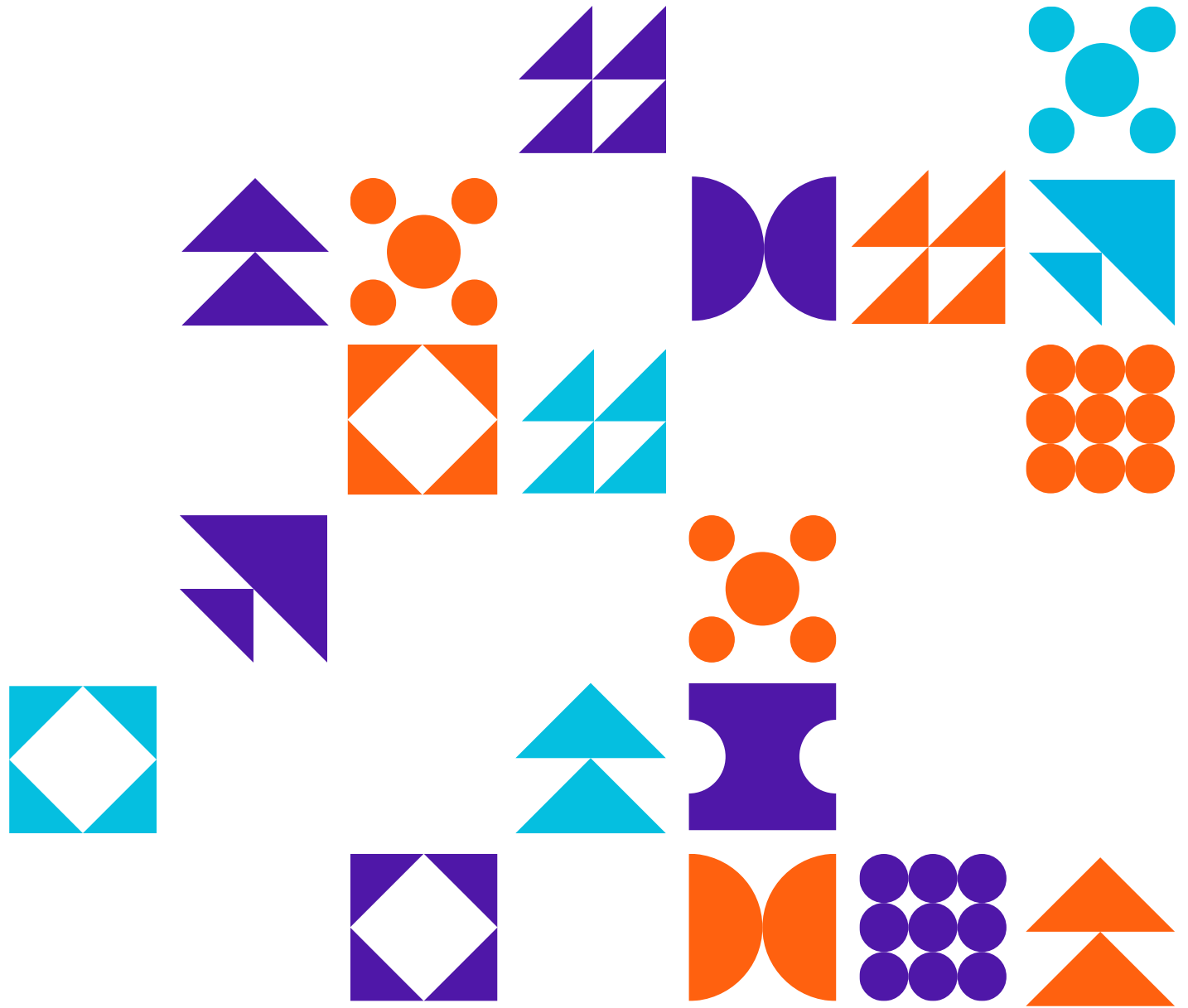


SUSTAINABLE PROJECT EXECUTION

A reflection on the complex interplay
between ESG principles and cultural
dynamics

Ing. Emmanuel Haizel, MBA, CEng MIMechE, PMP
NPMC, 24-26 JULY 2024





Sustainability

Sustainability is about how organizations manage financial, social and environmental risks to ensure their business can continue to operate, regardless of obstacles such as resource shortages, environmental disasters, and social and political events. It also relates to green practices and business continuity planning, as well as stakeholder engagement.

ESG

Environment, Social Governance

ESG is a framework that helps stakeholders understand how an organization manages risks and opportunities around sustainability issues

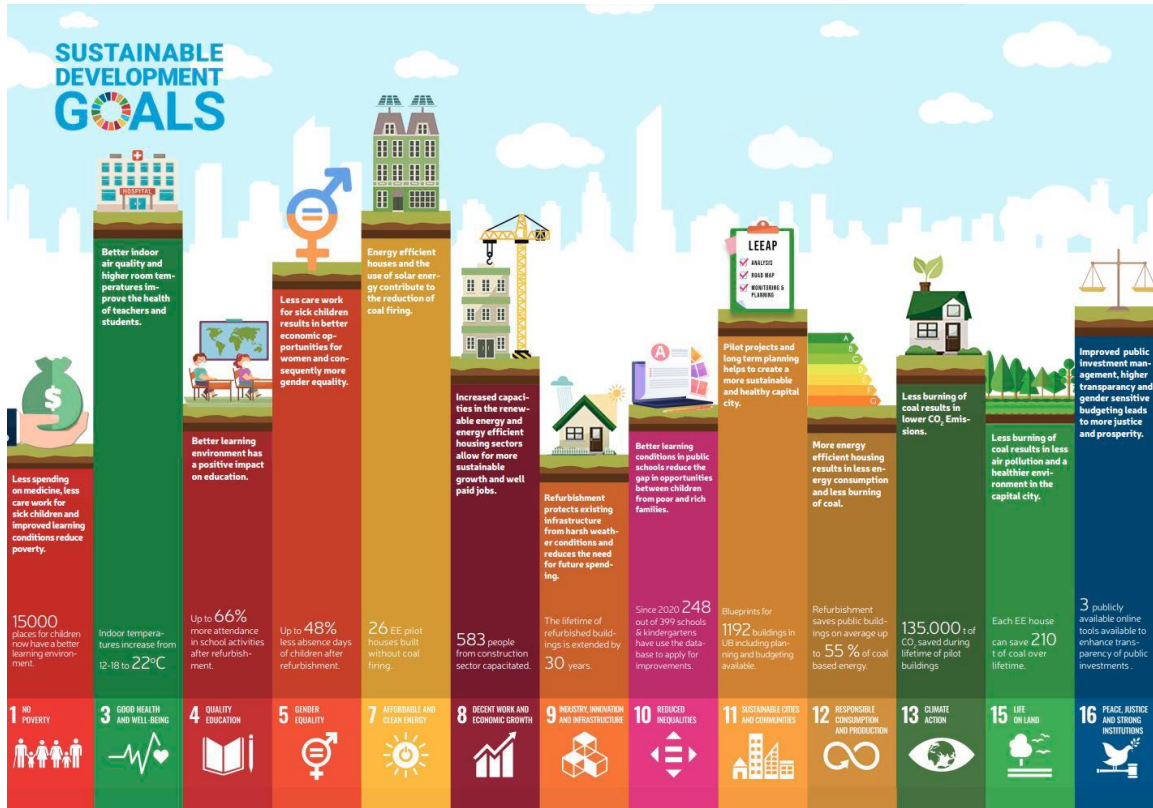
Sustainable Project Execution

THE THREE PILLARS OF SUSTAINABILITY

Environmental sustainability focuses on protecting natural resources, while social sustainability aims to ensure equity and well-being for all. Economic sustainability seeks to promote prosperity without compromising future generations' resources. In essence it is about managing financial, social and environmental risks to ensure their business can continue to operate, regardless of obstacles such as resource shortages, environmental disasters, and social and political events.



Sustainable Projects



Source: Energy Efficient Building Refurbishment in Mongolia (Energypedia: 2024)

Sustainable Project Execution



Source: Green Project Management (2024)

THE
SHELL
CASE

PARIS
CONVENTION

ETHICS
or LAW



Sustainable Project Execution

Delivering project outcomes while taking into considerations the ENVIRONMENTAL, FINANCIAL and SOCIAL aspects throughout the Project Life Cycle.

Projects are aimed at REALISING BENEFITS for stakeholders, and delivered them in a TRANSPARENT, FAIR and ETHICAL manner.



ENVIRONMENT

The E in ESG, environmental criteria, includes the energy your company takes in and the waste it discharges, the resources it needs, and the consequences for living beings as a result. Not least, E encompasses carbon emissions (direct or indirect), management's stewardship over natural resources, and the firm's overall resiliency against physical climate risks (like climate change, flooding, and fires). Every company uses energy and resources; every company affects, and is affected by, the environment. Environmental sustainability needs to be woven into the fabric of project planning and execution. This means rethinking resource allocation, supply chain logistics, and even the project's end-of-life impact.



SOCIAL

The S, social criteria, addresses the relationships your company has and the reputation it fosters with people and institutions in the communities where you do business.

S includes labor relations and diversity and inclusion. Every company operates within a broader, diverse society. Projects are built by people, for people.

Understanding and respecting the cultural dynamics of teams can elevate a project from good to great through the incorporation of diverse perspective into the projects DNA.

SOCIAL

ISO 26000 Definition of Social Responsibility as the responsibility of an Organisation for the impacts of its decisions and activities on society and the environment through transparent and ethical behavior that:

- contributes to sustainable development
- takes into account expectation of stakeholders
- is in compliance with applicable law and consistent with international norms of behavior
- is integrated throughout and practiced in an organization's relationships





GOVERNANCE

G, governance, is the internal system of practices, controls, and procedures your company adopts to govern itself, make effective decisions, comply with the law, and meet the needs of external stakeholders.

Every company, which is itself a legal creation, requires governance. The often-overlooked G in ESG, is the glue that holds it all together.

It is about establishing a framework where environmental and social considerations are not afterthoughts but are integral to decision-making processes.

ENVIRONMENT

- Integrating environmental sustainability into project execution helps mitigate the adverse effects of climate change, reduces waste, and promotes the efficient use of resources.
- Business that prioritize environmental sustainability often experience enhanced brand reputation and customer loyalty, as consumers increasingly prefer eco-friendly companies.
- Regulatory compliance and risk management are improved by adhering to environmental standards, which can prevent costly fines and enhance operational efficiency.

SOCIAL

- Socially responsible projects contribute positively to their stakeholders through fair labor practices, community engagement, and corporate philanthropy.
- Employee satisfaction and retention are often higher in companies that foster a positive social impact, as employees prefer to work for organizations that align with their values.
- Social responsibility can drive innovation by fostering a diverse and inclusive work environment, leading to better problem-solving and creative solutions.

GOVERNANCE

- Strong governance frameworks ensure that companies operate ethically and transparently, which builds investor trust and confidence.
- Governance practices, such as clear reporting and accountability mechanisms, help prevent fraud and misconduct.
- Effective governance promotes long-term strategic planning, ensuring that the company remains resilient and adaptable to changing market conditions.

CULTURAL DYNAMICS

USA
Por

CHINA
Por

NORTHERN THAILAND
Appetiser

Never underestimate the importance of local knowledge.


To truly understand a country and its culture, you have to be part of it.

That's why, at HSBC, we have local banks in more countries than anyone else. And all of our offices around the world are staffed by local people.

It's their insight that allows us to recognise financial opportunities invisible to outsiders. But those opportunities don't just benefit our local customers.

Innovations and ideas are shared throughout the HSBC network, so that everyone who banks with us can benefit.

Think of it as local knowledge that just happens to span the globe.

HSBC 
The world's local bank

Created by HSBC. © HSBC 2014

HSBC poster at a number of airports





CULTURAL DYNAMICS

- Bridging Geographical Boundaries in Remote Work
- Understanding Global Cultural Differences
- Leveraging Cultural Nuances for Innovation
- Cultural Intelligence

CULTURAL DYNAMICS

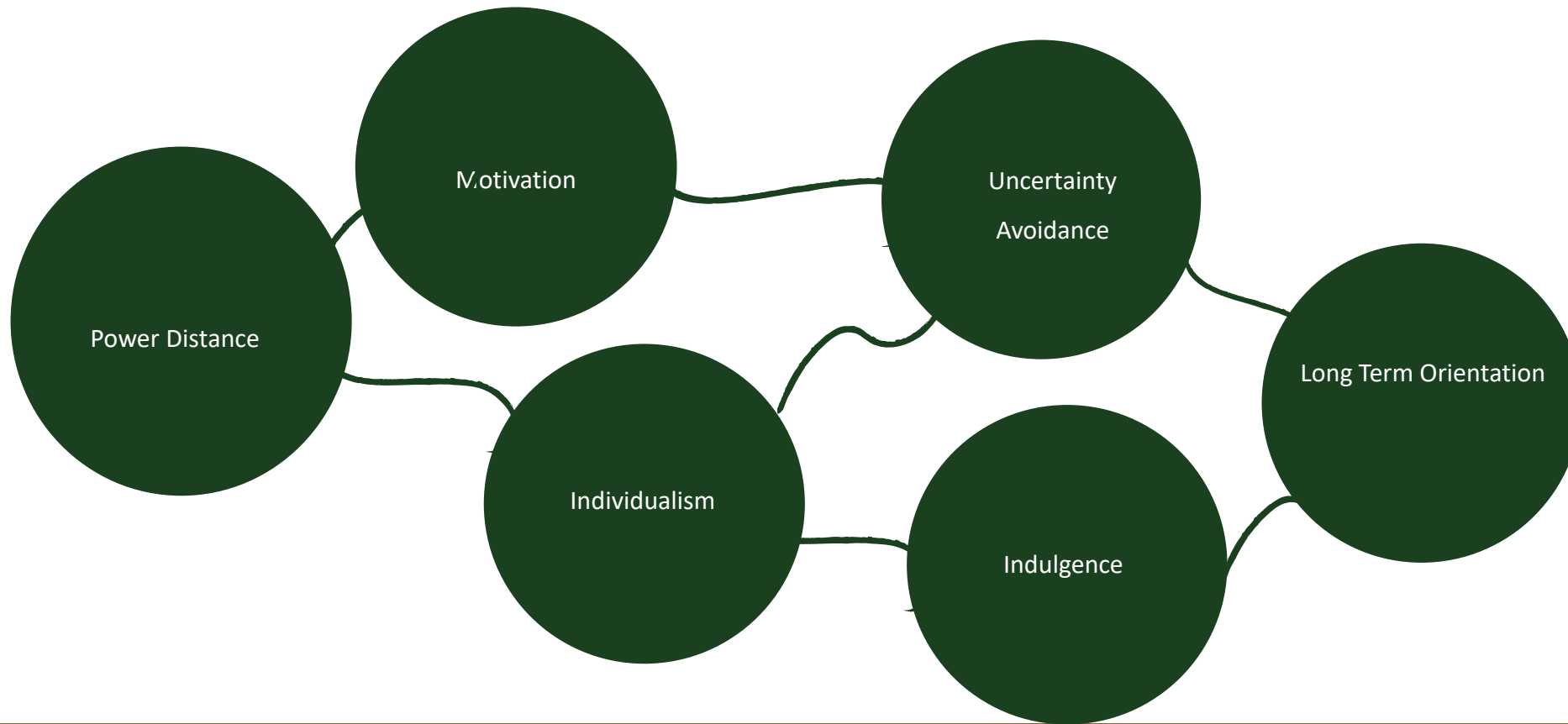
Understanding and Respecting Cultural Differences

- In a globalized business environment, understanding and respecting cultural differences is crucial for effective communication and collaboration.
- Businesses that value cultural diversity are better positioned to enter and thrive in international markets, as they can tailor their products and services to meet local preferences and norms.
- Culturally diverse teams bring a wealth of perspectives and ideas, which can lead to more innovative solutions and a competitive advantage.



Hofstede's Cultural Dimensions Theory: A framework used to distinguish between different national cultures and cultural dimensions, and their impact on a business setting.

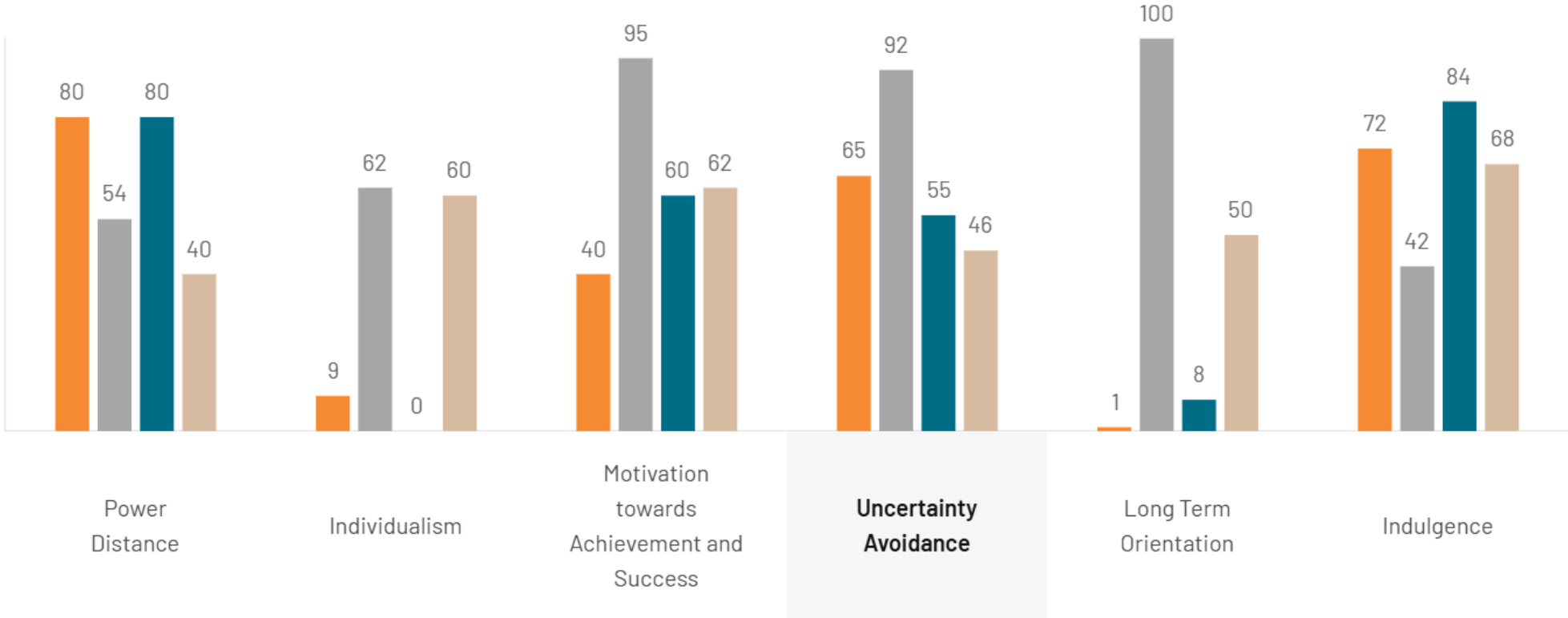
CULTURAL INTELLIGENCE



Cultural intelligence: an outsider's seemingly natural ability to interpret someone's unfamiliar and ambiguous gestures the way that person's compatriots would.

Cultural Dynamics: COUNTRY COMPARISON TOOL by The Culture Factor Group

Ghana × Japan × Nigeria × United States ×




[Country comparison tool \(hofstede-insights.com\)](https://hofstede-insights.com)




Cultural Dynamics:


Country Comparison: Motivation towards Achievement and Success

GHANA  40

Ghana scores 40 on Motivation towards Achievement and Success and is thus considered a relatively Consensus society. In countries with high Motivation towards Achievement and Success, the focus is on “working in order to live”, managers strive for consensus, and people value equality, solidarity and quality in their work lives. Conflicts are resolved by compromise and negotiation. Incentives such as free time and flexibility are favoured. Focus is on well-being, and status is not shown. An effective manager is a supportive one, and decision making is achieved through involvement.


JAPAN  95

At 95, Japan is one of the most Decisive societies in the world. However, in combination with their mild collectivism, you do not see assertive and competitive individual behaviors which we often associate with a Decisive culture. What you see is severe competition between groups. From a very young age at kindergartens, children learn to compete on sports day for their groups (traditionally red team against white team). In corporate Japan, you see that employees are most motivated when they are fighting in a winning team against their competitors. What you

NIGERIA  60

Nigeria scores 60 on Motivation towards Achievement and Success and is thus a Decisive society. In countries scoring high on Motivation towards Achievement and Success, people “live in order to work”. Managers are expected to be decisive and assertive, the emphasis is on equity, competition and performance and conflicts are resolved by fighting them out.

Overview >

UNITED STATES  62

The score of the US on Motivation for Achievement and Success is high at 62, and this can be seen in the typical American behavioural patterns. This can be explained by the combination with Individualism. In other words, Americans, so to speak, all show their Motivation for Achievement and Success individually. The British, however, have the same culture in this respect. The question, therefore, should be: is the same drive not normally to be seen on the surface? This difference is a reflection of the higher score of the US on Uncertainty Avoidance than of the UK. In other words, in both societies,

[Country comparison tool \(hofstede-insights.com\)](https://www.hofstede-insights.com) (The Culture Factor Group:2024)

Importance of Cultural Dynamics in Sustainable Project Execution

Facilitating Adaptability and Flexibility

- Adapts strategies to fit local contexts.
- Aligns projects with local needs and expectations.

Promoting Inclusivity and Equity

- Ensures all voices are heard, promoting equity.
- Addresses specific cultural needs for sustainable outcomes.

Minimizing Risks and Enhancing Compliance

- Identifies and mitigates cultural risks.
- Enhances compliance and reduces legal issues.

Fostering Long-term Success

- Builds lasting relationships and positive impacts.
- Contributes to overall project sustainability and success.

In a world where remote work has blurred geographical boundaries, understanding, and bridging cultural differences has never been more crucial.

Importance of Cultural Dynamics in Sustainable Project Execution

Enhancing Communication and Collaboration

- Improves communication and reduces misunderstandings.
- Fosters trust and transparency, crucial for project success.

Leveraging Diverse Perspectives

- Diverse teams bring innovative solutions and better decision-making.
- Encourages creativity and problem-solving, vital for sustainability.

Improving Stakeholder Engagement

- Gains support from local communities and stakeholders.
- Respecting local customs fosters positive project environments

Integrating cultural dynamics into sustainable project execution enhances community engagement, environmental stewardship, social acceptance, and long-term sustainability by respecting and leveraging local customs, knowledge and governance structures.

Sustainable Project Execution



Horses for courses

Criteria for sustainable outcomes of projects differ in relevance from industry to industry.

For the textile project, its about labour conditions in Bangladesh. For Nike shoe production, it is about getting people moving and making sure its not being done by children in Vietnam. If its about Espresso coffee, you must be thinking about fair trade for the coffee. If its about small scale mining project, you should think about gaining your outcomes and making sure it does not affect the livelihoods of the community.

How ESG Principles Interact with Cultural Dynamics in Project Execution

1. Environmental Stewardship and Cultural Values

Local Environmental Practices: Different cultures have varied practices and beliefs about the environment. Projects must align ESG environmental goals with local customs and traditions to ensure community acceptance and participation.

Biodiversity and Conservation: Some cultures hold certain species or natural areas as sacred. Respecting these beliefs can enhance project legitimacy and support while promoting biodiversity.

2. Social Responsibility and Cultural Norms

Community Engagement: Effective engagement requires understanding and respecting local customs, languages, and social structures. This ensures that the community's needs and concerns are genuinely addressed.

Health and Safety: Cultural perceptions of health and safety can influence how ESG initiatives are implemented. Tailoring health and safety programs to fit local cultural contexts can lead to better compliance and effectiveness.

Employment Practices: Cultural norms around work, gender roles, and labor practices must be considered to ensure fair and inclusive employment practices in line with ESG principles.

3. Governance and Cultural Integrity

Transparency and Accountability: Different cultures have varying expectations about governance. Balancing global standards of transparency with local customs of decision-making and leadership can enhance trust and cooperation.

Corruption and Ethical Standards: Cultural attitudes towards corruption and ethics impact how governance structures are perceived and implemented. Understanding and addressing these attitudes can improve the effectiveness of anti-corruption measures.

Best Practices for Integrating ESG with Cultural Dynamics

- **Cultural Assessments:** Conduct thorough cultural assessments before project initiation to understand local context
- **Inclusive Stakeholder Engagement:** Engage with a broad range of stakeholders, including local leaders, to ensure diverse perspectives are considered
- **Adaptation of ESG Strategies:** Customize ESG strategies to fit local cultural norms and values without compromising on the core principles
- **Continuous Learning:** Maintain commitment to continuous learning and adaptation to respond to changing cultural dynamics and evolving community expectations.

CASE STUDIES

Source: [Tullow Oil Plc Sustainability Report 2023](#)

Social		Environment		Governance			
Safe operations		Shared Prosperity		Environmental stewardship		Equality and transparency	
<ul style="list-style-type: none"> We provide a safe working environment for employees, contractors and visitors. We maintain and enhance our process safety and emergency response management. We promote health and wellness for our employees around the world. 		<ul style="list-style-type: none"> We advance education in our host countries. We contribute to economic growth in our host nations through advancing skills and entrepreneurship and building the capacity of local businesses through training and encouragement to engage in our procurement processes. 		<ul style="list-style-type: none"> We advance responsible and efficient energy production in our host countries. We have committed to achieving Net Zero Scope 1 and 2 GHG net equity emissions by 2030. We conserve water and minimise waste throughout our operations. We strive to avoid negative impacts on biodiversity during all phases of our activities. 		<ul style="list-style-type: none"> We place an uncompromising focus on ethics and compliance. We take a responsible approach to taxation and support transparency in our payments to governments. We are proactive about upholding and protecting human rights. We promote inclusion and diversity throughout our Company and, through our localisation strategy, we employ and advance African nationals, enhancing employability and livelihoods and helping to reduce income inequalities. 	

Other resources:
[Newmont Sustainability Report 2023](#)



Source: [Unilever Ghana Sustainability Goals](#)

Our sustainability goals

	 Climate	 Nature	 Plastics	 Livelihoods
Long-term ambition	Net zero emissions across our value chain by 2039.	Resilient and regenerative natural and agricultural ecosystems.	An end to plastic pollution through reduction, circulation and collaboration.	A decent livelihood for people in our value chain, including by earning a living wage.
Goals	<p>Reduce absolute operational GHG emissions (Scope 1 & 2) by 100% by 2030 from a 2015 baseline.</p> <p>Reduce absolute Scope 3 energy and industrial GHG emissions* by 42% by 2030 from a 2021 baseline.</p> <p>Reduce absolute Scope 3 forest, land and agriculture (FLAG) GHG emissions** by 30.3% by 2030 from a 2021 baseline.</p>	<p>95% volume of key crops to be verified as sustainably sourced by 2030.</p> <p>Implement Regenerative Agriculture practices on 1 million hectares of agricultural land by 2030.</p> <p>Help protect and restore 1 million hectares of natural ecosystems by 2030.</p> <p>Maintain no deforestation across our primary deforestation-linked commodities.</p> <p>Implement water stewardship programmes in 100 locations in water-stressed areas by 2030.</p>	<p>Reduce our virgin plastic footprint – by 30% by 2026, and 40% by 2028, from a 2019 baseline.</p> <p>100% of our plastic packaging to be reusable, recyclable or compostable – by 2030 (for rigids) and 2035 (for flexibles).</p> <p>Use 25% recycled plastic in our packaging by 2025.</p> <p>Collect and process more plastic packaging than we sell by 2025.</p>	<p>Help 250,000 smallholder farmers in our supply chain access livelihoods programmes by 2026.</p> <p>Suppliers representing 50% of our procurement spend to sign the Living Wage Promise by 2026.</p> <p>Help 2.5 million SMEs in our retail value chain grow their business by 2026.</p>

Supported by €1 billion Climate & Nature Fund.

Underpinned by our continued commitment to Human Rights and Equity, Diversity & Inclusion.

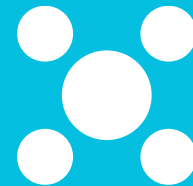
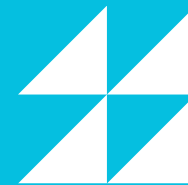
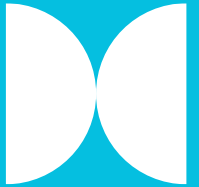
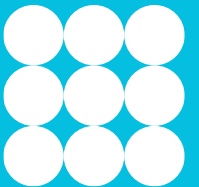
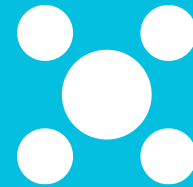
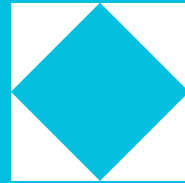
* Energy and Industrial emissions from Purchased Goods and Services (associated with Ingredients, packaging), Upstream Transport and Distribution, Energy and fuel-related activities, direct emissions from Use of Sold Products (associated with HFC propellants), End-of-Life Treatment of Sold Products, and Downstream Leased Assets (associated with ice cream retail cabinets). ** FLAG emissions from Purchased Goods and Services (associated with Ingredients).



**Project
Management
Institute.
Ghana**



THANK YOU



**Ing. Emmanuel Haizel, MBA, CEng MIMechE, PMP
NPMC, 24-26 JULY 2024**

