

ScriptString.AI

**Sustainability
KPI
Workbook**

A Guide to Build Your Own KPIs

Introduction

It is evident that with climate change and social downfalls, we cannot continue to run businesses without taking these factors into account and working towards bettering this world, for the planet and its people.

Data-driven decisions are essential.

Without analyzing data we do not know how we are performing in fighting the climate crisis, increasing diversity and inclusion, or ending poverty. The ability to quantify and communicate impact can lead to access to capital, improved employee retention, and lowered business risk.

Tracking and reporting is the key to success. Show investors or stakeholders your progress, or as an investor, this can be a way to show that your sustainable or impact investments are true to what they say they are - something that is increasingly important with recent crackdowns.

While we now know why this is an area of focus - the question is why did we create this workbook?

We have heard that determining what to measure can often be difficult for companies. With many frameworks and disclosures out there, you have a plethora of KPIs to choose from.

We invite you to use this workbook as a guide for your business in determining what you want to measure - head to the next page to start your journey!



Your Sustainability Strategy

Start with digging into your strategy - understand how sustainability fits into your business and where you want to focus your efforts!

Motivations

Why are you doing this?

- Is it voluntary?
- Do you have reporting or disclosure requirements?

What are you hoping to achieve?

What are you trying to measure & improve? How does this align with your overall business strategy?

Frameworks that work for you!

Are there any frameworks that are recommended or required for your industry or one you are hoping to work with?

Setting SMART Goals

Once you have completed the above and understand a framework of your choice, it is time to set goals.

Without an associated goal, a KPI is just stand-alone data working towards nothing. Setting a goal holds your business to something and will allow you to show progress toward achieving it. Use the framework below to construct your goals in a way that will allow you to track your progress and meet your own goals, and the goals in the framework!

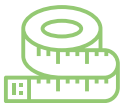
Be Specific

What do you want to achieve?



Measurable

How will you know when you have accomplished this goal?



Achievable

How can this goal be accomplished?

What initiatives will you complete to ensure this?



Relevant

Does this seem worthwhile?



Timebound

When can you accomplish this goal?



Full SMART Goal

Example SMART Sustainability Goal

"Reduce the company's carbon footprint by 20% over the next two years by implementing a sustainability plan that includes energy efficiency measures, switching to renewables, and other initiatives ."

Be Specific

The goal includes the specific carbon footprint reduction desired (20%) as well as the initiatives that will allow them to achieve that.

Measurable

Includes a measurable variable - tracking the reduction of the company's carbon footprint over time.

As well, in each of the desired initiatives, the impact on the company's environmental footprint can be tracked and reported on as well as other KPIs.

Achievable

The company listed initiatives that will help them achieve this - ground your reductions goals in science and use case studies to know if they are achievable with the initiatives you are introducing.

Relevant

Lowering your companies environmental impact is essential in the face of climate change - reducing your carbon footprint is key to doing this.

Timebound

The goal has a timeframe of two years.



This overall reduction goal can also be tracked alongside specific goals for each initiative and their contribution to reductions or other areas of the business

Choosing KPIs

Some frameworks have predetermined indicators that you can use for a specific disclosure to track that goal - understand your framework before you choose your KPIs!

That being said, there is not one way to track progress or impact - that is what makes this so difficult for a lot of companies.

Let's walk through choosing KPIs for the SMART goal below!

"Reduce the company's carbon footprint by 20% over the next two years by implementing a sustainability plan that includes energy efficiency measures, switching to renewables, and other initiatives ."

KPI

Here the goal is to reduce the company's carbon footprint



Change in carbon footprint overtime

The company may also want to track where the majority of their emissions are coming from in order to best adapt their reduction plan



Scope 1, 2, & 3 emissions

Finally, in their goal they listed different strategies to help them achieve this, they can measure different KPIs to understand how those initiatives are translating back to their overall carbon reductions



Renewable energy shares in overall consumption
OR
Energy intensity measured

Priority SDG KPI Cheat Sheet



- Proportion of employees being paid a living wage



- Proportion of agricultural area under productive and sustainable agriculture
- Prevalence of moderate or severe food insecurity in the employees



- Coverage of essential health services for employees



- Extent to which global citizenship education and education for sustainable development are mainstreamed in employee education



- Proportion of women in managerial and executive positions
- Male to female employee ratio
- Average earnings of female vs male employees



- Change in water-use efficiency over time



- Renewable energy shares in the total energy consumption
- Energy intensity measured
- Overall energy consumption



- Material footprint
- Average hourly earnings of female and male employees



- CO2 emissions prevented from infrastructure upgrades and retrofits
- Number of investments in technology development, research, and innovation in developing countries (proportion of value added in total value add)



- Proportion of employees living below the median income, by sex, age and persons with disabilities
- Financial Soundness Indicators



- Proportion of employees that have convenient access to public transport, by sex, age and persons with disabilities



- Material footprint
- Recycling rate
- Number of assets under management implementing sustainable public procurement policies and action plans



- Total GHG emissions per year
- Emissions by different scopes
- Carbon footprint



- Proportion of investments allocated to marine technology



- Progress towards sustainable forest management



- The proportion of stakeholders who believe decision-making is inclusive and responsive, by sex, age, and disability



- Additional financial resources mobilized for developing countries



These are by no means the only KPIs you can use, you must choose ones that make sense for your business and its goals.

Think of this cheat sheet as a starting point to get you thinking about what you should measure! If using the SDG framework - you can also look [here](#) for more indicators related to the overall goals and targets!

Example

Client

Impact investors, investing mainly in climate-focused start-ups looking to decrease carbon emissions and enable the transition to renewables.

They are completing an impact report to show the impact of their investments, particularly pertaining to the environment, they have chosen to use the SDGs to do so.

By working with their portfolio companies they have come up with the following goals.

Chosen SDGs



If using the SDGs it is recommended that you choose 3-5 to start focusing your efforts on.

As well, when reporting you can benchmark against UN SDG targets to see the impact on a larger scale.

Goals & KPIs



Goal: Increase the % of renewable energy used by clients of portfolio company A by 5% by 2024.

KPI: Renewable energy shares in the total energy consumption of clients



Goal: Have efforts of all portfolio companies lead to carbon reductions of 12.5 Gt by 2024.

KPI: Total carbon emissions avoided



Goal: Have efforts of portfolio companies B & Cs retrofits lead to carbon reductions of 5.5 Gt by 2024.

KPI: Carbon emissions avoided from retrofits

What's Next?

Now that you have created your goals and chosen your KPIs, it is time to start measuring!

This can be a difficult step for companies with data living in silos, the inability to sift through online data to benchmark against, and overall measuring your progress through Excel.

ScriptString can help with end-to-end automation to help you compile an impact or sustainability report that showcases your progress on your goals.

Stay on top of your data with readily produced dashboards and AI recommendations of where to focus your efforts next.

Want to learn more? Contact us for a free 30-minute consultation on how we can help you build your KPIs!

**Book a
Strategy Call**

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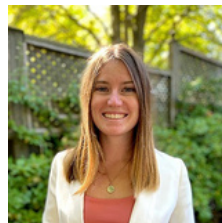
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