

Environmental and Social Metrics

Increasingly, organizations are establishing metrics to drive organizational behaviors so as to underscore how sustainability activities support their overall brand positioning related to environmental stewardship and social wellbeing.

Many organizations have come to recognize that sustainability metrics do more than just improve performance. They also help influence a broader perception the organization creates among its stakeholders.

Criteria for Selecting Metrics

Based on our experience, there are three critical criteria for selecting sustainability metrics. That is, the metrics should:

1. **Reflect** the key environmental and social issues characterizing the business. For example:

Electronics Manufacturer - "By 2025, 65% of our product components will be recyclable."

Mining Company - "We will increase the investments made in local communities to ensure growth and prosperity."

2. **Reinforce** the organization's position as environmentally or socially forward thinking:



Forward Thinking
Business Position

- Flexible Work Environment
- Diversity
- Hours of Employee Training and Development

"By 2020, 50% of our workforce will be telecommuting to reduce greenhouse gas emissions."

3. **Substantiate** the credibility of the organization's sustainability programs:

Sustainability Position	Metric
“We support environmental stewardship”	Habitat protection around manufacturing sites
“We hire locally”	Local training and recruitment programs
“We limit our use of toxic materials in manufacturing”	Lifecycle results
“We strive to work in partnership with our communities”	Nature and type of community programs supported on an annual basis
“We are committed to reducing our carbon footprint”	Reductions in the use of fossil fuels

Moving Forward

Frequently metrics are selected by examining recognized reporting standards or what peers are doing. This approach, no doubt, is useful since it facilitates benchmarking. At the same time, it may miss a key risk issue that is vital to your business strategy and reputation.

As organizations focus on enhancing the value environmental and social metrics play in driving internal behavior, listen to and consider the expectations of internal and external stakeholders.

As we all know, stakeholders are demanding the highest level of transparency. Pick the suite of metrics that best portrays the actions being taken to ensure long-term sustainability of the business and the environment.

Contact Information

For additional information about environmental and social metrics, see www.obbagyconsulting.com.