

III Commitment and Management

8 Vision and Strategy

Does the report describe how the organization intends to contribute towards environmental challenges?

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

Presentation of a **vision for the future** in which the most pressing environmental challenges, to which the organization has a connection, are to be solved. Discussion of how environmental goals and values are balanced with other aspects in the organization, and how this shapes the organization's decision-making process.

The organization's **strategies** include responses to the environmental challenges. It describes the components of the product/service portfolio that contribute to solving sustainability problems.

Examples:

- What the environmental vision for the organization is.
- Organizations can keep the environmental vision in international political contexts (e.g. the Kyoto Agreement).
- What the environmental aspects of the organization's strategy are and how the vision will be fulfilled.

References:

- GRI Version 2000, Part C, Section 4: "Vision and Strategy".

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9 Management Commitment

Does the report describe top management's involvement in environmental aspects, including development and implementation of the organization's principles, values and policies?

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

Organizations' principles/values are statements in which top management declares the direction the organization aims to follow.

Policies guide the behaviour of the organization's management and staff. They also guide the activities of the internal and external stakeholders (e.g. procurement) or in specified areas (e.g. environment).

Organizations may follow **Codes of Conduct** of international organizations (e.g. UN Global Compact), national or local codes, or codes from sector associations.

The **management's statement**, which refers to key elements of the report, in particular vision and strategy, and to the organization's current and future challenges in relation to environmental challenges, helps to set the tone of the report and establish credibility with internal and external report readers. A statement may not demonstrate the same level of commitment to readers, if it has not been issued by the top management.

Examples:

- Reference to the organization's values and principles.
- Reference to environmental or stakeholder policies.
- Relevance of environmental aspects in the organization's policy documents (e.g. procurement).
- Reference to or listing of adopted Codes of Conduct. Ways of integrating the adopted Codes of Conduct into organization structures and actions.

A Director's Statement may include the following elements:

- Declaration of commitment to environmental goals and leadership.
- Major challenges to the organization and their implication on the strategy.

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9 Management Commitment (continued)

- A visionary or long-term discussion about environmental challenges in the organization's perspective.
- Acknowledgement of successes and failures.
- Performance against benchmarks, targets and industry sector's norms.
- Integration of environmental responsibilities.

References:

- "A Guide to Environmental Reporting for Controlling Officers" produced by Hong Kong Environmental Protection Department, Chapter 3, Section 3: "Environmental Policy".
- GRI Version 2000, Part C, Section 1: "CEO Statement", and Section 5: "Policies, Organization and Management Systems."

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10 Responsibilities and Organizational Structures

Does the report describe the organization's structures on various levels and the allocation of roles and responsibilities to deal with environmental matters?

Score

- 0 No mention or very insufficient / very little
- 1 Some / little /partial mention or coverage
- 2 Most important aspects covered, average
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Explanations, Characteristics and Examples

Organizational Structures to be described in the report are committees, teams or circles, special functions or offices for environmental matters on various levels of the organization.

Roles and Responsibilities describe the rights and duties, the relationship, and the split of tasks between the different functions of the organization, such as between line managers of various activities and the specialized functions on environmental matters. An organizational chart may help to illustrate where the environmental responsibilities lie.

Individual accountabilities are specified responsibilities, duties and/or targets, which are allocated to individual managers or members of the management. Organizations can describe their system for individual accountability or write about the individual allocations of most significant aspects and/or key targets.

The report provides names and/or functions of members of steering committees and management teams for environmental issues.

References:

- GRI Version 2000, Part C, Section 5: "Policies, Organization and Management Systems.

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11 Improvement Action

Does the report describe the organization's overall objectives and action programs for environmental improvements and progress?

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

Overall objectives are goals that an organization sets out in order to live up to its vision, values and policies, and to improve the identified significant aspects.

Action programs are activities of the organization carried out to achieve progress on the relevant issues. Action programs include a description of how these actions/programs are planned, organized and how achievements are managed and controlled. Action programs may be reported as historic cases, success stories or lessons learned. These can also include challenges, hurdles and failures.

Action Programs may include programs on efficient use of resource, waste, emission, reduction and substitution, and programs for supplier assessment and implementation of improvements of environmental aspects of the suppliers' or contractors' facilities.

References:

- "A Guide to Environmental Reporting for Controlling Officers" produced by Hong Kong Environmental Protection Department, Chapter 3, Section 2: "Environmental Goal".

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12 Management System and Integration into Business Processes

Does the report characterize the management system for environmental issues, and demonstrate integration into the business processes?

Score

- 0 No mention or very insufficient / very little
- 1 Some / little /partial mention or coverage
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Explanations, Characteristics and Examples

The **Management System** for handling environmental related issues is described, including a description of the different elements of the system in place and how they are functioning. Does the organization report on an environmental management system (e.g. according to ISO 14001)? Elements of the management system are key procedures and management tools used (e.g. inventory, audit, target setting, action plans, internal reporting, management review - see also ISO 14001). Description or evidence of the management system's effectiveness and efficiency, description of the system's potential for improvement. It may include a description of the organization's management of risks and opportunities.

The report should explain how the **Business Processes** of the organization's various functions take into consideration the environmental issues, describing how environment is integrated and used in the organization's various functions. It is relevant to report information about improvement plans or better integration into business processes, challenges relating to various aspects and discussion of potential trade-offs between conflicting goals (e.g. environmental goals versus goals for other areas, long-term versus short-term). Also, information on how the environment is taken into consideration in the decision-making process and the level of integration of management systems in the organization's basic functions.

Examples:

- Describe which parts of the organization's activities have integrated or taken into consideration environmental issues.

References:

- "A Guide to Environmental Reporting for Controlling Officers" produced by Hong Kong Environmental Protection Department, Chapter 3, Section 5: "Environmental Management Analysis".
- GRI Version 2000, Part C, Section 5: "Policies, Organization and Management Systems".

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13 Supply Chain and Value Chain

Does the report include information about the organization's co-operation with customers and relationships with suppliers and contractors to ensure environmental progress? Does the report describe the organizations' efforts for innovation in order to make progress towards environmental improvements?

Score

- 0 No mention or very insufficient / very little
- 1 Some / little /partial mention or coverage
- 2 Most important aspects covered, average
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Explanations, Characteristics and Examples

The first step towards managing environmental aspects is often taken within the organization's operation boundary. However, analyses often show that there are bigger impacts on the environment outside the organization.

By reporting on the environmental aspects of the **Supply/Value Chain**, organizations show how they have incorporated environmental aspects in their relationships and co-operation with clients, suppliers and contractors.

Innovation is of key importance in an organization's development process towards environmental improvements. Innovation takes place in many activities within an organization; environment should be a part of these innovation processes.

Reporting on innovation for more environmental responsibility can therefore describe how the environment has been integrated in the organizations' objectives and activities for better services, products and processes.

Examples:

- Overview of how the organization handles environmental issues with suppliers.
- Initiatives with suppliers and contractors to expand the organization's environmental objectives and programs to their operations and processes.
- Review of the situation on a regular basis and change of product/service supplier if necessary (e.g. how is the review carried out, by whom, how often, and what are the results of initiatives taken?).
- Dialogue with "customers" about environmental aspects, systematic initiatives to include environment in co-operation with "customers".
- Innovation in the design of processes, services and/or products.