

Sample Performance Measurement



Y.O.U.R. INC.

Y.O.U.R. Company Environmental Performance Indicators

Purpose / Environmental Goal	Indicator	Measurement Schedule
Reduce use of scarce resource	Water use (thousand gallons)	Measure monthly Compare year-to-year
Reduce use of scarce resource	Electricity use (kilowatt-hours)	Measure monthly Compare year-to-year
Reduce presence of toxic chemicals onsite	Number of toxic chemicals used in processes	Measure annually Compare year-to-year
Reduce production of hazardous waste	Hazardous waste disposal (pounds)	Measure monthly Compare year-to-year
Reduce vehicle emissions by employees	Number of work-related car trips by employees	Measure weekly Compare month-to-month
Educate employees about company's environmental goals	Percentage of employees attending environmental education events	Measure annually Compare year-to-year

Next steps to increase your profitability through environmental practices...

Online Resources:

GEMI Metrics Guide: http://www.gemi.org/MET_101.pdf

Look in the BEA's How-To Guide Series for:

- #1: Developing an Environmental Policy Statement
- #2: Carrying Out an Environmental Assessment
- #3: Setting Environmental Goals and Objectives
- #4: Accessing Environmental Resources (Two Parts)
- #5: Educating Your Employees About Sound Environmental Practices
- #7: Evaluating Profitable Environmental Opportunities
- #8: Developing Continual Action Plans

Disclaimer: The information in this brochure is presented for the convenience of the reader. The information provided here is not intended to replace an EMS strategy and should not be used as the sole source for environmental strategies.



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BEA How-To Guide #7:

Measuring Performance



Photo by: Susan & Neil Silverman, Sonoma County, CA



"profitability through sound environmental practices"

Sonoma County
Business Environmental Alliance

What is environmental performance measurement?

Measuring environmental performance means evaluating, at regular intervals, your company's progress in achieving its environmental goals. Companies use measurement tools, often called "metrics," to evaluate performance. Using a performance metric or measurement involves tracking various indicators of the environmental impacts and improvements that are important to your business. This guide will help you determine which indicators are relevant to your company and how best to measure, monitor, and interpret those indicators.

Why should I measure my company's environmental performance?



Regular evaluation of your environmental performance will keep environmental issues at the forefront of your management decisions and allow you to make informed decisions. Environmental policies and goals are only useful insofar as they bring about

improvements. Without performance measurement, your company's decision-makers cannot know whether there has been improvement and cannot keep their commitment to environmentally preferable practices. In addition, measurement of your environmental impacts and improvements can and should be linked to the performance of your business overall, making the connection between best practices and profitability.

Who should measure performance?

Your environmental performance should be measured either by the employees directly involved in the processes creating environmental impacts or by independent evaluators. On the one hand, those employees working in the areas of environmental impact are most familiar with your company's practices, and may be best able to recognize changes and improvements. On the other hand, an independent evaluator (whether from a separate department within your company or an outside consultant) can review your progress without bias. Regardless of who collects the data, company leaders should be informed of the conclusions drawn from your company's environmental performance measurements.

How do I get started?

First, make a list of measurable indicators that can track the environmental impacts you have identified through your environmental assessment or goal-setting.

Second, establish a schedule for collecting data on those indicators on a regular basis.



Third, interpret the measurement data you have collected to see areas in which there has been improvement as well as those areas where more work is needed.

Which indicators should I measure?

Guidelines

The indicators you choose should be

- ⇒ linked to a specific environmental impact in a defined way
- ⇒ measurable by cost-effective methods
- ⇒ easy to interpret in useful business terms like resources saved or value added
- ⇒ suited to your reporting or management purposes

Choosing Appropriate Indicators

Indicators can capture the state of your environmental impact at any stage of a process. For instance, the impact of water use at a particular business could be tracked by measuring the quantity of water flowing into the site, by the amount used on an individual process, by the wastewater discharged from the site, by the quality of water at the discharge site, or by some combination of all of those indicators. Choose the indicator or set of indicators that will give you the most accurate description of your environmental impacts.



Some simple indicators to start with might be those environmental impacts that are already being reported to regulatory agencies (such as discharge of hazardous waste). You can begin measuring your performance using the existing data. In addition, your company's methods for collecting this data could serve as a model for measuring other indicators.

Sample Indicators

Some commonly used indicators include:

- | | |
|---|---|
| Pounds of paper recycled | Kilowatt-hours of electricity used |
| Gallons of water used | Gallons of wastewater discharged |
| Amount of fuel used | Quantity of air emissions |
| Number of regulatory violations cited/fined | Number of employee education activities conducted |

What are some common methods for measuring these indicators?

Your measurements should be cost-effective and not detract from your other business activities. In practice, this means making the best use of data already collected for other purposes, and introducing new data collection activities in the course of existing practices. For example,

Existing data: the amount of water or electricity used each month can in most cases be read directly from a utility bill

New data collection method: installing a sub-meter on a piece of water-using equipment would allow the machine's operator to periodically read the amount of water being used without disrupting the machine's operation

How do I use performance measurement to improve my business?

Once you have collected measurements of various indicators, you can use them to describe your environmental practices. In contrast to an initial environmental assessment, performance measurement focuses on tracking changes in impact over time.

It is often useful to interpret the data for each indicator using a chart or graph in addition to an explanation. For example, if



you have collected monthly water use figures, plotting the data in a line graph will show whether your use changed seasonally. You could also use this measurement to determine whether your actual performance meets your environmental goal of reducing water use.

Finally, remember that one of the most important parts of measuring environmental indicators is bringing all of the information together to describe your overall performance. An annual report or summary will not only describe your performance to key stakeholders but also help you achieve continual improvement.

Performance Measurement Checklist

- We have identified measurable indicators for each of the environmental impacts that contribute to our overall environmental performance.
- We collect data on each indicator at regular intervals.
- We interpret the data over time to determine whether or not we are meeting our environmental goals.
- We report on our annual environmental performance to company leaders and interested stakeholders.