

## **STRATEGIC APPROACH TO MANAGING CORPORATE SOCIAL INITIATIVES**

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Increasing attention to the Sustainable Development Goals, responsible investment, and long-term corporate resilience requires a rethinking of traditional strategic management tools. In this context, the integration of the Balanced Scorecard (BSC) system with ESG indicators (Environmental, Social, Governance) emerges as a promising direction for modernizing corporate governance. It combines a classical focus on performance with new requirements for social and environmental responsibility in business. The BSC system, developed by Kaplan and Norton, has long been used as a strategic platform that enables companies to monitor progress toward objectives across four key areas: finance, customers, internal processes, and learning and growth. Its key strength lies in combining financial and non-financial metrics, allowing for a comprehensive evaluation of organizational performance.

ESG criteria, which cover environmental, social, and governance dimensions, are becoming increasingly prominent. ESG indicators include metrics such as greenhouse gas emissions, energy efficiency, gender diversity, social policies, anti-corruption measures, and governance transparency. These are actively used by investors, funds, and business partners to assess non-financial risks and the long-term growth potential of companies. Both models are strategically oriented, value-driven, and focused on long-term outcomes. The BSC has significant potential to incorporate ESG metrics as elements of strategic control. Integrating ESG indicators into the BSC opens up numerous advantages. It aligns strategic business goals with the expectations of internal and external stakeholders. Formalizing ESG within the BSC framework enhances transparency and facilitates non-financial reporting according to international standards such as GRI, SASB, or the EU's new corporate sustainability directives. Such integration fosters internal transformation - shifting ESG from being perceived as an obligation to being seen as a source of strategic innovation and advantage. Through an ESG-BSC model, a company can systematically assess its social and environmental impact, making it a core part of its competitive strategy.

Despite the clear benefits, integrating ESG into the BSC framework involves several challenges. Foremost is the absence of a unified methodology to define relevant ESG metrics tailored to specific industries or business models. Companies must independently adapt these indicators to their own context. A second challenge is the difficulty of quantifying social and environmental impacts, especially in areas where results manifest only in the long term.

The integration of ESG metrics into the BSC system represents a promising trajectory for the evolution of corporate governance. It enables companies to be both efficient and responsible. This approach fosters investor trust, strengthens societal connections, and helps build stable, resilient organizations capable of navigating today's challenges.