ESG REPORT

Accenture

Accenture is a global professional services firm with market-leading capabilities in digital, cloud, and security. Businesses' evolving role in environmental, social, and governance (ESG) issues is now being questioned by citizens, governments, CEOs, regulators, and investors alike. As a result of the climate crisis, and social equity movements, the global conversation on value has moved quickly. For each of our important stakeholders, we determine their top ESG priorities. We then establish industry-leading commitments and goals, continually improve them, implement focused initiatives, and report on our development. Accenture's objective is to institutionalize ESG data so that it is as trustworthy and reliable as financial data. Accenture aspires to show that they are serious about sustainability, uphold high moral principles, and always conduct themselves ethically. Enhancing ESG reporting will increase transparency and accountability for achieving these goals. We believe in the power of change to create value and shared experiences.

To support every one of our employees in developing new skills and maintaining their growth as the workforce keeps up with the digital transformation, Accenture provides continuing rewards programs, fair, equitable pay, and world-class learning. In the fiscal year 2021, Accenture promoted more than 120,000 workers. Accenture allocated $900 million to learning and professional development. Over 31 million training hours were delivered, a 43% increase from fiscal 2020, with an average of about 60 hours of training per person. By 2025, we want to cut our absolute greenhouse gas emissions by 11%, Scope 1 and Scope 2 emissions by 65%, and Scope 1, 2, and Scope 3 emissions per unit of revenue intensity by 40% from our baseline in 2016. This is all accomplished through our science-based target. Accenture's office furniture and e-waste, including computers and servers, will be reused or recycled. Our initiatives will, in general, align with our geographic footprint, reforest land, restore biodiversity, improve the sustainability of agriculture, support the creation of green jobs, and promote the recovery and flourishing of natural ecosystems—all while removing CO2 from the atmosphere. More than 13 million metric tons of carbon dioxide are anticipated to be physically removed from the atmosphere by this program.

I will make sure that strategies are competitive and will produce better results than in the report for FY-21 by developing and examining various approaches to working toward the company's goal. The ultimate goal of each strategy is to increase value for Accenture as a company.

References:-

https://www.accenture.com/content/dam/accenture/final/a-com-migration/pdf/pdf-168/accenture-united-nations-global-compact-communication-on-progress-2021.pdf#zoom=40

https://www.accenture.com/us-en/about/company/integrated-reporting

https://www.accenture.com/us-en/blogs/how-accenture-does-it/how-were-raising-the-bar-on-our-esg-reporting

https://landing.northerntrust.com/esg-vector-score/p/1?gclid=CjwKCAjwh4ObBhAzEiwAHzZYUxWJ6j7zQnf9Sbuwoc6nHZr0k3tpDpE0zf1UXyhmVDKi-rdyMpyFjBoCkG0QAvD_BwE

https://newsroom.accenture.com/news/companies-have-unprecedented-opportunity-to-transform-how-they-manage-measure-and-report-the-impact-and-value-of-their-esg-priorities-accenture-report-finds.htm

https://www.accenture.com/_acnmedia/PDF-170/Accenture-ESG-Data-Challenges-Brochure-Digital.pdf

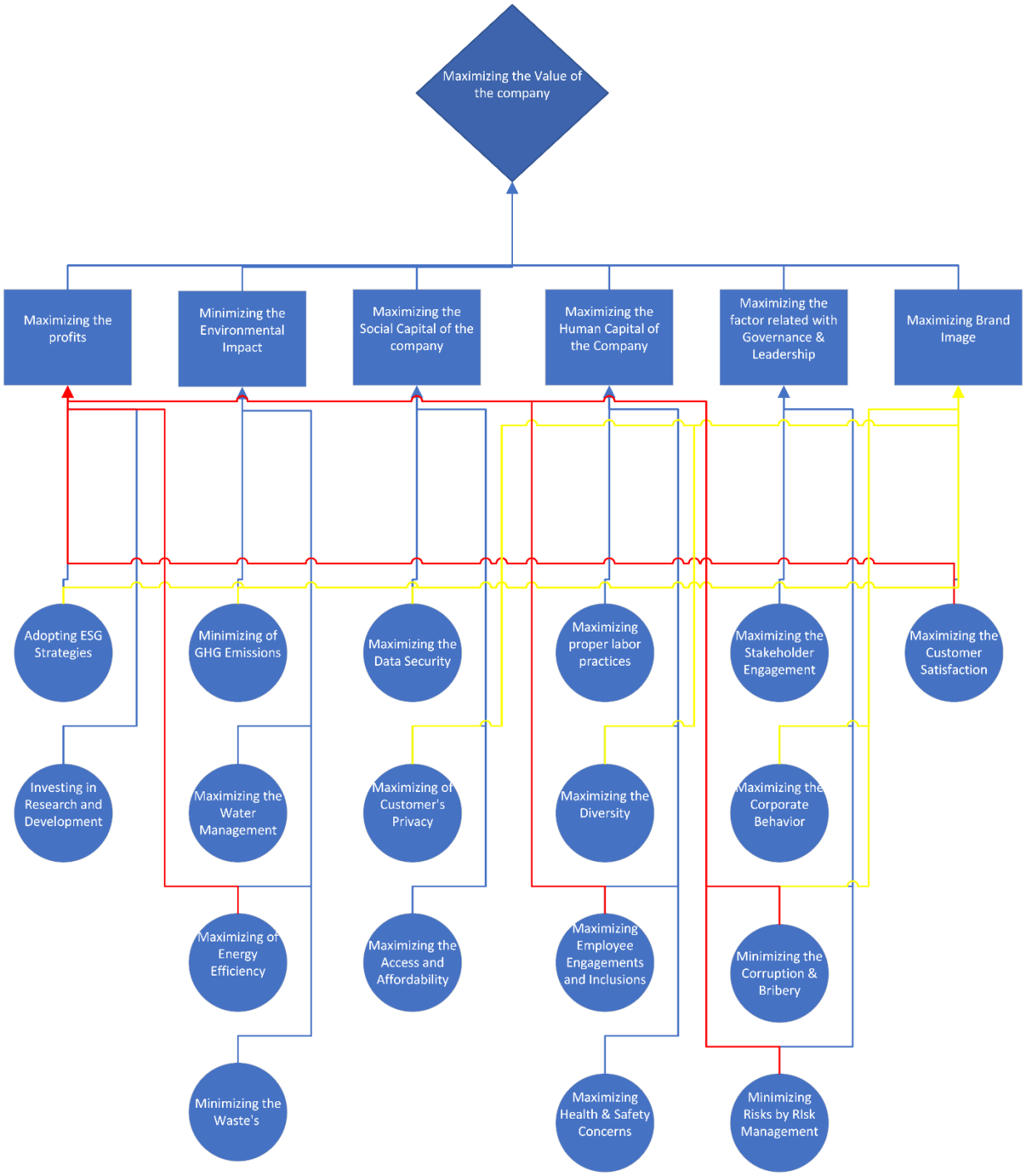
The Fundamental Objectives Considered: -

1. Maximizing the Value of the company
2. Maximizing the profits
3. Minimizing the Environmental Impact
4. Maximizing the Social Capital of the company
5. Maximizing the Human Capital of the company
6. Maximizing the factor related with Governance & Leadership
7. Maximizing the brand Image

The Means Objective Considered: -

1. Adopting ESG Strategies
2. Investing in Research & Development
3. Minimizing of GHG Emissions
4. Maximizing the Water Management
5. Maximizing of Energy Consumption
6. Minimizing the Waste's
7. Maximizing the Data Security
8. Maximization of Customer's Privacy
9. Maximizing Access and Affordability
10. Maximizing proper labor practices
11. Maximizing the Diversity
12. Maximizing Employee Engagements & Inclusions
13. Maximizing the Stakeholder Engagement
14. Maximizing the Corporate Behavior
15. Minimizing the Corruption & Bribery
16. Minimizing the Risks by Risk Management
17. Maximizing the Customer Satisfaction

Objective Diagram: -


Maximizing the Value of the company
Maximizing the profits
Minimizing the Environmental Impact
Maximizing the Social Capital of the company
Maximizing the Human Capital of the Company
Maximizing the factor related with Governance & Leadership
Maximizing Brand Image
Adopting ESG Strategies
Minimizing of GHG Emissions
Maximizing the Data Security
Maximizing proper labor practices
Maximizing the Stakeholder Engagement
Maximizing the Customer Satisfaction
Investing in Research and Development
Maximizing the Water Management
Maximizing of Customer's Privacy
Maximizing the Diversity
Maximizing the Corporate Behavior
Maximizing of Energy Efficiency
Maximizing the Access and Affordability
Maximizing Employee Engagements and Inclusions
Minimizing the Corruption & Bribery
Minimizing the Waste's
Maximizing Health & Safety Concerns
Minimizing Risks by RIsk Management

I was instructed by the company, as a strategist (i.e. Decision-Making-Body), to consider four alternatives and recommend one that would work best to increase the company's value.

As a result, I developed four evaluation strategies that may be the best option for undertaking the project for increasing the brand value for Accenture.

Strategy 1: In this 1st Strategy, we have implemented a quality management system that meets global GMP standards and requirements. We have given full attention to human rights, anti-corruption, Data privacy, and information security, and responsible AI.

This rating is subjective as the amount of time and effort put into this strategy and the results seen in the rated outputs.

Strategy 1 has the highest rating 9 as it has given the most importance to it.

All values are subjectively allotted.

Strategy 2: In this 2nd Strategy, we have put in place environmental and energy management systems that meet international standards. Our participation in international climate change programs is increasing. Here investments are done in plants, technologies, scientists, etc.

In these calculations, I have put forward values based on my subjective analysis of previous data.

All values are chosen that are better than the performance in FY-21. However, strategy 2 has the most promising results because it has multiple variables working together to provide better output in terms of pollution reduction.

https://www.accenture.com/content/dam/accenture/final/a-com-migration/pdf/pdf-168/accenture-united-nations-global-compact-communication-on-progress-2021.pdf#zoom=40

The value is found using the Environment chart on page no. 66

Strategy 3: In this 3rd Strategy, in order to increase manufacturing capacity, we are increasing the super gap competitiveness in the CMO market. We plan to expand both our global reach and our company portfolio in the future. Here investments are done in products, technologies, services, etc

With the access of previous data from ESG revenues in Accenture in the FY-19 to FY-21

I carried out a mathematical analysis and found out the mean increase in revenues.

Calculation:- (50.5-43.2)/2 = 3.65

For this assessment, I kept the value 50.5+3.65=54.15 from the consequence table for the lowest outcome. The remaining revenues are calculated subjectively. And because strategy 3 requires better performance on this attribute, the highest result is 57.66.

These values are uncertain as at any given point revenues always tend to differ for future predictions.

https://www.accenture.com/content/dam/accenture/final/a-com-migration/pdf/pdf-168/accenture-united-nations-global-compact-communication-on-progress-2021.pdf#zoom=40

Value is found out using performance data table page No. 63

Strategy 4: In this 4th strategy, by implementing proactive health and safety measures, we are preventing serious industrial accidents. Furthermore, by increasing specialized organizations and resources, we are raising the standard of our company's response system. We are also investing in diversity and social welfare. Investments are done in various programs, technologies, training etc.

All the values are placed subjectively considered. Strategy 4 has the most desirable output because it has been strategically worked on through focus and investments.

Consequence Table: -

Attribute	Unit	1	2	3	4
Ethics & Governance	Subj(0-10)	9	8.5	7	6.25
	min	38250	38000	39000	38500
Carbon Emissions	mode(MTco2)	42422	40111	44241	43453
	max	45250	45000	45700	45500
	min	50	51	53	52
Revenues	mode($Billions)	54.15	55.27	57.66	56.34
	max	60	62	64	63
Safe Workplace	Subj(0-10)	2	5	7.5	9

Now,

Strategy 1 has the highest Ethics & Governance Factor,

Strategy 2 has the lowest Carbon Emissions,

Strategy 3 has the highest Revenues,

Strategy 4 has the highest Safe Workplace Factor.

[Marked in color are the dominating factors]

Uncertain Attributes: -

1] Carbon Emissions - Because of the complexity of all processes, including natural ones, and the lack of knowledge about all contributing factors, it is challenging to calculate carbon footprints.

Triangular Distribution: Minimum(a) = 0% Maximum(b) = 100%

$$f(x;a,b,c) = \begin{cases} 0 & \text{for } x < a \\ \dfrac{2(x-a)}{(b-a)(c-a)} & \text{for } a \le x \le c \\ \dfrac{2(b-x)}{(b-a)(c-a)} & \text{for } c < x \le b \\ 0 & \text{for } x > b \end{cases}$$

2]Revenues – Revenues are Uncertain as those are just predictions made on assessment of previous results and other various factor affecting to gather those values.

Triangular Distribution: Minimum(a) = 0% Maximum(b) = 100%

$$f(x;a,b,c) = \begin{cases} 0 & \text{for } x < a \\ \dfrac{2(x-a)}{(b-a)(c-a)} & \text{for } a \le x \le c \\ \dfrac{2(b-x)}{(b-a)(c-a)} & \text{for } c < x \le b \\ 0 & \text{for } x > b \end{cases}$$

MAUT: - Multi-Attribute Utility Model

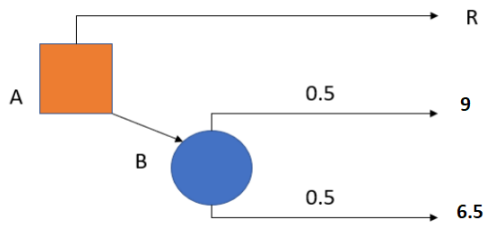
Assuming that the additive utility function is adequate (i.e., the additive independence condition is satisfied), I will adopt the CE approach to generate conditional utility functions for each attribute.

For Ethics & Governance: -

Set up U (9) = 1

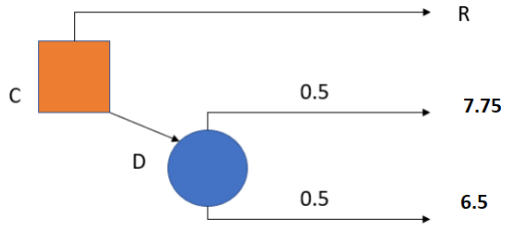
& U (6.5) = 0

Next Assess:



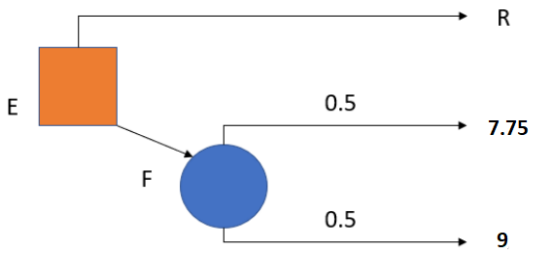
When R = 7.75, I decide that I am indifferent between the certain outcome on branch A and the gamble on branch B. As a result, $U_{E\&G}$ (7.75) = 0.5.

Next Assess:

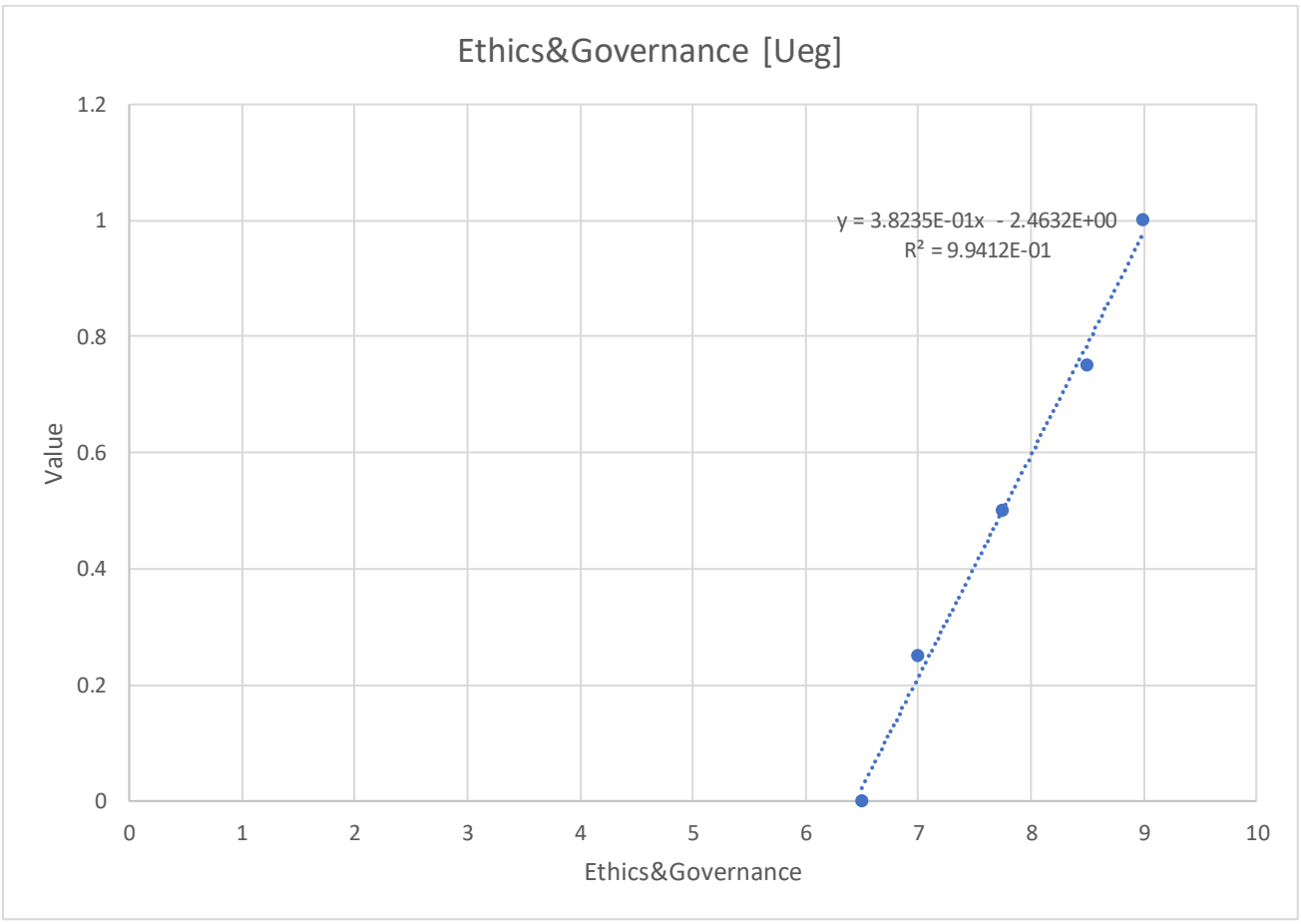


When R = 7, I decide that I am indifferent between the certain outcome on branch A and the gamble on branch B. As a result, $U_{E\&G}$ (7) = 0.25

Next Assess:



When R = 8.5, I decide that I am indifferent between the certain outcome on branch A and the gamble on branch B. As a result, $U_{E\&G}$ (8.5) = 0.75



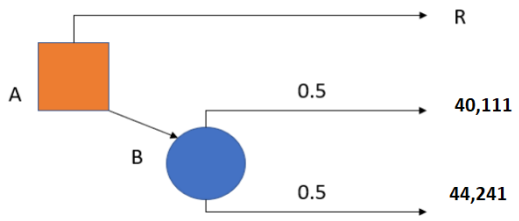
My conditional utility function for Ethics & Governance is U_{eg} = 3.8235E-01x-2.4632E+00

For Carbon Emissions: -

Set Up U (40111) = 1

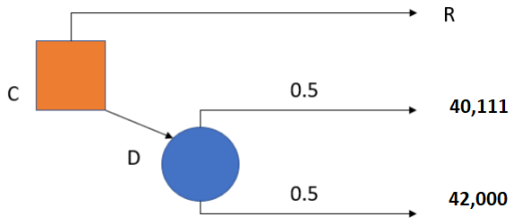
& U (44241) = 0

Next Assess:



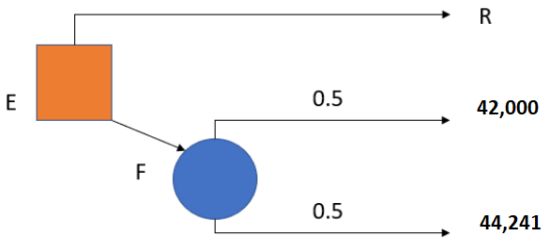
When R = 42,000, I decide that I am indifferent between the certain outcome on branch A and the gamble on branch B. As a result, U_{ce} (42,000) = 0.5

Next Assess:

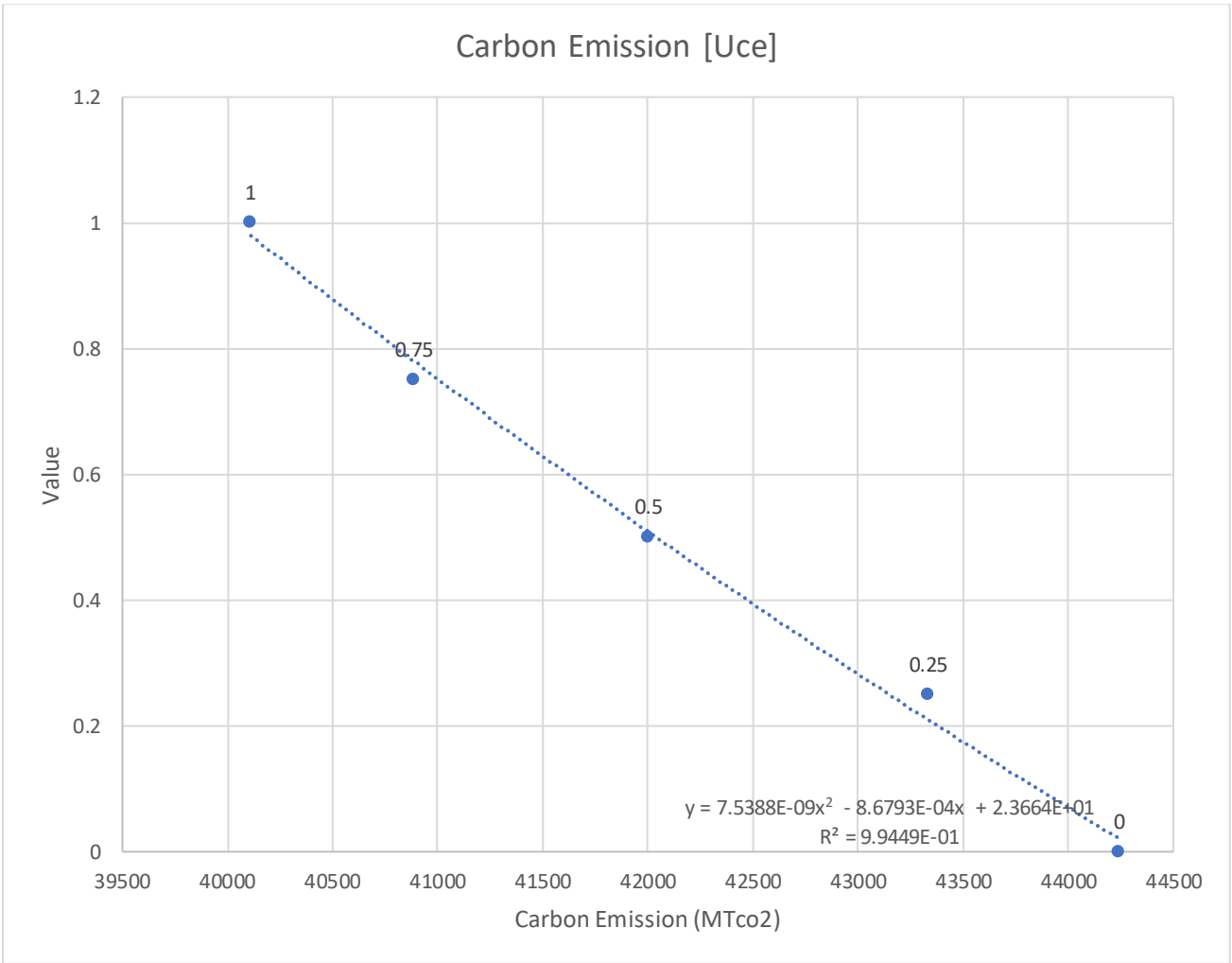


When R = 40,888, I decide that I am indifferent between the certain outcome on branch A and the gamble on branch B. As a result, U_{ce} (40,888) = 0.75

Next Assess:



When R = 43,333, I decide that I am indifferent between the certain outcome on branch A and the gamble on branch B. As a result, U_{ce} (43,333) = 0.25



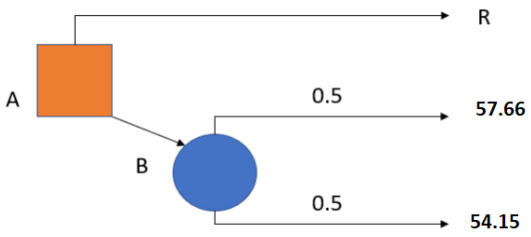
My conditional utility function for Ethics & Governance is U_{cs} = 7.5388E-09x^2-8.6793E-04x+2.3664E+01

For Revenues: -

Set Up, U (57.11) = 1

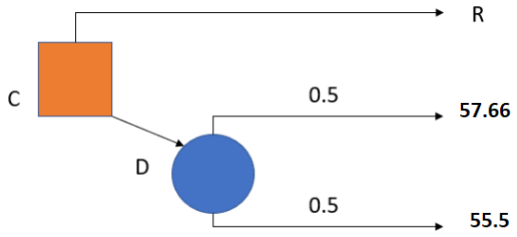
& U (54.15) = 0

Next Assess:



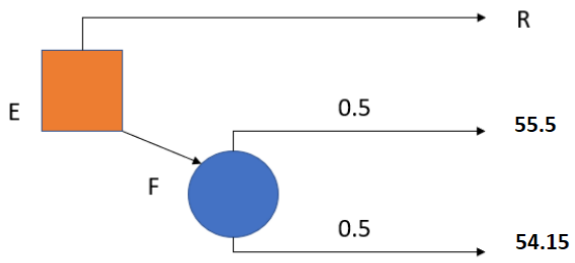
When R = 55.5, I decide that I am indifferent between the certain outcome on branch A and the gamble on branch B. As a result, U_r (55.5) = 0.5

Next Assess:

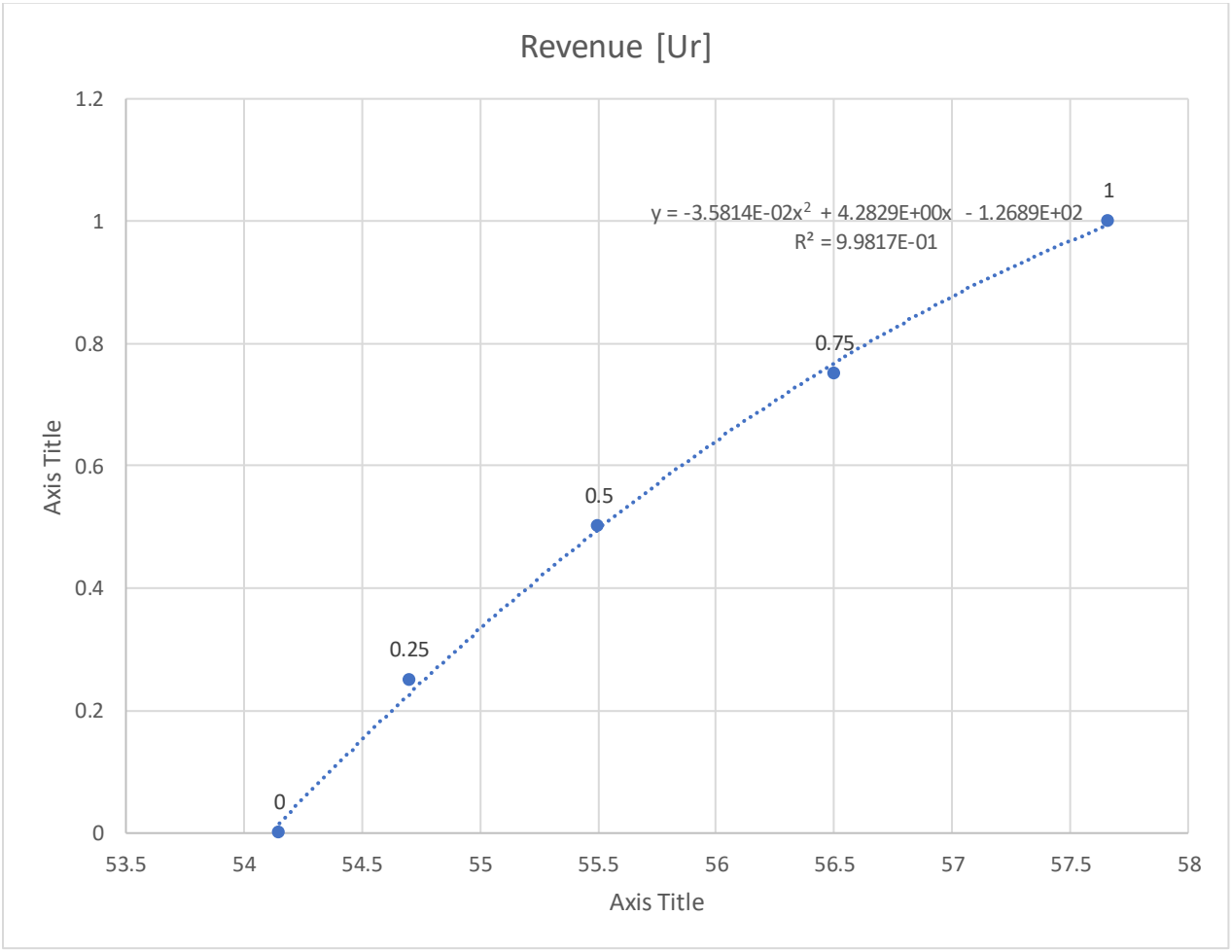


When R = 56.5, I decide that I am indifferent between the certain outcome on branch A and the gamble on branch B. As a result, U_r (56.5) = 0.75

Next Assess:



When R = 54.7, I decide that I am indifferent between the certain outcome on branch A and the gamble on branch B. As a result, $U_r(54.7) = 0.25$



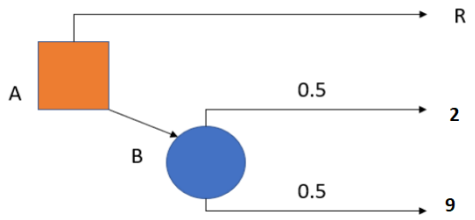
My conditional utility function for Revenue is $U_r = -3.5814E\text{-}02x^2+4.2829E+00x-1.2689E+02$

For Safe Workplace: -

Set up, U (9) = 1

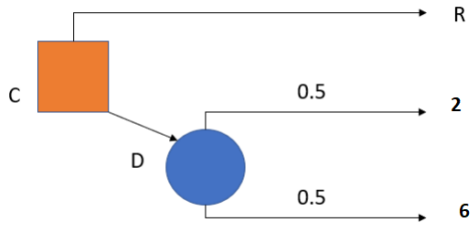
& U (2) = 0

Next Assess:



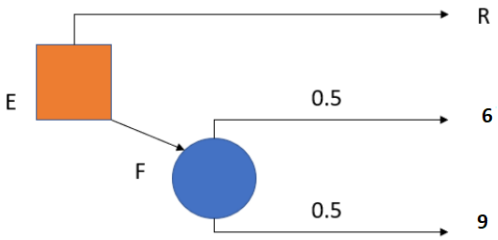
When R = 6, I decide that I am indifferent between the certain outcome on branch A and the gamble on branch B. As a result, U_s (6) = 0.5

Next Assess:

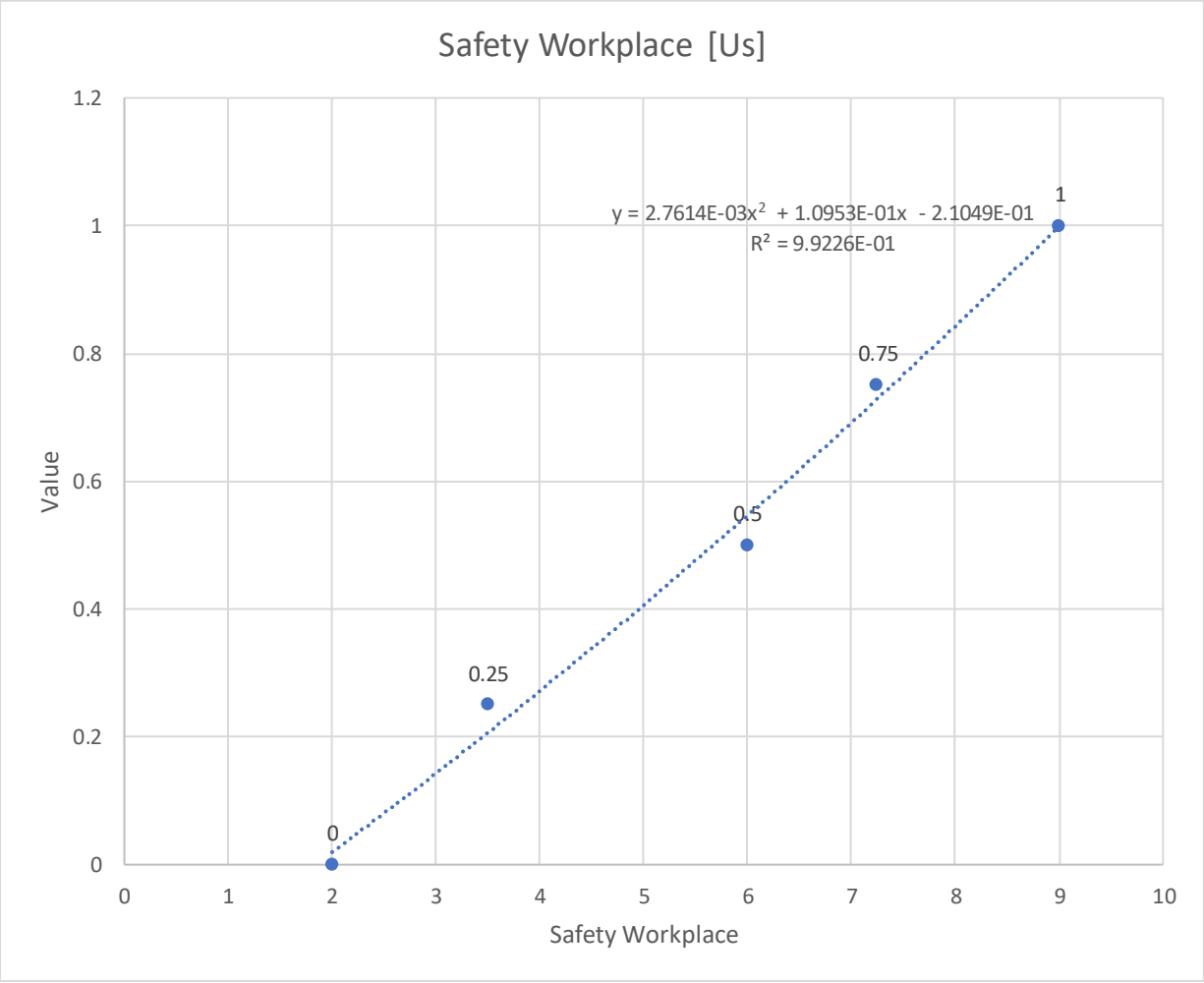


When R = 3.5, I decide that I am indifferent between the certain outcome on branch A and the gamble on branch B. As a result, U_s (3.5) = 0.25

Next Assess:



When R = 7.25, I decide that I am indifferent between the certain outcome on branch A and the gamble on branch B. As a result, U_s (7.25) = 0.75



My conditional utility function for Safety Workplace is U_s = 2.7614E-03x^2+1.0953E-01x-2.1049E-01

Next, we will perform Swing Weights: -

The weights in an additive utility function will then be determined using swing weights.

Now I add swing weights and arrange them from worst to best to determine the weights of each attribute.

I then compare each one to that and assign a rating, assigning a rating of 100 to the price swing. After that, the normalized rates are converted to weights.

Attribute	Unit	1	2	3	4	Rank	Rate	Weight
Benchmark		6.25	44241	57.66	2	5	0	0
Ethics & Governance	Subj(0-10)	9	44241	54.15	2	2	75	28.3018
Carbon Emissions	mode(MTco2)	6.25	40111	54.15	2	3	50	18.8679
Revenues	mode($Billions)	6.25	44241	57.66	2	1	100	37.7358
Safe Workplace	Subj(0-10)	6.25	44241	54.15	9	4	40	15.0943

Rate Total = 265

So, the utility function is summarized as follows:

$$U = c_{\text{eg}}U_{\text{eg}}\,(\text{eg}) + c_{\text{ce}}U_{\text{ce}}\,(\text{ce}) + c_rU_r\,(r) + c_{\text{s}}U_{\text{s}}\,(\text{s})$$

Where,

U_{eg} (eg) = 3.8235E-01x-2.4632E+00

U_{ce} (ce) = 7.5388E-09x^2-8.6793E-04x+2.3664E+01

U_r (r) = -3.5814E-02x^2+4.2829E+00x-1.2689E+02

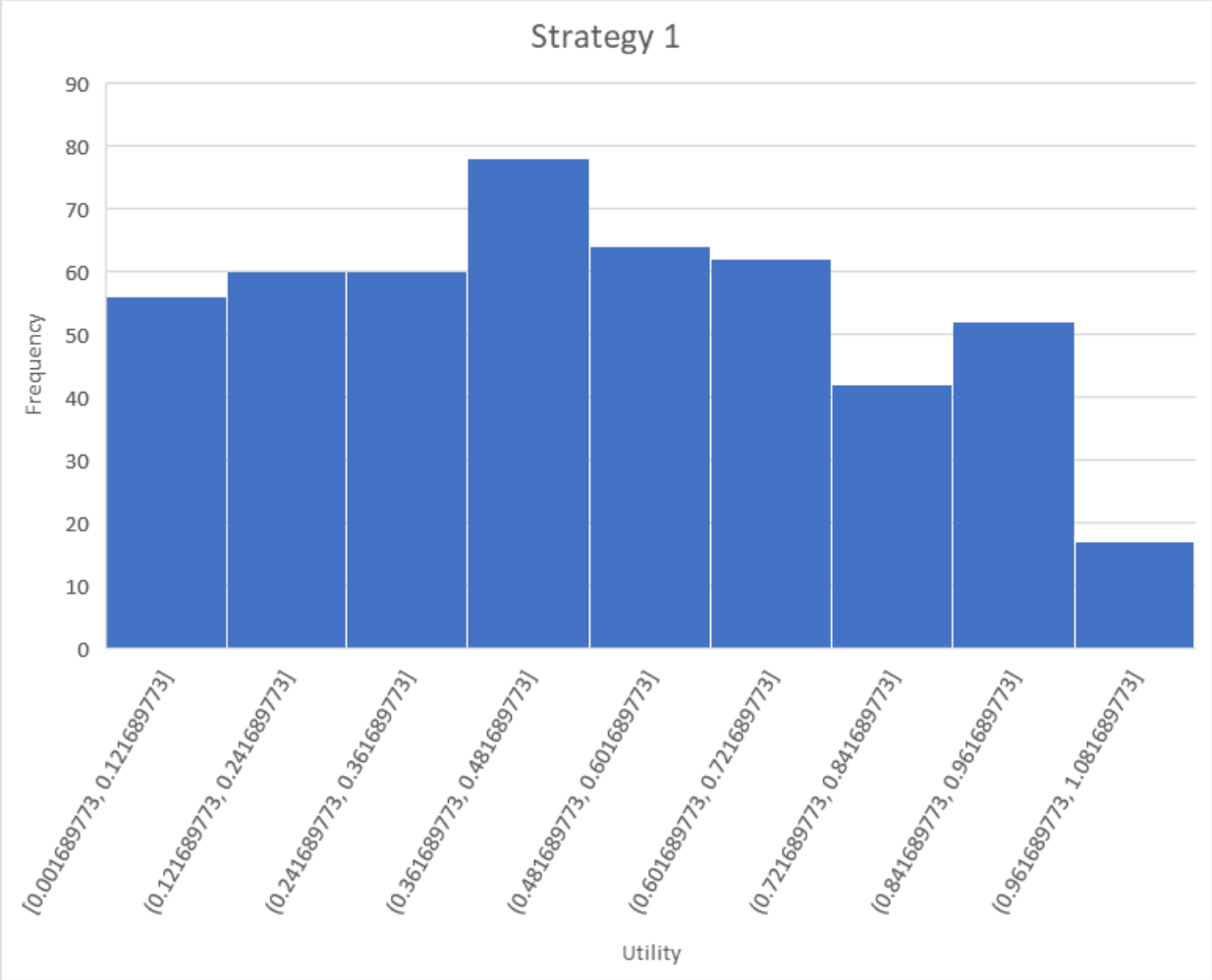
U_s (s) = 2.7614E-03x^2+1.0953E-01x-2.1049E-01

C_{eg} = 28.3018, C_{ce} = 18.8679 , C_r = 37.7358 , C_s = 15.0943

Monte Carlo Simulation: -

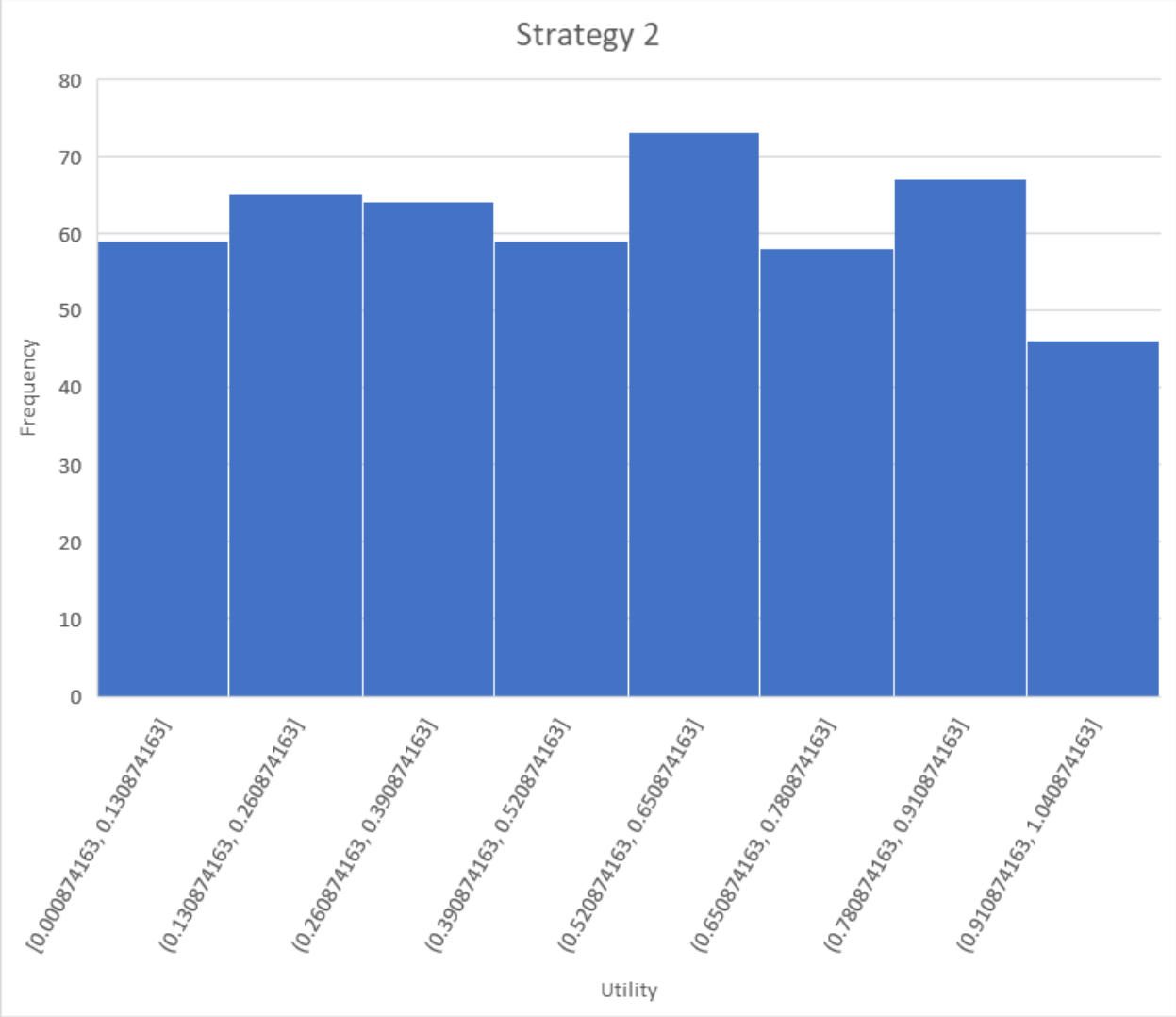
Here are the first few rows for the first alternative from 500 Monte Carlo samples I generated:

For Strategy 1: -



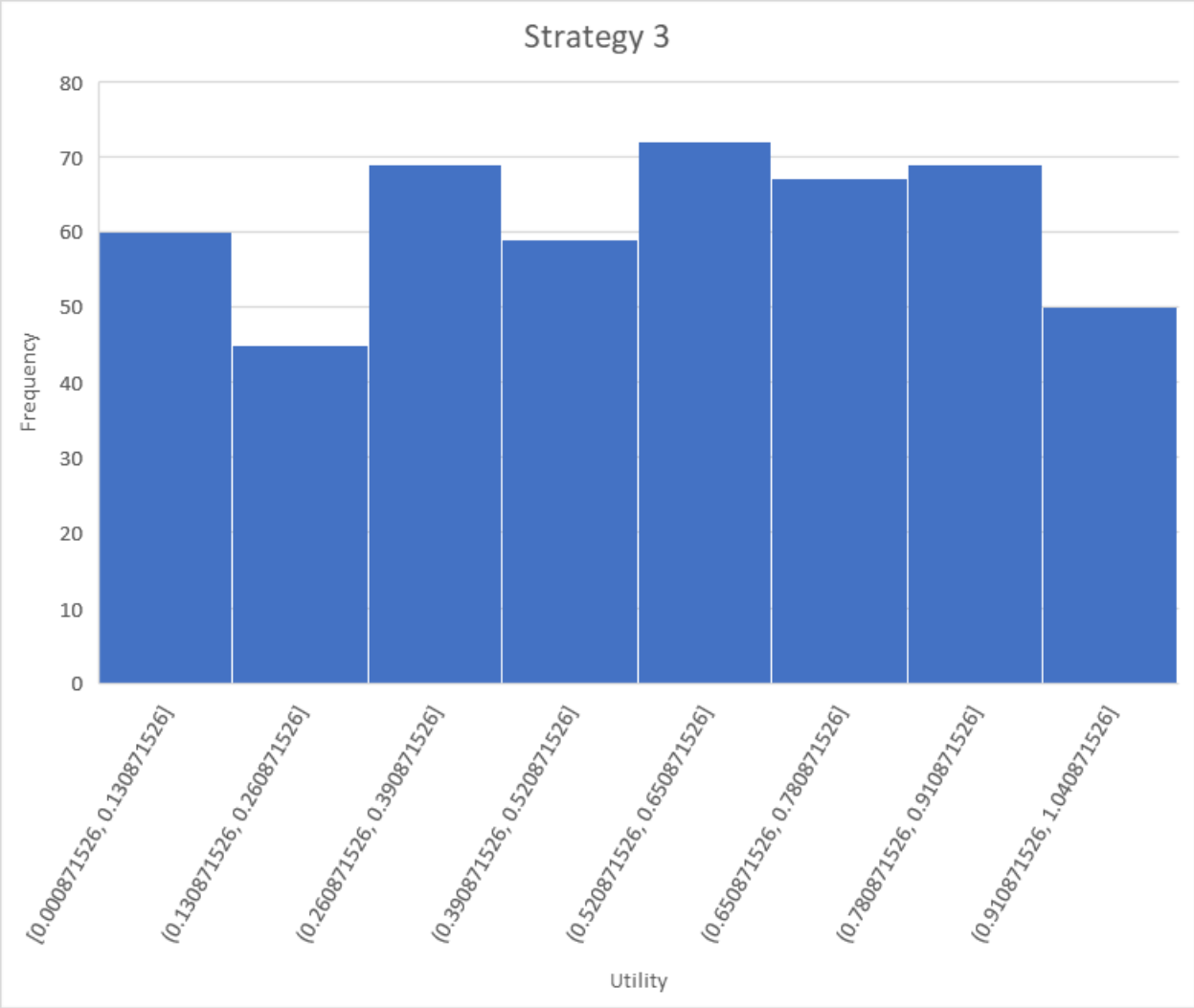
E[U] = 0.4008

For Strategy 2: -



E[U] = 0.5817

For Strategy 3: -



E[U] = 0.6009

For Strategy 4: -

E[U] = 0.4954

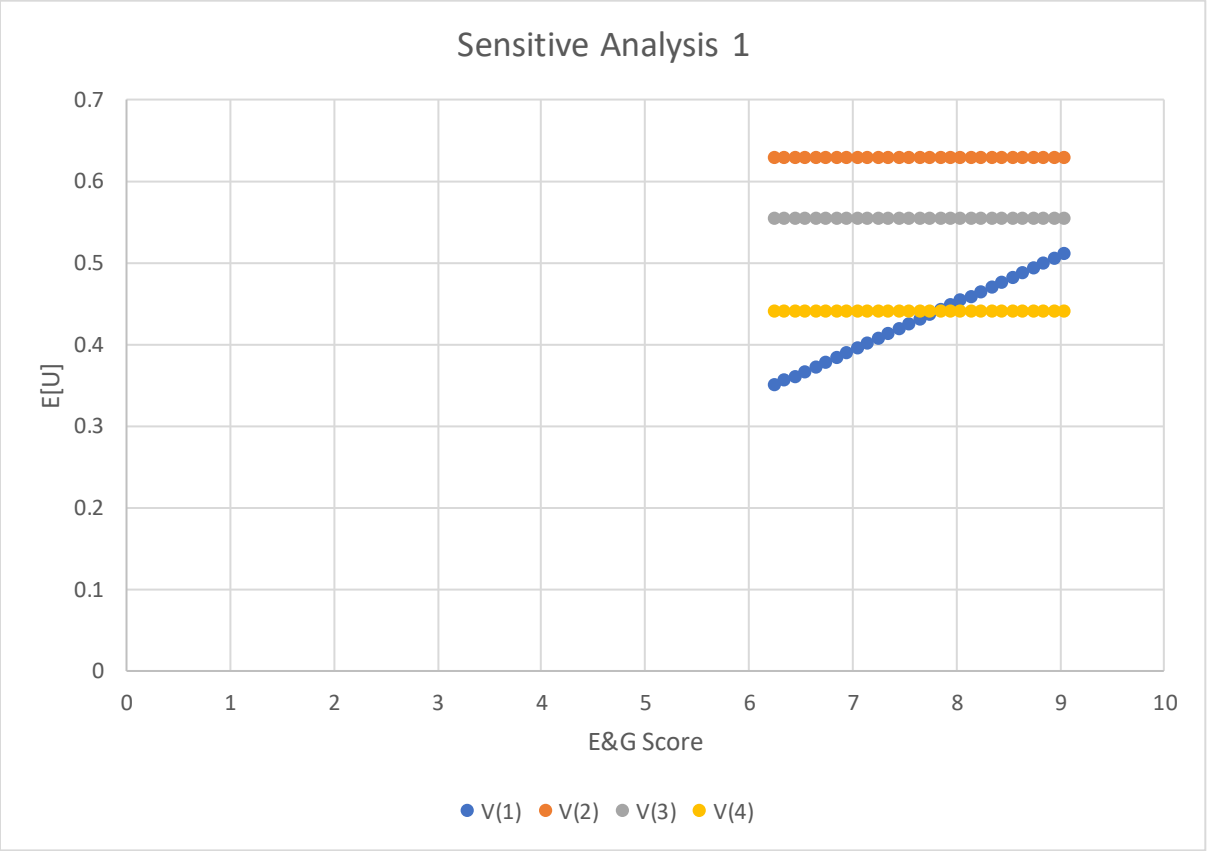
The Mean Values are E[U]: -

Strategy	Mean Value
1	0.4008
2	0.5817
3	0.6009
4	0.4954

Strategy No. 3 has the highest value, so I will select that one.

Sensitivity Analysis: -

Now, Strategy 1 was with the lowest utility, I will perform sensitivity analysis on attribute Ethics and Governance.

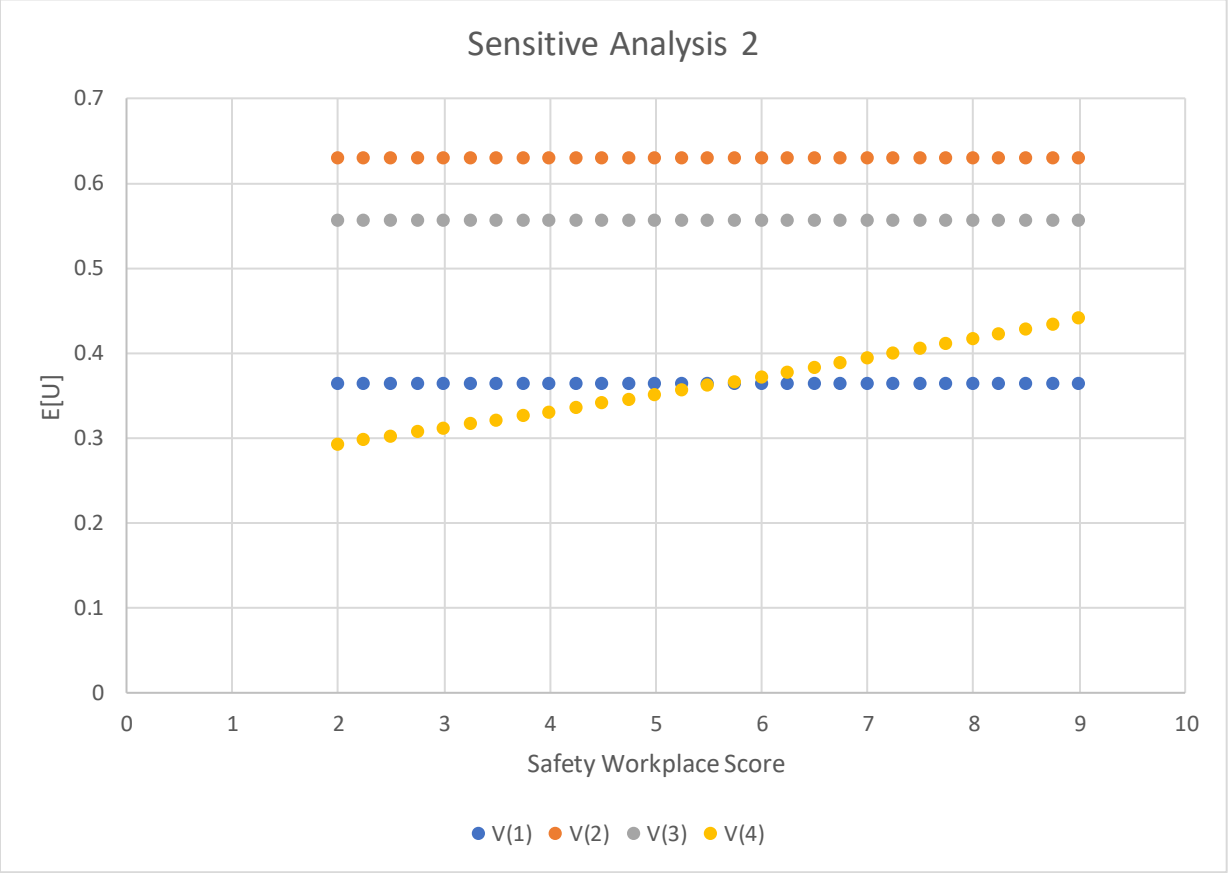


In this analysis we can see that strategy 1 can be better than strategy 4 if it surpasses over 7.75.

But at the same time, it should be noted that strategy 3 which was chosen is still robust even if E&G achieves its maximum value.

Next, I am going to analyze strategy 4 as its scored second lowest in the utility.

So now I am going to do sensitive analysis on attribute Safety Workplace.



From this sensitivity analysis we can see that strategy 4 can be a better option than strategy 3 if it surpasses its score over 5.75. Then it would be advisable to opt strategy 4 over 3.

Recommendation: -

After extensive efforts and time spent developing various strategies for Accenture to adopt and improve its value as a company. After analyzing and evaluating those strategies, I discovered that strategy 3 outperformed all others, with the highest mean utility of 0.6009.

Furthermore, a series of sensitivity analyses were performed, and it was clear that I would strongly advise Accenture to implement Strategy 3.

Strategy 3 is also consistent with the company's motto of 'Value,' as it focuses on maximizing output for maximum revenue.