◎ **Enabler 4**

Building Sustainability Baseline with Metrics and Data

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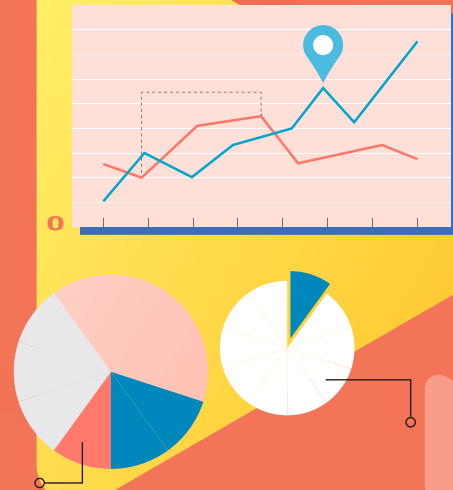
ⓘ About Enabler 4

Perhaps your company has already planned and taken some actions to manage sustainability. Nevertheless, is the situation getting better as planned? On what basis can you say it is or is not? What else can your company do to further improve the performance? To answer these questions, you will need to build the baseline with metrics and data. Indeed, capturing and analysing data are key to sustainability stewardship for your company in the long run. With the last section comprising the common metrics tracked by other companies for sustainability management, this enabler is designed to help you get started on building sustainability baseline with metrics and data.
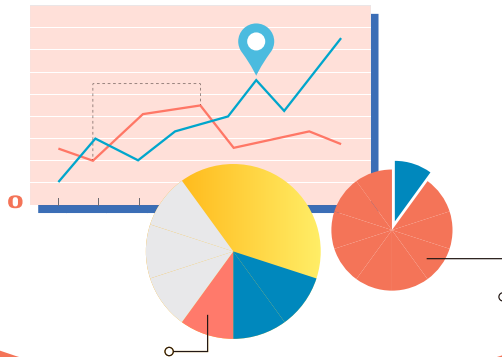
❓ What are Sustainability Metrics and Data

Sustainability metrics are used for measuring a company's performance on topics such as resource management, low-carbon transition, employment practice, health and safety, supply chain management, product responsibility, business ethics and community investment. As the saying goes, "If you can't measure it, you can't manage it." The measure of sustainability performance on specific actions taken or overall business operations is essential to the management of business sustainability. Fundamentally, the metrics establish the standard of how to consistently collect and consolidate the data for your programmes and company over time. In practice, sustainability metrics can help your company:

understand baseline condition and trend

track and evaluate performance and programmes' effectiveness

drive continual improvement

Characteristics of Sustainability Metrics and Data

Sustainability metrics consist of description of the indicator and unit of measurement. To put them into use, your company will also need to collect and consolidate the underlying data. The following table highlights what your company will need to consider when setting metrics and gathering data:

Table 9: **Considerations on setting metrics and collecting data with corresponding questions**

Consideration	Question to the Company
Indicator	What do I use to measure the performance of my company or effectiveness of my programmes?
Unit	How should I measure so comparison can be made across operations over time (i.e. total amount or amount relative to business metrics)?
Frequency	How often do I need to collect the data (i.e. monthly, quarterly, biannually or annually)?
Data source	Where do I find the data (e.g. utility bills, log sheet)?
Scope	Which operations does the data cover (e.g. all facilities, office only etc.)?
Party in charge	By whom is the data owned, prepared and cross-checked (e.g. human resources, administration etc.)?
Data system	How do I store the data and conduct analysis (e.g. Excel or vendor platform)?

To effectively measure the sustainability performance of your company or programme, the metrics and data have to be:

Relevant
(indicator)

Consistent
(method, scope, unit)

Reliable
(document proof)

Clear
(definition, frequency, responsibility)

Build Your Sustainability Baseline with Metrics and Data

Having read the above information, you are now ready to build sustainability baseline. The template can be found on the next page. With reference to GRI Standards, the project team has suggested the corresponding sustainability metrics by business sustainability aspect and dimension (see Suggested Metrics of Sustainable Value Chain Management Framework) which should be helpful to you in this task. Depending on your commitment and desired level of practice to business sustainability management, you can choose how much to work on as indicated by the tags below:

For **Leader**

Identify 30 metrics and collect three years of data (current year inclusive) to build the baseline and observe the trend on all five Business Sustainability Dimensions

For **High Performer**

Identify 20 metrics and collect three years of data (current year inclusive) to build the baseline and observe the trend on all five Business Sustainability Dimensions

For **Beginner**

Identify 10 metrics and collect current year data to build the baseline on all five Business Sustainability Dimensions

Sustainability metrics and data collection template

Sustainability Issue	Metrics	Year	Unit	Data					Remark
				Q1	Q2	Q3	Q4	Total	
e.g. Waste management	Waste diverted from disposal in weight	2020	kg	20	33	40	38	131	Data from building management via Admin

The blank version can be downloaded here, if needed.

Suggested Metrics of Sustainable Value Chain Management Framework

For definitions and details of the metrics, please refer to GRI Standards.

Table 10: Sustainability metrics from GRI Standards by dimension and aspect

Dimension	Aspect	Sustainability Metrics from GRI Standards
Governance	Strategy and oversight	• [GRI 102-22, 405-1] Composition of the Board, advisory committee or the like (i.e. executive or non-executive, independence, tenure, gender, age group and other diversity categories) • [GRI 102-31] Frequency of the governance body's review of sustainability topics
	Ethics and integrity	• [GRI 205-1] Number and percentage of operations assessed for risks related to corruption • [GRI 205-2] Number and percentage of governance body members that have received training on anti-corruption • [GRI 205-2] Number and percentage of employees that have received training on anti-corruption • [GRI 205-2] Number and percentage of governance body members that the company's anti-corruption policies and procedures have been communicated to • [GRI 205-2] Number and percentage of employees that the company's anti-corruption policies and procedures have been communicated to • [GRI 205-3] Number of confirmed incidents of corruption • [GRI 205-3] Number of confirmed incidents in which employees were dismissed or disciplined for corruption • [GRI 206-1] Number of legal actions pending or completed regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation
	Sustainability risk management	• [GRI 201-2] Financial implications of the risks and opportunities due to climate change
	Stakeholder engagement	/
	Sustainability disclosure	/

Workplace culture	Employment practice	• [GRI 102-8, 405-1] Number of employees by rank by age group, gender and other diversity categories • [GRI 401-1] Number and rate of new employee hires by age group and gender • [GRI 401-1] Number and rate of employee turnover by age group and gender • [GRI 401-3] Return to work and retention rates of employees that took parental leave by gender • [GRI 405-2] Ratio of the basic salary and remuneration of women to men for each rank • [GRI 406-1] Number of incidents of discrimination • [GRI 419-1] Non-compliance with laws and regulations in social and economic area
	Training and development	• [GRI 404-1] Average hours of training per employee by gender and rank • [GRI 404-3] Percentage of employees receiving regular performance and career development reviews
	Employee wellbeing	• [GRI 403-8] Number and percentage of all employees and workers who are covered by occupational health and safety management system • [GRI 403-9] Number and rate of fatalities as a result of work-related injury • [GRI 403-9] Number and rate of high-consequence work-related injuries (excluding fatalities) • [GRI 403-9] Number and rate of recordable work-related injuries • [GRI 403-10] Number of fatalities as a result of work-related ill health • [GRI 403-10] Number of cases of recordable work-related ill health • [GRI 419-1] Non-compliance with laws and regulations in social and economic area
Customer supplier relationship	Customer satisfaction and trust	• [GRI 418-1] Number of substantiated complaints received concerning breaches of customer privacy • [GRI 418-1] Number of identified leaks, thefts, or losses of customer data • [GRI 416-1] Percentage of product and service for which health and safety impacts are assessed • [GRI 416-2] Number of incidents of non-compliance with regulations concerning the health and safety impacts of products and services • [GRI 417-2] Number of incidents of non-compliance with regulations concerning product and service information and labeling • [GRI 417-3] Number of incidents of non-compliance with regulations concerning marketing communications, including advertising, promotion and sponsorship
	Value chain risk management	/
	Ethical and green sourcing	• [GRI 205-2] Number and percentage of business partners that the company's anti-corruption policies and procedures have been communicated to • [GRI 205-3] Number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption • [GRI 308-1] Percentage of new suppliers that were screened using environmental criteria • [GRI 414-1] Percentage of new suppliers that were screened using social criteria • [GRI 308-2] Number of suppliers assessed for environmental impacts • [GRI 414-2] Number of suppliers assessed for social impacts

	Sustainability advocacy	• [GRI 417-1] Percentage of product or service that has information and labeling on disposal of the product and environmental or social impacts
Resource management	Resource efficiency	• [GRI 301-1] Materials used by weight or volume • [GRI 301-2] Percentage of recycled input materials used • [GRI 301-3] Percentage of reclaimed products and their packaging materials • [GRI 302-1] Energy consumption within the company • [GRI 302-2] Energy consumption outside the company • [GRI 302-3] Energy intensity • [GRI 303-3] Water withdrawal in volume • [GRI 303-4] Water discharge in volume • [GRI 305-7] Nitrogen oxides, sulfur oxides and other significant air emissions • [GRI 306-3] Waste generated in weight • [GRI 306-4] Waste diverted from disposal in weight • [GRI 306-5] Waste directed to disposal in weight
	Low-carbon operations	• [GRI 305-1] Direct (Scope 1) greenhouse gas emissions • [GRI 305-2] Energy indirect (Scope 2) greenhouse gas emissions • [GRI 305-3] Other indirect (Scope 3) greenhouse gas emissions • [GRI 305-4] Greenhouse gas emissions intensity • [GRI 305-5] Reductions from carbon offsets • [GRI 204-1] Proportion of spending on local suppliers
Innovation	Innovation culture	/
	Knowledge management	/
	Research and development	/
	Sustainability capacity building	/
	Corporate social innovation	• [GRI 201-1] Direct economic value generated and distributed • [GRI 203-2] Significant indirect economic impacts

⊙ What's Next

Having the sustainability metrics set and data collected, you can analyse the company's performance and evaluate the programmes' effectiveness by using simple Excel functions, including comparing year-on-year performance, plotting trendline and creating pie chart. You can then see how well the actions taken have improved your company's sustainability performance. Your findings will help adjust the actions to make your company more sustainable.

Your company can also make use of the data collected for formulating sustainability targets and creating disclosure. The next two enablers will introduce and guide you through how to do them.

📖 Extended Readings

For SMEs wishing to do more for sustainability

Different sectors create different impacts from their activities. In addition to the metrics from GRI Standards, you can refer to GRI's website for the sector-specific metrics applicable to your company

(https://www.globalreporting.org/standards/sector-program/).

For SMEs wishing to get listed in Hong Kong

You may refer to HKEX's Main Board Listing Rules Appendix 27 or GEM Listing Rules Appendix 20 for the required metrics and disclosures

(https://en-rules.hkex.com.hk/rulebook/environmental-social-and-governance-reporting-guide-0).