too much time and effort creating plans instead of getting value."

Inability to Monitor, Test & Adapt

"We don't have the right measures or have too many to be effective."

"We don't know if our strategy is working until it's too late."

"We aren't getting access to the data / information that tells us if our strategy is being executed."

NON-EXHAUSTIVE

The problem is that companies often don't know how to integrate impact with strategy and operations to meaningfully advance societal goals, while achieving corporate ambitions

"TYPICAL" CORPORATE STRATEGY

CORPORATE STRATEGY			CSR STRATEGY (E.G., PHILANTHROPY, COMPLIANCE, EFFICIENCY)		
Profit	Growth	Workforce	Environmental	Socioeconomic	Governance
Sustainability not incorporated with business strategy beyond cost-saving approaches that yield environmental benefits			Prevalence of "green / purpose-washing," often through ad-hoc CSR campaigns with limited impact		
SDGs used as broad, readily-identifiable buckets to categorize existing corporate citizenship programs					

SDG-ALIGNED CORPORATE STRATEGY

SDG-ALIGNED CORPORATE STRATEGY					
Profit	Growth	Workforce	Environmental	Socioeconomic	Governance
Strategy that purposefully incorporates sustainability with growth through a holistic, business ecosystem approach					
SDGs used as guiding outcomes that evolve the strategy for systems change					

Palladium offers a *Sustainable Growth Suite* of proven tools to help companies execute their strategy while taking action on global goals

As the original creators of the Balanced Scorecard and Strategy Map methodology, Palladium has helped over 700 organizations, primarily corporate and government, to design and execute their strategy. The SDG-aligned evolution of these powerful tools can empower companies to drive towards positive business and societal outcomes.

SUSTAINABLE GROWTH SUITE

Key Capabilities

- Design and execute corporate strategy, integrating sustainability with business growth and operations
- Convene and align key stakeholders across business ecosystems and value chains
- Build project platforms that can identify, manage, and scale change initiatives
- Establish a corporate governance infrastructure to measure and report on progress

Relationships with Key Enablers

- Strategy and Reporting Services
- SDG Progress Managers
- Financiers and Corporate Partners

KEY STRATEGIC TOOLS

SDG-aligned Balanced Scorecard and Strategy Map

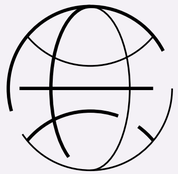
- One-page Strategy Map that illustrates how objectives advance corporate and system-level goals
- Detailed Balanced Scorecard that align objectives, measures, targets, and initiatives to drive the strategy towards positive business and societal outcomes, particularly with the selected SDGs

At the core of the *Sustainable Growth Suite*, Palladium leverages an approach to help companies understand how they contribute to society while fulfilling business ambitions

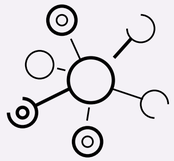
Companies need to understand external priorities such as global and business ecosystem considerations to advance material goals

CASCADE FLOW OF GLOBAL OBJECTIVES ON SOCIAL PROGRESS

EXTERNAL TO THE ORGANIZATION



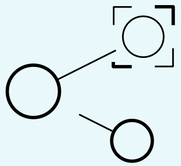
Global
(e.g., UN Global Compact)



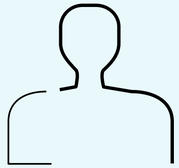
Business Ecosystem
(e.g., National, State, Provincial, Local, Industry, Product)

INTERNAL TO THE ORGANIZATION

Organization
(e.g., Corporate, NGO, Government)



Unit
(e.g., Business Unit, Department, Agency)

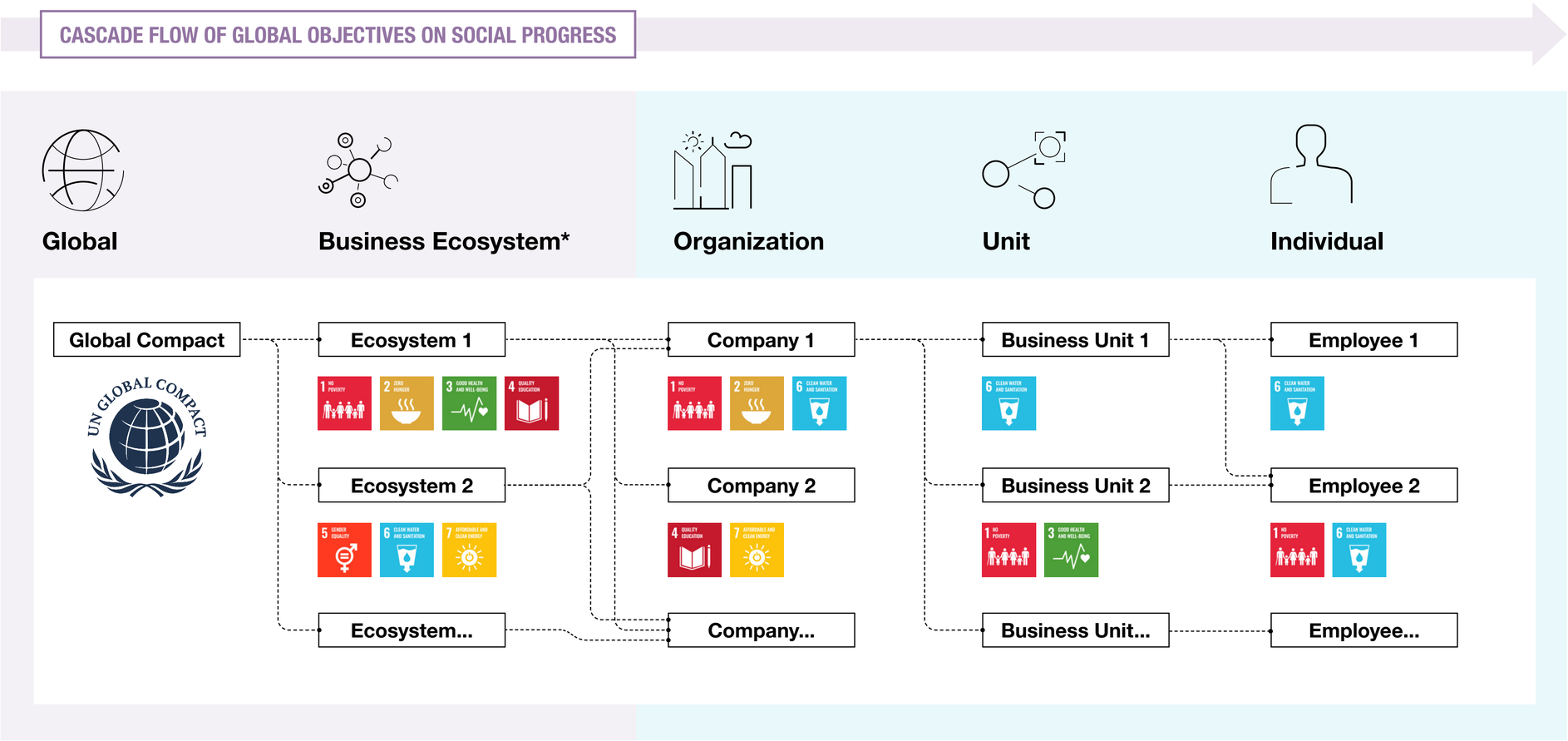


Individual
(e.g., Employee, Customer, Citizen)

ILLUSTRATIVE

The *Sustainable Growth Suite* applies this "cascaded" methodology to put SDG considerations into corporate practice – both strategically and operationally

Global objectives and measures, like the SDGs and its indicators, can be cascaded across different levels of society and reported against using the Balanced Scorecard framework

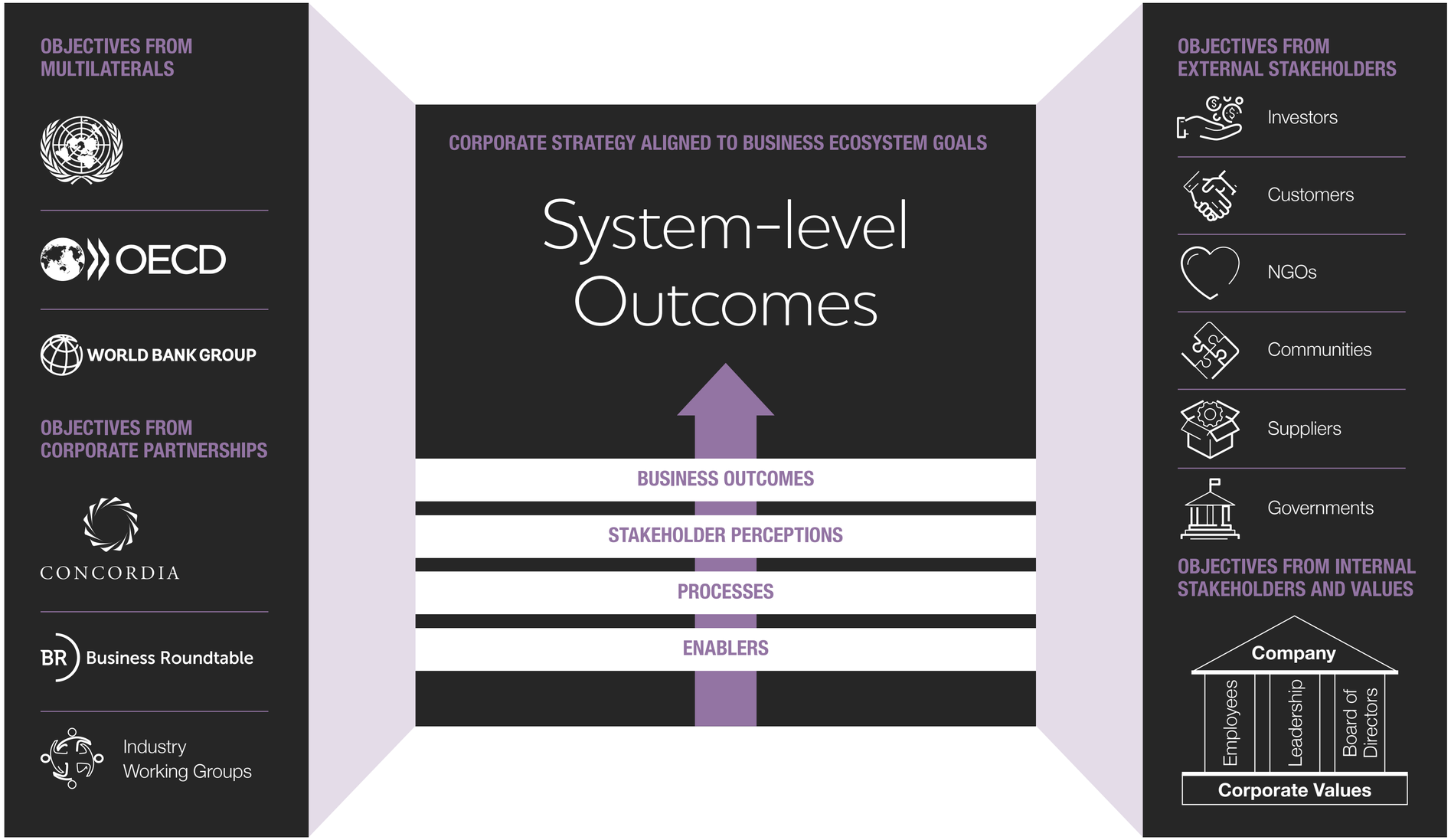


*Organizations often work in multiple business ecosystems and ecosystems consist of a network of different organizations and actors

NON-EXHAUSTIVE

Although customized for the SDGs, incorporating business ecosystem perspectives into corporate strategy can go beyond the Global Goals through other ESG considerations

With SDGs being just one of many complex plans for social change, *Palladium's Sustainable Growth* Suite can be applied across a variety of situations to align companies with business ecosystems



ILLUSTRATIVE

Transforming a conventional corporate strategy into one that embodies sustainability as a core part of the business catalyzes profit with purpose

A Sustainable Growth Strategy supported by an SDG-aligned Strategy Map and Balanced Scorecard helps companies evolve their approach to strategy and sustainability

TYPICAL CORPORATE STRATEGY

FRESH FRUIT COMPANY

2015 – 2020 STRATEGY MAP

FINANCIALS

- **F1:** Minimize operating costs
- **F2:** Increase shareholder value
- **F3:** Expand revenue opportunities

CUSTOMERS

- **C1:** "Easy to understand products"
- **C2:** "Great taste"
- **C3:** "Widely available in retail locations"
- **C4:** "Wide variety for every occasion"

INTERNAL PROCESS

- **P1:** Identify opportunities for improvement or growth
- **P2:** Create clear quality standards
- **P3:** Improve brand awareness
- **P4:** Offer enticing drinks that people of all demographics can enjoy
- **P5:** Increase production efficiency
- **P6:** Ensure capacity and supply chain to fulfill demand
- **P7:** Ensure safe production practices
- **P8:** Safeguard environmentally responsible operations

TALENT AND TECHNOLOGY

- **T1:** Rapidly identify and onboard new talent
- **T2:** Retain high-performing employees and contractors
- **T3:** Capture quality data for decision making
- **T4:** Optimally leverage data
- **T5:** Invest in workforce training programs

Aligns the business internally around its strategy

Designed around the customer as its key stakeholder

Focuses primarily on financial goals with limited consideration for other value-adding outcomes

CORPORATE STRATEGY ALIGNED TO BUSINESS ECOSYSTEM GOALS

SYSTEM-LEVEL GOALS

- 2 ZERO HUNGER
- 6 CLEAN WATER AND SANITATION
- 8 DECENT WORK AND ECONOMIC GROWTH
- 15 LIFE ON LAND

BUSINESS OUTCOMES

- **O1:** Expand revenue opportunities
- **O2:** Achieve industry-leading profit margins
- 2 **O3:** Empower economic growth across the value chain
- **O4:** Go beyond industry standards on reducing social operating costs (6, 8, 15)
- 2 **O5:** Restore ecosystems with sustainable agriculture 15

STAKEHOLDERS PERCEPTIONS

All

- 2, 6, 8, 15 **S1:** "I want my beverages to be produced with impactful social and environmental considerations"

Investors

- **S2:** "I want profitable investments with low-risk profiles"

Customers

- **S3:** "I want to trust and enjoy the products that I purchase"

Communities

- 2, 6, 8, 15 **S4:** "I want my community to have good jobs and clean environments"

Workforces

- 8 **S5:** "I want to work for a company that cares about me"

Producers

- 2 **S6:** "I want to maintain livable wages"

PROCESSES

Invigorated Growth

- **P1:** Effectively communicate the impact of our brands
- 2, 6, 8, 15 **P2:** Pursue opportunities with clear financial and ESG impacts
- **P3:** Advance market traction with major retailers

Efficient Operations

- **P4:** Encourage quality data collection across the value chain
- 6, 8 **P5:** Significantly reduce the material footprints of our products
- **P6:** Improve demand forecasting across products

Impactful Farms

- 2 **P7:** Formalize long term relationships with quality producers
- 2, 15 **P8:** Revitalize unproductive lands with regenerative innovations
- 2, 8 **P9:** Enhance safety and sustainability on all farms

ENABLERS

High-performance Talent

- **E1:** Promote a culture of safety and accountability 8
- **E2:** Recruit exceptional local talent committed to sustainability

Value-chain Technology

- 2, 6, 8, 15 **E3:** Experiment with sustainability and regenerative innovations
- 2, 6, 8, 15 **E4:** Incorporate end-to-end traceability systems for all products
- 2, 6, 8, 15 **E5:** Develop technical assistance platforms across the value chain

Illustrates the pathway for business actions with societal impact

Incorporates key stakeholder considerations across value chains

Clearly outlines financial and societal outcomes based on the company's role in its ecosystems

ILLUSTRATIVE

A disciplined sustainable growth approach provides measurable financial and ESG outcomes

COMPANY / LOCATION	TIMELINE + OUTCOMES
Agrosuper, Chile	**Over 4 years** • 261% increase in EBITDA • 89% brand knowledge domestically • CO2 emissions decreased by 28% (2014-2016)
Avinor, Norway	**Over 3 years** • 61% increase in EBITDA • CO2 emissions decreased 19.9% per passenger • Occupational injuries per million work hours dropped 32.4% to 2.3
City Government of Balanga, Philippines	**Over 8 years** • Poverty incidence decreased 37.0% • Number of registered businesses increased 115% • University students from outside the province increased 4-fold
Christus Health, USA	**Over 3 years** • International revenue grew 26%; domestic discharges increased 2.59% • Labor productivity increased from the 50th percentile to the 25th percentile • Culture of patient safely improved 16.1%
Janalaksmi Financial Services, India	**Over 4 years** • ROA went from being negative to 2.28% • 1,114.38% increase in the number of (mostly formerly un-banked) customers • Staff productivity increased 78%
Confidential Client (Mining / Extractives), Latin America	**Ongoing / Current** • 100,000 ha of recovered land by 2030 • Identify and select investment opportunities in business models that can deliver the company's forest reforestation goal in a more cost-effective way, through the identification of market-driven initiatives and potential value-chain partnerships that can unlock additional capital from the ecosystem • Create quantitative and qualitative value for the company, broader ecosystem: rural communities, land-use related supply chain actors, local governments, private investors, social entrepreneurs and international donors.

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Illustrative Case Study:
Transforming Corporate Strategy by Incorporating the SDGs

ILLUSTRATIVE

Scenario:

A large multinational beverage company is looking to build a new corporate strategy after the expiration of its 2015-2020 strategy

FRESH FRUIT
COMPANY

The Company needs a new corporate strategy that could address positive financial, social, and environmental impact aligned to global standards, and then support on how to implement that strategy

1

The Company's 2015-2020 strategy was largely an iterative update of previous strategies that do not reflect current market considerations

2

The Company has faced heavy criticism in recent years due to wasteful water practices and dangerous working conditions

3

Investors have been raising concerns about the lack of sustainability and impact consideration of the Company's operations

4

Fruit production has steadily been shrinking due to aging trees, degrading land, and a lack of producer know-how

5

Producers are switching to livestock to supplement income, further degrading sensitive environments and contributing to deforestation

6

Communities in fruit production areas have been facing international scrutiny due to the deforestation practices of traditionally forest-rich biomes

The Company wants to become a leader in its market by evolving its strategy and operations to transcend "typical" corporate considerations and achieve profitable systemic change

"TYPICAL" CORPORATE STRATEGY

- Financials
- Customers
- Internal Process
- Talent and Technology

In a typical corporate strategy, success is limited to responsibilities to shareholders and financial growth

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CORPORATE STRATEGY ALIGNED TO BUSINESS ECOSYSTEM GOALS

- System-level Goals
- Business Outcomes
- Stakeholder Perceptions
- Processes
- Enablers

Rather than focusing solely on shareholders, a more impactful approach to corporate strategy directly incorporates the entire ecosystem in which a company operates, including the SDGs

ILLUSTRATIVE

Up to this point, the Company's approach to strategy / operations was largely "typical" and did not effectively incorporate its relationships with business ecosystems and society

Incorporating system-level and sustainability considerations directly in its strategy can help the Company unlock value across its business with strengthened relationships that fortify market positioning

FRESH FRUIT COMPANY

2015 – 2020 STRATEGY MAP

Misses the business opportunities unlocked by collaborating across value chains

Does not communicate contributions to global partnerships and goals

CHALLENGES		
Does not consider the Company's relationship to business ecosystems Only focused on financial outcomes without other positive outcomes	FINANCIALS	**F1:** Minimize operating costs **F2:** Increase shareholder value **F3:** Expand revenue opportunities
Limited consideration of stakeholders' perspectives	CUSTOMERS	**C1:** "Easy to understand products" **C2:** "Great taste" **C3:** "Widely available in retail locations" **C4:** "Wide variety for every occasion"
Sustainability seen as compliance requirement and not integrated to business practices	INTERNAL PROCESS	**P1:** Identify opportunities for improvement or growth **P2:** Create clear quality standards **P3:** Improve brand awareness **P4:** Offer enticing drinks that people of all demographics can enjoy **P5:** Increase production efficiency **P6:** Ensure capacity and supply chain to fulfill demand **P7:** Ensure safe production practices **P8:** Safeguard environmentally responsible operations
Does not consider enablers that provide system-wide "win-wins"	TALENT AND TECHNOLOGY	**T1:** Rapidly identify and onboard new talent **T2:** Retain high-performing employees and contractors **T3:** Capture quality data for decision making **T4:** Optimally leverage data **T5:** Invest in workforce training programs

ILLUSTRATIVE

To transform, the Company needs to understand its business ecosystems and where it can purposefully create societal impact and business growth

ECOSYSTEM ASSESSMENT

Understand the business ecosystems where the company operates

- Who are the stakeholders?
- How do stakeholders interact with each other?
- How does value flow throughout the ecosystem?
- What are the challenges and opportunities in the system?
- What are current economic incentives for stakeholders?

SDG MATERIALITY

Identify which SDGs are material to the ecosystem stakeholders

- What outcomes do stakeholders need?
- What needs to change in the ecosystem to advance Stakeholder Perceptions?
- Which SDGs are core to the current ecosystem?
- Which SDGs can be meaningfully advanced through ecosystem change?

CORPORATE CONTRIBUTIONS

Realize how the company is contributing to its business ecosystems

- Which business ecosystems are central to the Company's operations?
- What value does the Company add to its ecosystems?
- What more does the Company need to do to advance systems goals?

OUTCOMES FOCUSING

Determine which outcomes the company should strive to achieve

- What are the key outcomes to prioritize?
- Which business outcomes align to systems outcomes?
- Which systems outcomes resonate with the key markets we want to grow in?
- How can synergies between business and systems outcomes be harnessed?

STRATEGY DESIGN AND ALIGNMENT

Design and execute a corporate strategy that aligns to systems outcomes

- How can the Company drive towards its outcomes?
- How can the Company win in markets while advancing the SDGs?
- What markets open up by aligning with systems outcomes?
- What does the Company need to do for effective governance and reporting?

ILLUSTRATIVE

The Company can determine how its corporate goals align with systems outcomes through an in-depth review of its relationships across the value chain

ECOSYSTEM ASSESSMENT

- Investors
- Customers
- Communities
- Employees
- Producers/ Suppliers
- NGOs
- Governments
- Other Companies

SDG MATERIALITY

1 NO POVERTY
2 ZERO HUNGER
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
15 LIFE ON LAND
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS

CORPORATE CONTRIBUTIONS

1 NO POVERTY
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OUTCOMES FOCUSING

2 ZERO HUNGER

SDG 2.3: By 2030, double the agricultural productivity and incomes of small-scale food producers […]

SDG 2.4: By 2030, ensure sustainable food production systems and implement resilient agricultural […]

6 CLEAN WATER AND SANITATION

SDG 6.4: By 2030, substantially increase water-use efficiency across all sectors […]

8 DECENT WORK AND ECONOMIC GROWTH

SDG 8.4: Improve progressively, through 2030, global resource efficiency in consumption and production […]

SDG 8.8: Protect labour rights and promote safe and secure working environments for all workers […]

15 LIFE ON LAND

SDG 15.2: By 2020, promote the implementation of sustainable management of all types of forests […]

SDG 15.3: By 2030, combat desertification, restore degraded land and soil […]

STRATEGY DESIGN AND EXECUTION

Palladium's Sustainable Growth Suite

ILLUSTRATIVE

By understanding its role in its business ecosystems and alignment with corporate goals, the Company can focus on a few SDGs that are core to its business

SELECTED SDG	SDG TARGETS (I.E., OBJECTIVES FOR THE BALANCED SCORECARD [BSC])	SDG INDICATORS (I.E., MEASURES FOR THE BSC)
SDG 2: End hunger, achieve food security and improved nutrition […]	**SDG 2.3:** By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment	**SDG 2.3.1:** Volume of production per labour unit by classes of farming/pastoral/forestry enterprise size
		SDG 2.3.2: Average income of small-scale food producers, by sex and indigenous status
	SDG 2.4: By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality	**SDG 2.4.1:** Proportion of agricultural area under productive and sustainable agriculture
SDG 6: Ensure availability and sustainable management of water […]	**SDG 6.4:** By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	**SDG 6.4.1:** Change in water-use efficiency over time
		SDG 6.4.2: Level of water stress: freshwater withdrawal as a proportion of available freshwater resources
SDG 8: Promote sustained, inclusive and sustainable economic growth […]	**SDG 8.4:** Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead	**SDG 8.4.1:** Material footprint, material footprint per capita, and material footprint per GDP
	SDG 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	**SDG 8.8.1:** Fatal and non-fatal occupational injuries per 100,000 workers, by sex and migrant status
SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems […]	**SDG 15.2:** By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally	**SDG 15.2.1:** Progress towards sustainable forest management
	SDG 15.3: By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world	**SDG 15.3.1:** Proportion of land that is degraded over total land area

ILLUSTRATIVE

The Company can then design a corporate strategy that integrates profit with purpose and acknowledges its role in business ecosystems

FRESH FRUIT COMPANY

2020-2025 STRATEGY MAP

BUSINESS OUTCOMES

- **O1:** Expand revenue opportunities
- **O2:** Achieve industry-leading profit margins
- **O3:** Empower economic growth across the value chain
- **O4:** Go beyond industry standards on reducing social operating costs
- **O5:** Restore ecosystems with sustainable agriculture

STAKEHOLDERS PERCEPTIONS

All

S1: "I want my beverages to be produced with impactful social and environmental considerations"

Investors
S2: "I want profitable investments with low-risk profiles"

Customers
S3: "I want to trust and enjoy the products that I purchase"

Communities
S4: "I want my community to have good jobs and clean environments"

Workforces
S5: "I want to work for a company that cares about me"

Producers
S6: "I want to maintain livable wages"

PROCESSES

Invigorated Growth

- **P1:** Effectively communicate the impact of our brands
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Efficient Operations

- **P4:** Encourage quality data collection across the value chain
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Impactful Farms

- **P7:** Formalize long term relationships with quality producers
- **P8:** Revitalize unproductive lands with regenerative innovations
- **P9:** Enhance safety and sustainability on all farms

ENABLERS

High-performance Talent

- **E1:** Promote a culture of safety and accountability
- **E2:** Recruit exceptional local talent committed to sustainability

Value-chain Technology

- **E3:** Experiment with sustainability and regenerative innovations
- **E4:** Incorporate end-to-end traceability systems for all products
- **E5:** Develop technical assistance platforms across the value chain

Corporate alignment on system-level goals can be indicated directly on the Strategy Map

ILLUSTRATIVE

SYSTEM-LEVEL GOALS

- 2 ZERO HUNGER
- 6 CLEAN WATER AND SANITATION
- 8 DECENT WORK AND ECONOMIC GROWTH
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Customers
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Communities (2, 6, 8, 15)
S4: "I want my community to have good jobs and clean environments"

Workforces (8)
S5: "I want to work for a company that cares about me"

Producers (2)
S6: "I want to maintain livable wages"

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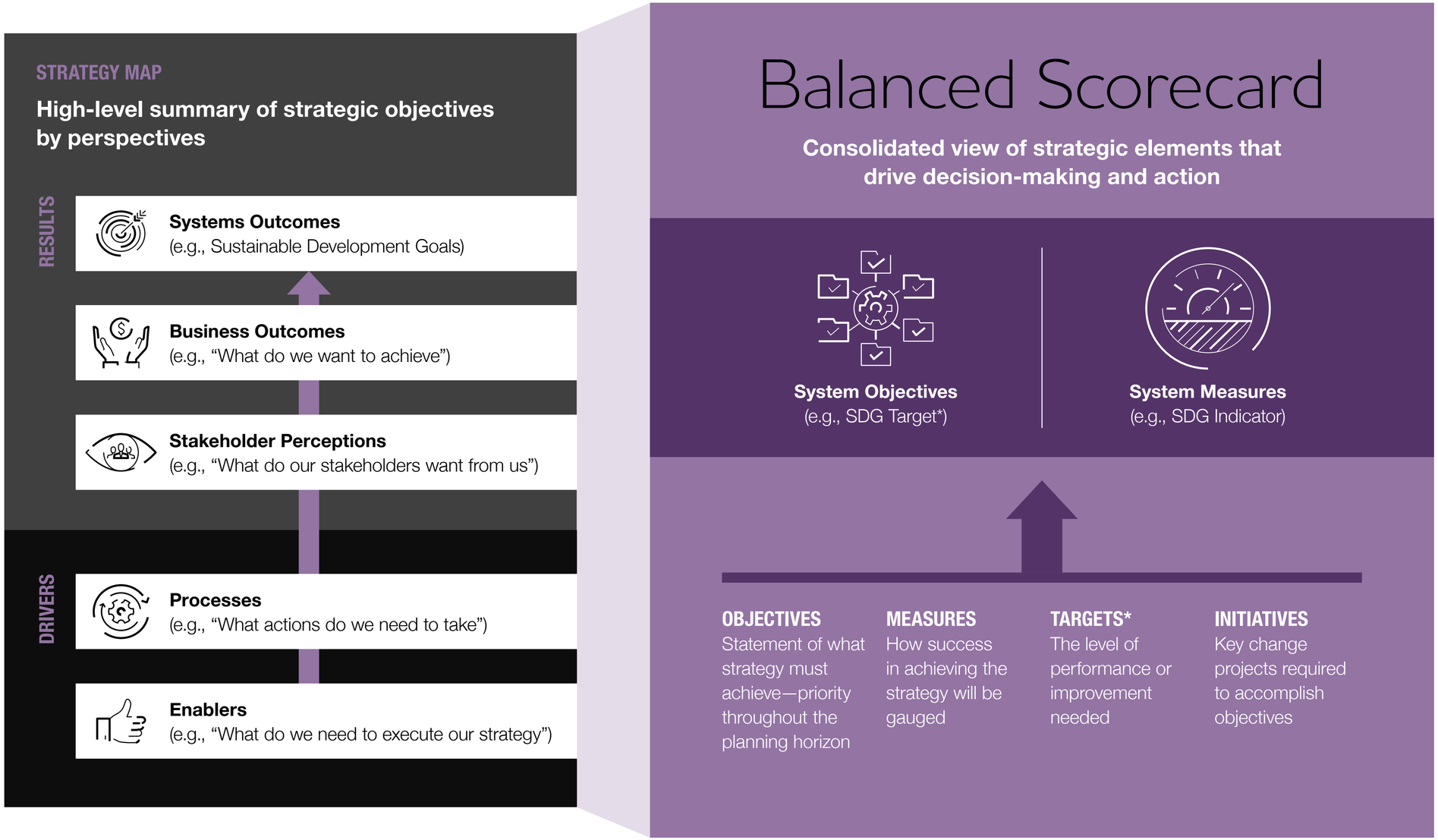
As the engine powering the Strategy Map, the Balanced Scorecard provides clear, traceable pathways to catalyze corporate actions towards measurable impact



* The United Nations Sustainable Development Goals uses the term "Target" in a context different from the Balanced Scorecard "Targets."

The UN SDG's definition of "Target" is more similar to the Balanced Scorecard's definition of "Objective"

ILLUSTRATIVE

SDG-Aligned Balanced Scorecard:
Business Outcomes

OBJECTIVE	MEASURES	TARGETS (YEAR 5)	SDG ALIGNMENT†	SDG CONTRIBUTION (TRANSLATION)
O1: Expand revenue opportunities	**O1.1:** Revenue ($) **O1.2:** Revenue growth (%)	**O1.1:** USD 20B **O1.2:** 20%(+)	N/A*	N/A*
O2: Achieve industry-leading profits	**O2.1:** Net profit ($) **O2.1:** Net profit growth (%)	**O2.1:** USD 10B **O2.2:** 15%	N/A*	N/A*
O3: Empower economic growth across the value chain	**O3.1:** Supplier economic growth (%) **O3.2:** Overall industry growth (%)	**O3.1:** 15%(+) **O3.2:** 15%(+)	**SDG 2:** Zero Hunger - End hunger, achieve food security and improved nutrition […]	As part of economic growth across the value chain, we will contribute to the financial well-being of our smallholder producers and adjacent industries.
O4: Go beyond industry standards on reducing social operating costs	**O4.1:** Total materials usage (%) **O4.2:** Total waste (%) **O4.3:** Total accidents (#)	**O4.1:** 10%(-) **O4.1:** 20%(-) **O4.3:** 0	**SDG 6:** Clean Water and Sanitation - Ensure availability and sustainable management of water […] **SDG 8:** Decent Work and Economic Growth - Promote sustained, inclusive and sustainable economic growth […] **SDG 15:** Life on Land - Protect, restore and promote sustainable use of terrestrial ecosystems, […]	Reducing materials usage, wastes, and accidents will help us achieve the outcomes of clean water, safe work, and healthy land.
O5: Restore ecosystems with sustainable agriculture	**O5.1:** Total certified regenerative land in the beverage industry through company actions (HA)	**O5.1:** 250,000 HA	**SDG 2:** Zero Hunger - End hunger, achieve food security and improved nutrition […] **SDG 15:** Life on Land - Protect, restore and promote sustainable use of terrestrial ecosystems, […]	By restoring degraded lands with regenerative agriculture, we can reduce hunger, increase productivity, and protect the environment.

* Not applicable to current scope of SDG priorities. There may be alignment with other SDGs that are not material to the company

† SDG alignment for business outcomes are represented in the 'Goal-level' for SDGs to correlate with intended higher-level outcomes

ILLUSTRATIVE

SDG-Aligned Balanced Scorecard: Stakeholder Perceptions

OBJECTIVE	MEASURES	TARGETS (YEAR 5)	SDG ALIGNMENT†	SDG CONTRIBUTION (TRANSLATION)
S1: All - "I want my beverages to be produced with impactful social and environmental considerations"	**S1.1:** Overall stakeholder's impact perception score (%)	**S1.1:** 100%	**SDG 2:** Zero Hunger - End hunger, achieve food security and improved nutrition […] **SDG 6:** Clean Water and Sanitation - Ensure availability and sustainable management of water […] **SDG 8:** Decent Work and Economic Growth - Promote sustained, inclusive and sustainable economic growth […] **SDG 15:** Life on Land - Protect, restore and promote sustainable use of terrestrial ecosystems, […]	We will move the needle across all of our stakeholders on how they understand our contributions toward each of our core SDG priorities.
S2: Investors - "I want profitable investments with low-risk profiles"	**S2.1:** Investors' perception score (%)	**S2.1:** 100%	N/A*	N/A*
S3: Customers - "I want to trust and enjoy the products that I purchase"	**S3.1:** Customers' perception score (%)	**S3.1:** 100%	N/A*	N/A*
S4: Communities - "I want my community to have good jobs and clean environments"	**S4.1:** Communities' perception score (%)	**S4.1:** 100%	**SDG 2:** Zero Hunger - End hunger, achieve food security and improved nutrition […] **SDG 6:** Clean Water and Sanitation - Ensure availability and sustainable management of water […] **SDG 8:** Decent Work and Economic Growth - Promote sustained, inclusive and sustainable economic growth […] **SDG 15:** Life on Land - Protect, restore and promote sustainable use of terrestrial ecosystems, […]	We will safeguard our communities and ensure our privilege to operate based on the well-being of where our communities live and operate in.
S5: Workforces - "I want to work for a company that cares about me"	**S5.1:** Employees' perception score (%)	**S5.1:** 100%	**SDG 8:** Decent Work and Economic Growth - Promote sustained, inclusive and sustainable economic growth […]	We will be a company that our employees feel safe and welcomed working in.
S6: Producers - "I want to maintain livable wages"	**S6.1:** Producers' perception score (%)	**S6.1:** 100%	**SDG 2:** Zero Hunger - End hunger, achieve food security and improved nutrition […]	We want our producers to feel they are getting the fair treatment with their livelihoods.

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† SDG alignment for Stakeholder Perceptions are represented in the 'Goal-level' for SDGs to correlate with intended higher-level outcomes

ILLUSTRATIVE

SDG-Aligned Balanced Scorecard: Processes (Invigorated Growth Theme)

OBJECTIVE	MEASURES	TARGETS (YEAR 5)	SDG ALIGNMENT	SDG CONTRIBUTION (TRANSLATION)
P1: Effectively communicate the impact of our brands	**P1.1:** Annual, financial, and stakeholder reports that integrate sustainability and impact on business (%) **P1.2:** Third-party articles and press releases on our sustainability impact (#) **P1.3:** Social media reposts and "likes" on our impact communications (#)	**P1.1:** 100% **P1.2:** 250 **P1.3:** 5 M	N/A*	N/A*
P2: Pursue opportunities with clear financial and ESG Impacts	**P2.1:** Investments that produce positive environmental and financial outcomes ($) **P2.2:** Investments that produce positive social and financial outcomes ($) **P2.3:** Investments that produce positive governance and financial outcomes ($)	**P2.1:** USD 100M **P2.2:** USD 50M **P2.3:** USD 25M	**SDG 2.3:** By 2030, double the agricultural productivity and incomes of small-scale food producers […] **SDG 2.4:** By 2030, ensure sustainable food production systems and implement resilient agricultural practices […] **SDG 6.4:** By 2030, substantially increase water-use efficiency across all sectors […] **SDG 8.4:** Improve progressively, through 2030, global resource efficiency in consumption and production […] **SDG 8.8:** Protect labour rights and promote safe and secure working environments for all workers […] **SDG 15.2:** By 2020, promote the implementation of sustainable management of all types of forests […] **SDG 15.3:** By 2030, combat desertification, restore degraded land and soil […]	P2 will advance the core SDG priorities by injecting investments to advance financial and material ESG goals. P2.1 will advance SDG 6.4.1, SDG 8.4.1, SDG 15.2.1, and SDG 15.3.1 through investments on water-, material-, and land-use priorities. P2.2 will advance SDG 2.3.1 and SDG 2.3.2 through investments that uplift agricultural and small-scale food producers. P2.3 will advance SDG 8.8.1 through governance investments that safeguard all associated workers.
P3: Advance market traction with major retailers	**P3.1:** Major domestic retailers that carry company products **P3.2:** Major international retailers that carry company products **P3.3:** Products in company portfolio carried at major retailers	**P3.1:** 100% **P3.2:** 50% **P3.3:** 80%	N/A*	N/A*

* Not applicable to current scope of SDG priorities. There may be alignment with other SDGs that are not material to the company

ILLUSTRATIVE

SDG-Aligned Balanced Scorecard: Processes (Efficient Operations and Impactful Farms Theme)

OBJECTIVE	MEASURES	TARGETS (YEAR 5)	SDG ALIGNMENT	SDG CONTRIBUTION (TRANSLATION)
P4: Encourage quality data collection with suppliers	**P4.1:** Data adherence from producers and other suppliers (%)	**P4.1:** 100%	N/A*	N/A*
P5: Significantly reduce the material footprints of our products	**P5.1:** Total water waste (%) **P5.2:** Total non-water waste (%)	**P5.1:** 20%(-) **P5.2:** 10%(-)	**SDG 6.4:** By 2030, substantially increase water-use efficiency across all sectors […] **SDG 8.4:** Improve progressively, through 2030, global resource efficiency in consumption and production […]	By decreasing water waste with P5.1 and decreasing materials waste with P5.2, we will directly align with SDG 6.4.1, SDG 6.4.2, and SDG 8.4.1 on reducing water usage and material footprint.
P6: Improve demand forecasting across products	**P6.1:** Deviations from actual demand (%)	**P6.1:** 15%(-)	N/A*	N/A*
P7: Formalize long term relationships with quality producers	**P7.1:** Producers in supply chain with relationships beyond two years (%)	**P7.1:** 80	**SDG 2.3:** By 2030, double the agricultural productivity and incomes of small-scale food producers […]	Longer producer relationships with P7.1 allows for a stable, predictable income growth for smallholders with SDG 2.3.2.
P8: Revitalize unproductive lands with regenerative innovations	**P8.1:** Regenerative lands in the company's supply chain (HA) **P8.2:** Regenerative lands in the beverage industry beyond the company's direct supply chain (HA)	**P8.1:** 50,000 HA **P8.2:** 200,000 HA	**SDG 2.4:** By 2030, ensure sustainable food production systems and implement resilient agricultural practices […] **SDG 15.3:** By 2030, combat desertification, restore degraded land and soil […]	By transforming our producers with regenerative lands and assisting / influencing the development of regenerative lands in the beverage industry as a whole, P8.1 and P8.2 directly contributes to lands under productive and sustainable agriculture in SDG 2.4.1 and decrease of degraded land in SDG 15.3.1.
P9: Enhance safety and sustainability on all farms	**P9.1:** Current farms with code of conduct violations (%) **P9.2:** Current farms with no code of conduct violations in previous year (%)	**P9.1:** 20%(-) **P9.2:** 100%	**SDG 2.4:** By 2030, ensure sustainable food production systems and implement resilient agricultural practices […] **SDG 8.8:** Protect labour rights and promote safe and secure working environments for all workers […]	With our strong code of conduct on the environment and worker safety, adherence to this with P9.1 and P9.2 ensures that our farms are sustainable with SDG 2.4.1 and safe in SDG 8.8.1.

* Not applicable to current scope of SDG priorities. There may be alignment with other SDGs that are not material to the company

ILLUSTRATIVE

SDG-Aligned Balanced Scorecard: Enablers

OBJECTIVE	MEASURES	TARGETS (YR 5)	SDG ALIGNMENT	SDG CONTRIBUTION (TRANSLATION)
E1: Promote a culture of safety and accountability	**E1.1:** Total workers' accidents (#) **E1.2:** Formal workers' complaints sufficiently addressed (%)	**E1.1:** 0 **E1.2:** 85%	**SDG 8.8:** Protect labour rights and promote safe and secure working environments for all workers […]	By ensuring the safety of or workers with E1.1. and addressing complaints with E1.2, we are ensuring the decrease of occupational injuries with SDG 8.8.1.
E2: Recruit exceptional local talent committed to sustainability	**E2.1:** New employees physically located in areas of operations that scored high marks with hiring managers and have previous experience in sustainability or can be successfully trained in six months (%)	**E2.1:** 75%	N/A*	N/A*
E3: Experiment with sustainability and regenerative innovations	**E3.1:** Investments on agricultural land regeneration research ($) **E3.1:** Investments on sustainability research beyond regeneration ($) **E3.3:** Total published findings reports (#)	**E3.1:** USD 15M **E3.2:** USD 15M **E3.3:** 25	**SDG 2.3:** By 2030, double the agricultural productivity and incomes of small-scale food producers […] **SDG 2.4:** By 2030, ensure sustainable food production systems and implement resilient agricultural practices […] **SDG 6.4:** By 2030, substantially increase water-use efficiency across all sectors […] **SDG 8.4:** Improve progressively, through 2030, global resource efficiency in consumption and production […] **SDG 8.8:** Protect labour rights and promote safe and secure working environments for all workers […] **SDG 15.2:** By 2020, promote the implementation of sustainable management of all types of forests […] **SDG 15.3:** By 2030, combat desertification, restore degraded land and soil […]	With significant investments in regeneration research with E3.1 and additional sustainability research with E3.2, we are building the foundation to advance each of the core SDG focus areas to inject valuable learning to our operations.
E4: Incorporate end-to-end traceability systems for all products	**E4.1:** Portfolio with end-to-end traceability (%) **E4.2:** Fidelity of stakeholders' relevant data points (%)	**E4.1:** 100% **E4.2:** 85%		By building a traceability platform with E4.1 and ensuring that relevant data points are collected with E4.2, we are progressing each of the core SDG focus areas with accurate and reliable information that tracks SDG impact across our products.
E5: Develop technical assistance platforms across the value chain	**E5.1:** TA programs developed (#) **E5.2:** Published findings translated in to training (%)	**E5.1:** 25 **E5.2:** 25%		With the E5.1 creation of TA programs and E5.2 connecting research with the trainings, we are empowering our stakeholders across the value chain to advance the SDG focus areas with our guidance.

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ILLUSTRATIVE

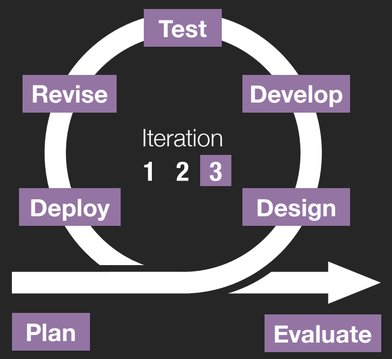
To ensure the success of its new strategy, the Company needs initiatives that can operationalize the objectives and a governance process to report on strategic outcomes

Successfully implementing initiatives and reporting to global reporting/decision-making bodies can drive the Company's strategy for growth with meaningful purpose

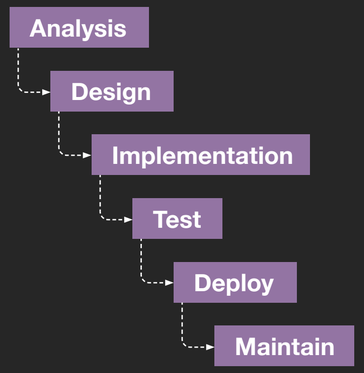
IMPLEMENTING THE STRATEGY

EXECUTION METHODOLOGIES

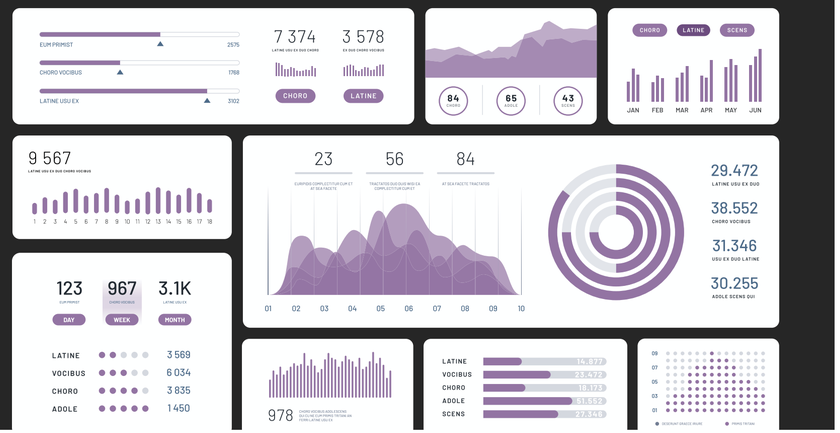
Agile



Waterfall



INITIATIVES PORTFOLIO



REPORTING ON SYSTEM OUTCOMES

CORPORATE REPORTS

- Annual Reports
- Tailored Stakeholder/ Shareholder Reports

Provides a comprehensive update on corporate progress towards strategic goals

CORPORATE REPORTING TOOLS

- SDG Progress Managers
- Sustainability Reports

Compiles and communicates progress on the SDGs and other system-level outcomes

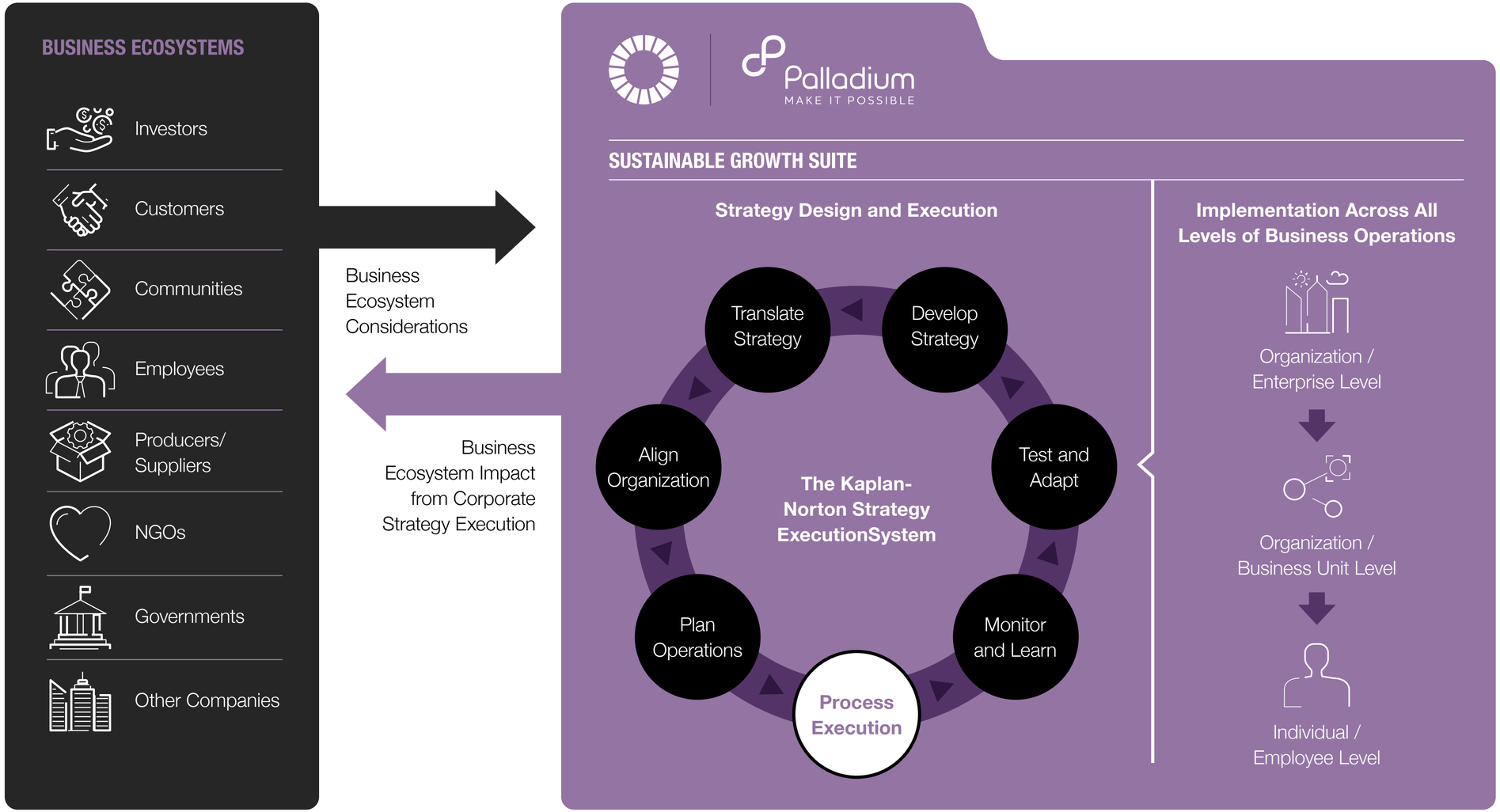
GLOBAL PARTNERSHIPS

- United Nations Department of Economic and Social Affairs
- United Nations Global Compact
- wbcsd

Aggregates, publishes, and iterates on global goals to drive macroeconomic trends

The *Sustainable Growth Suite* empowers companies to go beyond strategy design to execute on their strategy and on their responsibilities to business ecosystems

By not only designing, but also implementing and operationalizing the strategy, the *Sustainable Growth Suite* guides companies to act on their vision and provide impactful outcomes for their business ecosystems



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THANK YOU

Contact us at
us.cip@thepalladiumgroup.com