

## IV Performance

### 14 Metrics and Indicators

**Does the report include quantitative performance information on all significant environmental aspects, which the organization has identified?**

#### **Score**

- 0 No mention or very insufficient / very little
- 1 Some / little /partial mention or coverage
- 2 Most important aspects covered, average
- 3 Better than average, current state-of-the-art practice of several leading reporters
- 4 Pace-setting creative new approach, outstanding, best practice

#### **Explanations, Characteristics and Examples**

**Quantitative Performance Information** is a structured description of performance and progress with meaningful and clearly defined metrics/indicators.

**Metrics and Indicators** (synonymous terms) are the specific measurement of an individual aspect that can be used to track and demonstrate performance. These are usually, but not always, quantitative.

A key element in quantifying an organization's performance is the provision of meaningful and measurable indicators on the significant aspects the organization has identified. These help decision-making and provide necessary information to stakeholders. Eco-efficiency indicators are often meaningful to organizations.

GRI has pointed out indicators, which they consider applicable to most organizations, and that are globally relevant. Their methods for measurement are established and definitions accepted by many.

It will vary from organization to organization as to which indicators are best used in the report and which are better left omitted. Rationale for the choice of indicators is therefore meaningful information for the reader of the report.

#### **Examples:**

- Operational performance data (e.g. resources and material inputs, air emissions, effluents and waste/non-product outputs).
- Management performance indicators (e.g. on implementation of environmental management system).
- Condition indicators (e.g. influence on the environment).
- Use of absolute and relative indicators.
- Eco-efficiency indicators.
- For further examples of indicators see GRI and ISO 14031.

## IV Performance

### 14 Metrics and Indicators (continued)

*References:*

- "A Guide to Environmental Reporting for Controlling Officers" produced by Hong Kong Environmental Protection Department, Chapter 3, Section 6: "Environmental Performance Analysis".
- GRI Version 2000, Part B, Section 3: "Classification of Performance-Reporting Elements", Part C, Section 6: "Performance", Annex 4: Guidance on Ratio Indicators, and Part C: General Notes, point 4.
- WBCSD: "Measuring Eco-efficiency" (2000).

## IV Performance

### 15 Trends

Does the report include trends over time, covering several reporting periods?

#### Score

- 0 No mention or very insufficient / very little
- 1 Some / little /partial mention or coverage
- 2 Most important aspects covered, average
- 3 Better than average, current state-of-the-art practice of several leading reporters
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#### Explanations, Characteristics and Examples

**Trends** over time are indicators shown over several reporting periods, most often years. That means indicators are presented not only for the actual year, but also for some previous years, making it possible to see, in what direction they are developing.

#### Examples:

- Trends shown in tables, charts and/or graphs, making it easy to follow the development.
- Information for at least three reporting periods (e.g. years).
- Comparison to a baseline year (e.g. at the beginning of a major improvement program or after a major change).

#### References:

- GRI Version 2000, Part C: General Notes, point 3.

## IV Performance

### 16 Targets

**Does the report include targets that improve the value of performance information and demonstrate the usefulness of indicators for decision-making?**

#### **Score**

- 0 No mention or very insufficient / very little
- 1 Some / little /partial mention or coverage
- 2 Most important aspects covered, average
- 3 Better than average, current state-of-the-art practice of several leading reporters
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#### **Explanations, Characteristics and Examples**

**Targets** are expected performance results, which the management has made a commitment to achieve by a future point in time. Reporting on targets includes the presentation of future targets, of earlier set targets and of achievements made compared to these.

**Future targets** are targets that are set for a point in time after the presentation of the report. They are normally shown together with trends of past developments or achievements made already in view of the future targets.

**Earlier set targets** are set before the commencement of the reporting period. These are then compared with the actual performance achieved in the said period.

Targets are most valuable for management decision-making and for reporting if they are quantitative and verifiable. This makes it possible to clearly state whether or not a target has been achieved.

#### **Examples:**

- Targets for the future together with explanations for how targets will be fulfilled.
- Achievements compared to targets set in the past.
- Explanations for achievement and non-achievements, and future actions on non-achievements.
- Development in view of longer-term targets (5-10 years).
- Explanations of changes that were made on targets set previously.
- Targets, as well as achievements, presented in a form, which makes it easy for the reader to get an overview of the organization's performance.

#### **References:**

- "A Guide to Environmental Reporting for Controlling Officers" produced by Hong Kong Environmental Protection Department, Chapter 3, Section 4: "Environmental Objectives, Targets and Milestones" and Section 7: "Environmental Actions Requiring Special Attention".

## IV Performance

### 17 Interpretation and Benchmarks

**Does the report include interpretation of results and comparisons (e.g. to peers) to improve understanding?**

#### **Score**

- 0 No mention or very insufficient / very little
- 1 Some / little /partial mention or coverage
- 2 Most important aspects covered, average
- 3 Better than average, current state-of-the-art practice of several leading reporters
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#### **Explanations, Characteristics and Examples**

**Interpretation** is putting the achieved performance into context and providing rationale for it.

**Benchmarks** are comparisons to peers, best-in-class performers, average or any other comparison that allows better understanding, or fosters a more proactive management and decision-making on the issue measured with the respective performance indicator.

Interpretation and benchmarking of performance give the reader the possibility to better understand the organization's performance and results.

Such reporting includes benchmarks for the key indicators in the most relevant issues, and rationale for the choice of the benchmarks. It could also include information on the organization's involvement in initiatives with the aim to establish measurement procedures and such benchmarks (e.g. GRI and sector initiatives).

#### **Examples:**

- Interpretation of (or rationale for) trends and achievements (non-achievements).
- Use of contextual indicators (ratios to economic, national average, best practice, etc.).
- Comparison to sector and/or national average, legal limits, sector standards.
- Comparison to national totals, carrying capacity limits (footprint indicators).