



expressworks

Measuring Sustainability Performance

What gets measured, gets done!

Flora Moon, Sustainability Practice Director
floramoon@expressworks.com

Change is inevitable. Results are intentional.

01 What is Our Role?

02 Where Do I Start?

03 Defining Performance



UN SDG Objectives





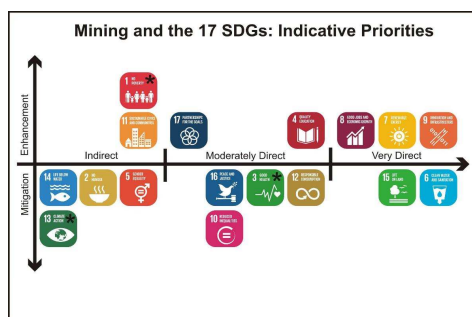
What is our role?



© EXPRESSWORKS

expressworks

Risk Prioritization SDG – Mining Industry



© EXPRESSWORKS

<http://www.globalgoals.org>

expressworks

Issue Areas for Mining & SDGs



© EXPRESSWORKS

http://unsdsn.org/wp-content/uploads/2016/01/160115-Atlas_full.pdf

expressworks

Mining Industry and Zero Hunger (SDG2)

Integration with core business

- Agricultural synergies
 - Transparent water management
 - Infrastructure with shared benefits
- Pollution free farmland
 - Baseline and ongoing geochemical surveys
 - Water quality and soil fertility monitoring



Collaboration and leverage

- Strengthen watershed management
- Partner with agricultural sector
- Support programs to reduce malnutrition and childhood hunger

© EXPRESSWORKS



01 Making the Case

02 Where Do I Start?

03 Defining Performance

© EXPRESSWORKS



It Depends...

- Is there an enterprise wide mandate?
- Are you dealing with pockets of expertise?
- Do you know what measures are useful to track your efforts?

© EXPRESSWORKS



Frameworks | The Typical View



© EXPRESSWORKS

expressworks

Frameworks | Enlightened Perspective

Risk
Reduction*:
-16 to -36%

Potential Opportunities*:
Sustainability Capital
Reserves +51 to 81%



*Source: Bob Willard, The New Sustainability Advantage, 2012

© EXPRESSWORKS

expressworks

Frameworks | Traditional vs Sustainable Views

Traditional View

- Get all you can out of employees today
- NPV horizon is useful life of the asset
- Meet regulations but nothing more
- A straight line

Sustainable View

- Increase performance and capability
- NPV horizon from cradle to grave and beyond, i.e. cradle to cradle
- Look for opportunities to meet regulations while increasing useful life and decreasing overall cost and sustaining permission to operate
- A cycle

© EXPRESSWORKS

expressworks

Frameworks | Performance Must Haves

Performance measures need to be based on:

- Alignment with your core business model and strategies
- Integration with day-to-day operations
- Continuum from baseline toward an overall goal

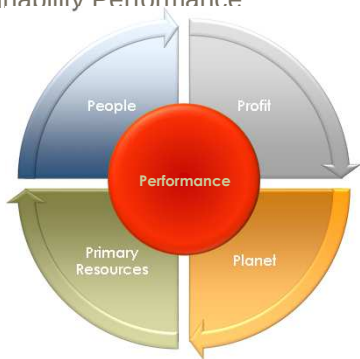
Successful programs determine and disseminate the following information to those who are material to ensuring high performance

- Employee Engagement and Empowerment (who)
- Tangible (local) Benefits (where)
- Maximize Stakeholder Engagement (what)

© EXPRESSWORKS



Frameworks | The Simple 4 Ps of Sustainability Performance



© EXPRESSWORKS



Frameworks | The Simple 4 Ps of Sustainability Performance

High performing sustainable solutions result from a balance of the many competing factors:

- **Profit** deals with economics
- **Planet** focuses on the effects of our activities on the environment
- **Primary Resources** deals with what we take from the environment
- **People** concerns social fairness



© EXPRESSWORKS



Frameworks | Define Goals

- Map to enterprise goals (if they exist)
- Get the right people in the room
- Define what success looks like

© EXPRESSWORKS



Frameworks | Critical Success Factors

- | | | |
|---|---|---|
| <ul style="list-style-type: none"> • Clear Direction • Sponsorship • Communications • Engagement • Organizational Capability • Reinforcement • Measurement • Plan Adjustments |  | <ul style="list-style-type: none"> • Strategy • Business Structure • Business Systems • Company Culture |
|---|---|---|

© EXPRESSWORKS



01 Making the Case

02 Where Do I Start?

03 Defining Performance

© EXPRESSWORKS

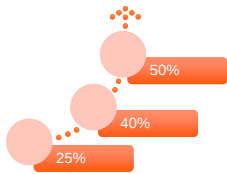


Slide 18

- 3 Flora Moon, 3/18/2016
- 4 15 minutes then Q&A
Flora Moon, 3/18/2016

Performance and Measurement

Performance



Measurement



© EXPRESSWORKS

expressworks

Lagging Indicators

Enterprise level

- % sites meeting minimum energy efficiency standards
- % suppliers with EHS Management Systems
- # employees with sustainability performance goals

Site level

- # near misses reported and investigated
- # Kaizen (rapid improvement events) containing EHS improvements

© EXPRESSWORKS

expressworks

Shell SD Indicators –Supply Chain

Traditional Business		Sustainable Business	
Leading	Lagging	Leading	Lagging
• Procurement requirements for safety • Management System	• TRIR • Process Risk Review	• License to Operate • Supplier ESG Score • SD Management System • % CAPEX in Local Content • Production efficiency	• TIRR • Fluency Trainings • OE/Reliability • ROCE • Cost of Capital

<http://www.slideshare.net/sustainablebrands/the-role-of-leading-vs-lagging-indicators-in-sustainability-planning>

© EXPRESSWORKS

expressworks

Non-Traditional Performance Measures

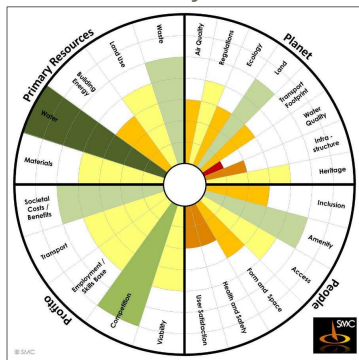
- Look to other industries
- Leverage proxy measurements
- Track progress towards goals not just units of measure

Gaining the Social License

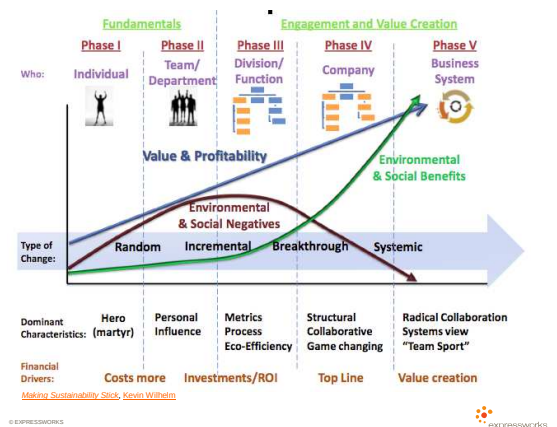


© On Common Ground Consultants Inc 2003
Source: <http://sociallicense.com>

Sample Sustainability Goal Tracking



Source: University campus masterplan



Measure progress from your baseline

Risk Reduction*:
-16 to -36%

Potential Opportunities*:
Sustainability Capital
Reserves +51 to 81%



*Source: Bob Willard, The New Sustainability Advantage, 2012



SDG Starting Points for Your Company

Understand the increasing amount of risk and opportunity — and start to take action.

Learn how to be an effective change agent

Map the SDGs to the current strategic risks and opportunities and the integrate into the strategy, incentives and ongoing execution oversight.

Watch for the IPIECA Industry SDG Guideline (in progress)

Participate in the SPE Sustainability Technical Section Performance and Measurement Work Track

© EXPRESSWORKS



In Summary: For Sustainability Performance...

- Define objectives consistent with business need
- Map to project or asset life cycle, revisit regularly - objectives change!
- Track progress towards goals
- Communicate, communicate, communicate

© EXPRESSWORKS



Q & A

© EXPRESSWORKS



expressworks
