

Key Performance Indicators for Sustainability Reporting

This document provides examples of Key Performance Indicators which organisations may consider best represent their priorities in being progressive with regards to corporate sustainability and reporting.

Defining areas of materiality is the first step in defining, setting and communicating targets and goals. Setting clear targets and goals is beneficial for stakeholders, it is a sign of ambition and sets benchmarks against which the organisation can be measured and held accountable.

Key performance indicators (KPIs) are a quantifiable measure used to monitor and evaluate performance against specific goals and targets.








Individual KPIs should link directly to a material area, they should be used consistently over a period of time and if the organisation is to make a meaningful impact through its activities, they should be ambitious.

















UN Sustainable Development Goals















Many organisations make the connection between the UN SDGs and their targets, goals, materials areas and KPIs, as evidenced through company reports, organisation websites and social media channels. Introduced in 2015, the 17 UN SDGs help organisations translate their sustainability programmes into visual, relatable, and impactful communications but taken alone they have limited value. Only by connecting with relevant UN SDGs, identifying clear materiality priorities and measuring against key performance indicators will companies be able to stake a credible claim to being progressive and becoming truly more sustainable.





Example Environmental KPIs














Increased energy from non-fossil fuel (renewable energy)		Increase use of energy from renewable energy sources, for example, solar panels and solar water heaters, wind energy, hydropower, biomass, geothermal and other sources of renewable energy
Reduced energy consumption (energy efficiency)	  	Decarbonisation Road maps for offices, warehousing, production facilities etc Advanced and innovative lubricants technology, providing friction reduction and fuel economy / energy efficiency. Certifications according to ISO 14001 environmental management or/and according to the ISO 50001 energy management or/and ISO 9001 quality management.
Reduced Scope 1 and 2 emissions	  	Increase use of energy from renewable energy sources, for example, solar panels and solar water heaters, wind energy, hydropower, biomass, geothermal and other sources of renewable energy






		<p>Certifications according to ISO 14001 environmental management or/and according to the ISO 50001 energy management or/and ISO 9001 quality management.</p> <p>Calculate production-specific CO2 emissions.</p> <p>Decarbonisation roadmaps.</p> <p>Offset of CO2 emissions through participation in environmental projects.</p>
Reduced Scope 3 emissions	 	<p>Process optimisation, automation, digitalisation and use of energy efficient supply chains.</p> <p>Raw materials sustainability e.g. increase use of renewable and recycled raw materials).</p> <p>Decarbonisation Road maps.</p>
Reduced VOC emissions		<p>Invest in infrastructure and innovative raw materials for producing products with low-volatility (for example, minimise evaporation loss of engine oils and other types of lubricants, replacement of solvents with water etc).</p>
Reduced water withdrawal (use)	 	<p>Process optimization for keeping water consumption low (industrial and sanitary).</p>
Reduced waste to landfill	 	<p>Contribute to circular economy (e.g. recycling of lubricants and packaging etc).</p> <p>Process optimisation to keep waste production low.</p> <p>Certification according to ISO 14001 environmental management.</p>
Reduced waste for incineration	 	<p>Contribute to circular economy (e.g. recycling of lubricants and packaging etc).</p> <p>Process optimisation to keep waste production low.</p> <p>Certification according to ISO 14001 environmental management.</p>
Increased use of renewable or raw materials / biobased / eco-label compliant raw materials	  	<p>Encourage suppliers to use more sustainable raw materials. Use certified raw materials where appropriate e.g. RSPO)</p> <p>Invest in alternative raw material solutions that help to protect the environment and resources.</p>
Increased use of recycled materials (for example, base oils, packaging)	   	<p>Contribute to circular economy (e.g. recycling of lubricants and packaging etc).</p> <p>Invest in alternative raw material solutions that help to protect the environment and resources.</p>

Decarbonisation roadmaps for locations	  	<p>Invest in energy projects to increase share of clean energy in used energy mix.</p> <p>Process / production optimisation projects.</p> <p>Offset CO2 emissions through participation in environmental projects.</p>
Targets for reducing CO2 emissions in application use	  	<p>Increase promotion of energy efficient lubricants (Substantiated Green claims.)</p> <p>Develop innovative technologies and invest in advanced, safe systems for lubricant maintenance and use.</p>
Increased use of environmentally safe products (biodegradable, non-toxic)	    	<p>Increase promotion of energy efficient lubricants.</p> <p>Increase share of environmentally acceptable products in product portfolio.</p> <p>Use raw materials which comply with all EHS regulations.</p>
Protecting, preserving and promoting biodiversity	  	<p>Lubricants for use in environmentally sensitive areas (land, water, marine).</p> <p>Promote and follow national and local safety rules to avoid accidents which could affect biodiversity.</p> <p>Promote stakeholder participation in cleaning up areas around plants, sites</p> <p>Create local environments to promote biodiversity.</p>


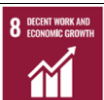

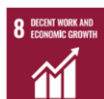





Example Social KPIs

Training and qualifications	 	<p>Implement and promote use of learning courses, seminars etc for employees.</p> <p>Support projects in university faculties related to lubricants industry and create strong relationships between universities and the industry through Research-Development-Innovation programs.</p> <p>Create training academies using digital tools for the educational programs.</p> <p>Use, support and enhance</p>
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		platforms of Innovation and Science.
Company foundations	  	<p>Establishment and operation of company's academy for junior staff and employees with high potential.</p> <p>Support STEM educational activities (Science, Technology, Engineering and Maths)</p> <p>Establish e-learning platforms and projects and implement structured and systematic introductory programs for graduates and students.</p> <p>Support local communities related to organisational activities.</p>
Company voluntary schemes	   	Support, international, national or local projects and charities, including National Health Services / charities, Diversity and Inclusion organisations etc
Company charitable initiatives	     	<p>Provide meals and coverage cost of living to poor families of municipalities around company's facilities.</p> <p>Initiate projects for well-being, clean water, fundamentals of sanitation.</p> <p>Provide educational support e.g. training and equipment for schools and other educational institutions.</p> <p>Donate quantities of heating fuels in energy poor neighbourhoods.</p> <p>Support events concerning health awareness for residents in neighbouring areas and municipalities.</p>








<p>Acts of kindness in local / regional communities</p>		<p>Provide meals and cover cost of living to poor families of municipalities around company's facilities.</p> <p>Initiate projects for well-being, clean water, fundamentals of sanitation.</p> <p>Provide appropriate facilities and boost residents' good health and well-being.</p> <p>Provide clothes, school materials and hygiene products.</p> <p>Support events about good health awareness for residents neighbouring areas and municipalities.</p>
<p>Reduction in the use of chemicals and / or the production of products which are classified as human or environmental hazards</p>		<p>Use sustainable and biodegradable materials in areas of environmental sensitive, local to population centres.</p>
<p>Health, Safety and Well-being</p>		<p>Physical and Mental health training and support for employees.</p> <p>Support national health systems with donations to hospitals for testing and treatment of diseases</p>
<p>Educational support</p>		<p>Award scholarships for postgraduate studies in related fields.</p> <p>Support education in local communities.</p>
<p>Improving gender balance, inclusion and diversity</p>		<p>Information and training in inclusion and diversity.</p> <p>Recruit, promote and ensure equal pay / rewards.</p>








Example Economic KPIs

Company revenue		Contribute to the economy through payment of taxes and employment (fair pay and decent working conditions)
Company profitability		Use of digital applications for the control and the improvement of profitability, maintaining decent working conditions and salaries
Employee ownership		Schemes to support employees' rights to own shares
Revenues from new products	 	<p>Constant and consistent growth and investment.</p> <p>Co-work with research or academic institutes to improve the quality of end products with new production technologies.</p> <p>Tailor-make products for special commercially viable applications</p>
Customer retention		<p>Implement use of digital applications to maintain and increase customer retention.</p> <p>Provide support and training to employees.</p>
Customer satisfaction		<p>Implement use of digital applications to maintain and increase customer retention.</p> <p>Provide support and training to employees.</p> <p>Continuous improvement of services and products (delivery, quality, etc).</p>
Patents	 	<p>Innovate to deliver product performance, meeting the needs of customers, end-users and consumers.</p> <p>Work with development centres and academic institutes to improve the</p>

		quality of end products with new production technologies.
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Example Governance KPIs

Code of Conduct		<p>Produce and publish codes of practice, policies and guidelines that employees and business partners should follow, in compliance with national and local laws.</p> <p>Provide training for executives and employees on the content of the Code and their individual responsibilities.</p> <p>Systematic audits of Code's implementation.</p>
Ethics		<p>Introduce management systems to ensure lawful and socially ethical conduct, including business practices which do not result in the use of child labour and slavery.</p>
Company values		<p>Promote and provide training on company values e.g. justice, leadership, employment rights, individual rights, diversity and inclusion, teamwork etc.</p>
Anti-corruption / anti-bribery policies		<p>Provide training to all employees, for example, contribution and dissemination of 10 Principles of the United Nations Global Compact for the fight against corruption, and specific local, national and international laws.</p>
Improved accident rates		<p>Certification according to relative standards (eg. OHSAS 18001/ ISO 45001).</p> <p>Establish projects in safety and healthcare management.</p>
Improving gender balance	 	<p>Respect employees' rights to equal treatment regardless of differences in gender and sexual orientation.</p>

		<p>Support women in order fill management positions, to ensure balance.</p> <p>Become involved in government-funded programs to aid women.</p>
Improving ethnicity balance	 	<p>Respect employees' rights to equal treatment regardless of differences in nationality and ethnicity.</p> <p>Support organisations and government-funded projects to protect and advocate for equal opportunities for people, regardless of their nationality</p>
Respecting labour and human rights (including child and slave labour)		<p>Provide appropriate training, including conformance to national and international laws.</p> <p>Disseminate the 10 Principles of the United Nations Global Compact for the protection of human rights and respect for labour rights.</p>
Working in partnerships (eg: industry associations, Non-Governmental Organisations - NGOs)	 	<p>Support and co-operate with NGO's on issues about sustainability of cities, environmental, health, diversity and inclusion etc</p> <p>Work in cooperation with suppliers to contribute to more eco-efficient raw materials.</p> <p>Work with peers and supply chains to deliver against the objectives of the EU Green Deal and other national and international initiatives.</p>
Health, Safety and Well-being of employees	 	<p>Provide health insurance programs and / or fair treatment for employees.</p> <p>Organise training / seminars related to health and safety.</p>

		Certifications according to relative standards (ISO 45001 or OHSAS 18001).
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Further Reading / Information

Key Performance Indicators for Environmental, Social & Governance Issues (EFFAS)
https://effas.com/wp-content/uploads/2021/09/KPIs_for_ESG_3_0_Final.pdf

The Essentials of Materiality Assessment (KPMG)
<https://assets.kpmg/content/dam/kpmg/pdf/2014/10/materiality-assessment.pdf>

ESG Disclosure Handbook (WBCSD)
<https://www.wbcsd.org/Programs/Redefining-Value/Redesigning-capital-market-engagement/Resources/ESG-Disclosure-Handbook>

Renewable Energy Sources (EEA)
<https://www.eea.europa.eu/help/glossary/gemet-environmental-thesaurus/renewable-energy-source>

Scope 2 Guidance (Greenhouse Gas Protocol)
https://ghgprotocol.org/sites/default/files/standards/Scope%20%20Guidance_Final_Sept26.pdf

Technical Guidance for Calculating Scope 3 Emissions (Greenhouse Gas Protocol)
https://ghgprotocol.org/sites/default/files/standards_supporting/Intro_GHGP_Tech.pdf

Carbon Transparency Partnership (WBCSD)
<https://www.wbcsd.org/Programs/Climate-and-Energy/Climate/SOS-1.5/News/New-Carbon-Transparency-Partnership-provides-forum-for-stakeholders-to-address-lack-of-Scope-3-emissions-transparency>

Initiative on Substantiating Green Claims (European Union)
https://ec.europa.eu/environment/eussd/smgp/initiative_on_green_claims.htm