Interreg MEDITERRANEAN Programme

Priority axis-Investment Priority-Specific Objective 1-1-1

Priority Axis 1: Promoting Mediterranean innovation capacities to develop smart and sustainable growth

PI 1.b
1.1 To increase transnational activity of innovative clusters and networks of key sectors of the MED area

iBLUE

Investing in sustainable blue growth and competitiveness through 3-Pillar Business Model (3-PBM)

Project No. 830

SUSTAINABILITY INDICATOR SYSTEM INSTRUCTION MANUAL

WP/ACT related to the Deliverable: WP3/ACT3.3

Deliverable no.: L3.5.2

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Instruction manual

This instruction manual accompanies the following documents:

- Word/PDF entitled: "Sustainability indicators system"

- 4 Excel files entitled "System sustindic" for the policy makers and the companies (service, industry and manufacturing"

This instruction manual explains step-by-step actions necessary to complete the Excel file and measure the sustainability indicators.

Full, detailed and further information, including calculations can be found in the methodology document.
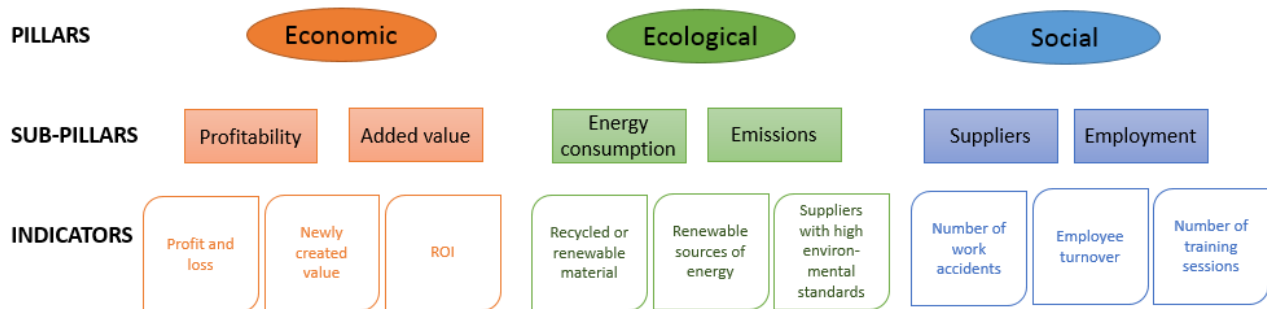
Contents

Lexicon

Pillars refer to the family of indicators and are economic (shown as orange), ecological (shown as green) and social (shown as blue).

Under these pillars are the sub-pillars, or groups of indicators.

Finally, at the bottom are the indicators themselves.

Indicators are are divided into at 3 levels: company-level, industry-level and sector-level

Opening the Excel file

When you open the Excel file you will have a number of sheets available to consult: inductors, instructions part 1 and a letter and the level of analysis (for example A Service).

A light version of the Excel file exists and contains only 3 sheets, a full version (for policy makers) exists with all sheets for all levels.

The **indicators** are the exhaustive list of all pillars, their sub-pillars and indictors for all levels (company, industry and sector). Those that are specific to one level only are shown in red.

The **instructions** are a summary of the steps explained below.

The final sheet is where you input your data.
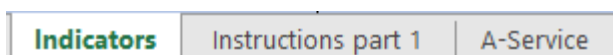
Inputting data and making changes

- Data using decimal places should be input using the comma symbol and not the decimal point. For example use "6,38" and not "6.38"
- If you make a mistake and need to delete a number you can either use the delete key, back arrow or type the correct number into the box directly.
- Please note that should you not have any available data, that you leave the boxes blank and so not input a value of 0.

Summary of the steps

This summary (also available in the Excel file) shows an overview of the 2 steps to use the sustainability indictor system.

Step 1	Identify indicators on the provided list (see Sheet "Indicators") that are relevant (see stakeholders), available or possible to compile at the company level. Indicators must be available for the current and the previous year.	**Indicators identification**
Step 2	Identify indicators on the list that are compiled by other companies in the same industry.	
Step 3	Decide on final list of indicators to select depending on legislation, industry standards, and strategy. There should be at least 3 indicators by pillar.	
Step 4	Identify where and by who the indicators will be collected	
Step 5	Centralise data collection in original units (Sheet "A-Service", columns I & K)	**Data collection and transformation**
Step 6	Compute yearly change in % (Sheet "A-Service", column H)	
Step 7	Aggregate data by sustainability sub-pillar and pillar (economic, social, ecological) (Sheet "A-Service", columns F & D)	
Step 8	Aggregate data into a single sustainability indicator (Sheet "A-Service", column B)	
Step 9	Data visualisation (Sheet "A-Service")	**Data visualisation**
Step 10	Analyse data by indicator, by pillar and single sustainability indicator	**Data analysis and sharing**
Step 11	Share individual data with industry ecosystem to allow benchmarking	
Step 12	Compare with industry average and do benchmark analysis	

1. Indicators identification

Step 1 Identify indicators for your company

Select indicators from the list provided (see page 1 of the Excel labelled as "Indicators") that are relevant, available or possible to compile at your the company level.

Indicators must be available for the current and the previous year.

The baseline is that companies comply with national and international regulation and standards.

	LISTS OF SUSTAINABILITY INDICATORS SELECTED IN Deliverable no.: L3.5.1 (black: indicators common to the three industries, red: indicators specific to one or two industries)			
	SERVICE INDUSTRY	MANUFACTURING INDUSTRY	INFRASTRUCTURE INDUSTRY	YACHTING SECTOR (sum of the
PILLAR	ECONOMIC	ECONOMIC	ECONOMIC	ECONOMIC
Sub-pillar	Profitability	Profitability	Profitability	Profitability
Indicators	Profit/(Loss)	Profit/(Loss)	Profit/(Loss)	Profit/(Loss)
	Return on investment (ROI)	Return on investment (ROI)	Return on investment (ROI)	Return on investment (ROI)
	Earnings before interests and tax (EBITDA)	Earnings before interests and tax (EBITDA)	Earnings before interests and tax (EBITDA)	Earnings before interests and tax (EBITDA)
	Percentage of revenues in foreign markets	Percentage of revenues in foreign markets		Percentage of revenues in foreign markets
Sub-pillar	Added value	Added value	Added value	Added value
Indicators	Newly created value (i.e. gross profit (net profit plus tax on profit) + salaries + all workforce related costs like bonuses, scholarships, rewards, gifts etc.)	Newly created value (i.e. gross profit (net profit plus tax on profit) + salaries + all workforce related costs like bonuses, scholarships, rewards, gifts etc.)	Newly created value (i.e. gross profit (net profit plus tax on profit) + salaries + all workforce related costs like bonuses, scholarships, rewards, gifts etc.)	Newly created value (i.e. gross profit (net profit plus tax on profit) + salaries + all workforce related costs like bonuses, scholarships, rewards, gifts etc.)
		Efficiency		Efficiency
		Inventory T/O		Inventory T/O
PILLAR	ECOLOGICAL	ECOLOGICAL	ECOLOGICAL	ECOLOGICAL
Sub-pillar	Supplier environmental	Supplier environmental	Supplier environmental	Supplier environmental
Indicators	Percentage of suppliers that demonstrate high environmental standards	Percentage of suppliers that demonstrate high environmental standards	Percentage of suppliers that demonstrate high environmental standards	Percentage of suppliers that demonstrate high environmental standards
Sub-pillar	Energy consumption	Energy consumption	Energy consumption	Energy consumption
	Number of initiatives to reduce electric energy consumption	Number of initiatives to reduce electric energy consumption	Number of initiatives to reduce electric energy consumption	Number of initiatives to reduce electric energy consumption
	Percentage of energy saved due to conservation and efficiency improvements	Percentage of energy saved due to conservation and efficiency improvements	Percentage of energy saved due to conservation and efficiency improvements	Percentage of energy saved due to conservation and efficiency improvements
	Electricity consumption in kwh	Electricity consumption in kwh	Electricity consumption in kwh	Electricity consumption in kwh
Indicators	Total energy consumption in kwh	Total energy consumption in kwh		Total energy consumption in kwh
		Total fuel consumption from non-renewable sources		Total fuel consumption from non-renewable sources
		Total fuel consumption from renewable sources		Total fuel consumption from renewable sources
	Percentage of renewable sources of energy concerning the total consumption of energy	Percentage of renewable sources of energy concerning the total consumption of energy	Percentage of renewable sources of energy concerning the total consumption of energy	Percentage of renewable sources of energy concerning the total consumption of energy
Sub-pillar	Water consumption and recycled	Water consumption and recycled	Water consumption and recycled	Water consumption and recycled
	Number of initiatives to reduce water consumption	Number of initiatives to reduce water consumption	Number of initiatives to reduce water consumption	Number of initiatives to reduce water consumption
Indicators	Total volume of water consumption	Total volume of water consumption	Total volume of water consumption	Total volume of water consumption

`Indicators` | `Instructions part 1` | `A-Service` | ⊕

Step 2 Identify indictors for other companies

Identify indicators from the list that are compiled by other companies in the same industry.

Step 3 Finalise your indicator selection

Decide on final list of indicators to select depending on legislation, industry standards, and strategy.

There must be at least 3 indicators by pillar. 9 indicators is the minimum possible to compute.

Step 4 Identify the person(s) responsible for data collection

Identify how, where and who will collect the indicators for your company and other companies from your industry.

2. Data collection and transformation at company level

Step 5 Centralise data collection in original units

On the letter sheet you can input your data.

Indicators are input by each company in the Excel tool in the sheets for at least two years (2016 and 2017 columns I & K).

SUSTAINABILITY	PILLARS		Sub-pillars	Sub-pillars indicators	yearly change	2016	2017	units	SERVICE INDUSTRY
COMPANY A - Service						individual company data input			
	ECONOMIC	464,39%	Profitability	845,45%	236,36%			€	Profit/(Loss)
					100,00%	12	24	%	Return on investment (ROI)
					2200,00%	0	23	€	Earnings before interests and tax (EBITDA)
					#N/A			%	Percentage of revenues in foreign markets
			Added value	83,33%	83,33%	12000	22000	€	Newly created value (i.e. gross profit (net profit plus tax on profit) + salaries + all workforce related costs like bonuses, scholarships, rewards, gifts etc.)
	GICAL		Supplier environmental assessment	50,00%	50,00%	2	3	%	Percentage of suppliers that demonstrate high environmental standards
			Energy consumption	55,83%	100,00%	0	2	number	Number of initiatives to reduce electric energy consumption
					75,00%	4	7	%	Percentage of energy saved due to conservation and efficiency improvements
					-6,98%	86000	80000	kwh	Electricity consumption in kwh
					11,11%	90000	100000	kwh	Total energy consumption in kwh
					100,00%	10	20	%	Percentage of renewable sources of energy

Indicators that have not been chosen by the company, or indicators that have been chosen but have no available data should be left blank. Please note - do not input a value of 0, as this would bias the sustainability indicators).

The unit with which to input data is stipulated in column L – for example €, % kwh or as a number etc.

L
€
%

For some indicators, companies should input levels (for example the "profit/loss" indicator). Please input levels with their adequate sign (for example, + for profits and – for losses).

For some indicators, companies are required to input percentages that are always positive or equal to 0, but never negative (for example "Percentage of suppliers that demonstrate high environmental standards"). Please input these as positive values.

For some indicators, a negative value means an increase in sustainability (for example "Reduction in gas emissions in percentage"). For these indicators, companies should indicate reduction as positive value, and any increase as negative value.

For example, if the company has reduced its gas emissions by 4% in 2016, it should input +4% in the cell I23; if the company has increased it gas emissions by 2% in 2017, it should input -2% in cell K23.

Step 6 Compute yearly change in %

After the company has input all chosen and available indicators in columns I & K in the units indicated in column L, the Excel tool will automatically calculate the yearly change for all indicators (column H).

For some indicators, a large number or percentage means less sustainability (for example "Number of accidents/injuries at work"). Companies should input raw numbers or percentages. The automatic calculation of the yearly change in column H will operate an inversion of sign for consistency.

For example, if the company reports 34 injuries at work in 2016 (cell I31) and 12 injuries in 2017 (cell K31), then these two numbers should be input as positive values. The yearly change in cell H31 will however appear positive.

Step 7 Aggregate data by sustainability sub-pillar

Data is aggregated automatically at the sub-pillar level. The sub-pillar indicator is the average of yearly change of all available indicators for that sub-pillar.

For example, the indicator for the sub-pillar "Profitability" (cell F3) is the average of all available yearly change percentage of the indicators "Profit/Loss", "Return on Investment (ROI)", "Earnings before interests and tax (EBITDA)", and "Percentage of revenues in foreign markets" (cells H3 to H8).

Missing values are not included in the calculation, so that companies can pick and mix the indicators that they wish.
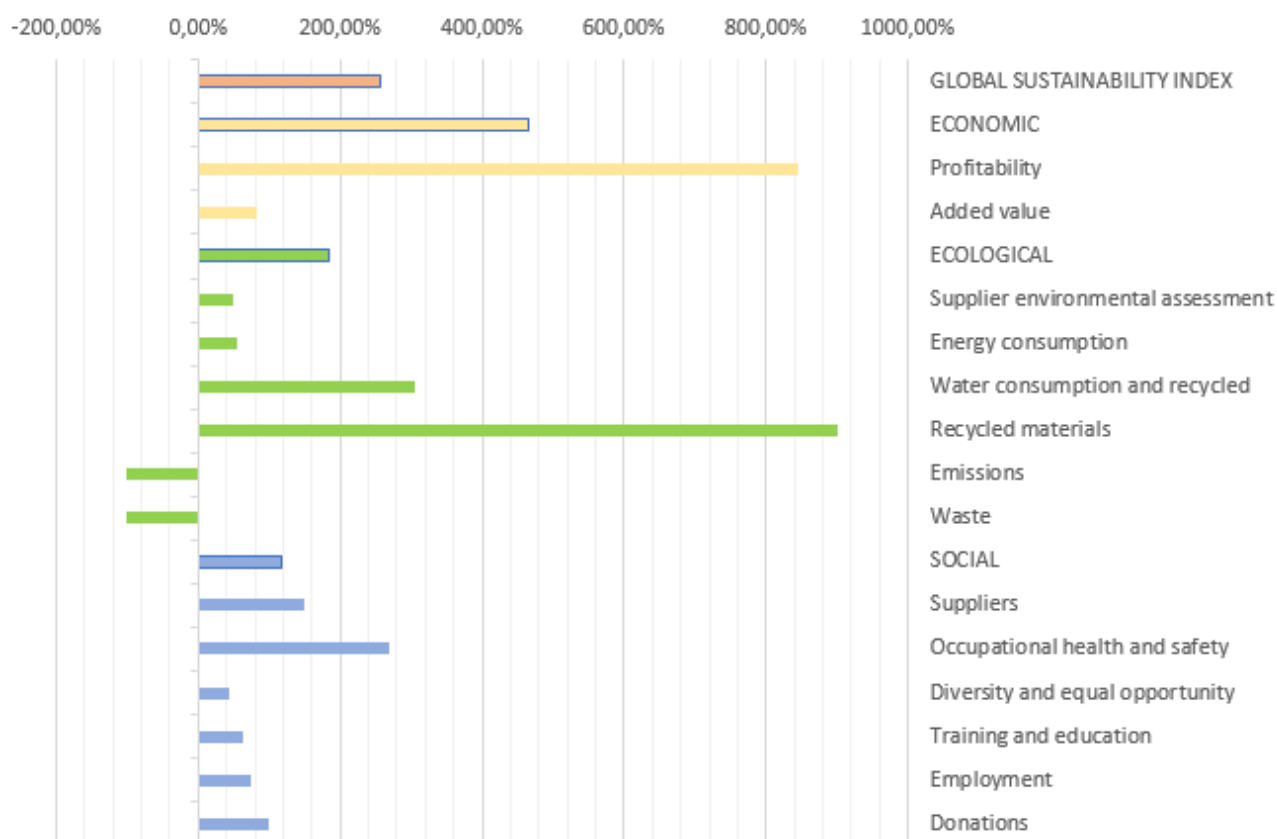
Step 8 Aggregate data by sustainability pillar

Data is aggregated at the pillar level. The pillar indicator is the average of yearly change of all available sub-pillars for that pillar.

For example, the indicator for the pillar "Economic" (cell D3) is the average of all available yearly change percentage of the sub-pillars "Profitability", "Added value", and "Efficiency" (cells F3 to F8). Missing values are not included in the calculation, so that companies can pick and mix the indicators and resulting sub-pillars that they wish.

Step 9 Data visualisation

Scroll to the bottom of the page, where the visuals are available to consult. They are colour coded.

The chart shows a horizontal bar chart with an x-axis ranging from -200,00% to 1000,00%, with the following indicators from top to bottom: GLOBAL SUSTAINABILITY INDEX, ECONOMIC, Profitability, Added value, ECOLOGICAL, Supplier environmental assessment, Energy consumption, Water consumption and recycled, Recycled materials, Emissions, Waste, SOCIAL, Suppliers, Occupational health and safety, Diversity and equal opportunity, Training and education, Employment, Donations.

Step 10 Analyse data by indicator, by pillar and single sustainability indicator

The data can be consulted at either the pillar, sub-pillar or indicator level.

Step 11 Share individual data with industry ecosystem to allow benchmarking

As a company, the sheets and data visualisation can be shared with your stakeholders.

Step 12 Compare with industry average and do benchmark analysis

With a calculation based on the industry average, your company is able to positions itself within an industry benchmark.

3. Constructing a system of sustainability indicators and indices at the industry- and sector-levels

For policy makers it is possible to construct an overview of industry and sector levels by compiling data from multiple companies. Data having been collected usin the above method by individual companies can be compiled into one Excel file and will provide an overview at industry and sector levels

Step 1 Data collection

Compile all indicators' yearly change in % (from sheet "Company level indices calc." column H) provided on the list at the company level. Industries compile data from companies in their industries. The sector compile all industries data.

Industries compile data in sheets "Service level indices calc.", "Manuf. level indices calc.", or "Infrastruc. level indices calc.". The sector compiles data in sheet "Sector level indices calc.".

Step 2 Data transformation

At the industry level, aggregate data by indicator (average over all companies) (see column G in industries sheets). Each industry indicator value is the average of that indicator for all companies in the industry.

Data is then aggregated at the sub-pillar level. The sub-pillar indicator is the average of yearly change of all available indicators for that sub-pillar.

For example, the indicator for the sub-pillar "Profitability" (cell F3) is the average of all available yearly change percentage of the indicators "Profit/Loss", "Return on Investment (ROI)", "Earnings before interests and tax (EBITDA)", and "Percentage of revenues in foreign markets" (cells H3 to H8). Missing values are not included in the calculation, so that industries' sub-pillars reflect the mix of indicators that companies have chosen.

Data is then aggregated at the pillar level. The pillar indicator is the average of yearly change of all available sub-pillars for that pillar.

For example, the indicator for the pillar "Economic" (cell D3) is the average of all available yearly change percentage of the sub-pillars "Profitability", "Added value", and "Efficiency" (cells F3 to F8). Missing values are not included in the calculation, so that industries pillars reflect the mix of indicators and sub-pillars that companies have chosen.

Data is then aggregated at the global level. The global indicator is the average of yearly change of the three pillars.

At the sector level, aggregate data by indicator (average over all industries) (see column G in Sector sheet). Each sector indicator value is the average of that indicator for the three industries.

Data is then aggregated at the sub-pillar level. The sub-pillar indicator is the average of yearly change of all available indicators for that sub-pillar.

For example, the indicator for the sub-pillar "Profitability" (cell F3) is the average of all available yearly change percentage of the indicators "Profit/Loss", "Return on Investment (ROI)", "Earnings before interests and tax (EBITDA)", and "Percentage of revenues in foreign markets" (cells H3 to H8). Missing values are not included in the calculation, so that the sector sub-pillars reflect the mix of indicators that industries have chosen.

Data is then aggregated at the pillar level. The pillar indicator is the average of yearly change of all available sub-pillars for that pillar. For example, the indicator for the pillar "Economic" (cell D3) is the average of all available yearly change percentage of the sub-pillars "Profitability", "Added value", and "Efficiency" (cells F3 to F8). Missing values are not included in the calculation, so that the sector pillars reflect the mix of indicators and sub-pillars that industries have chosen.

Data is then aggregated at the global level. The global indicator is the average of yearly change of the three pillars.

Step 3 Data visualisation

Scroll to the bottom of the page, where the visuals are available to consult. They are colour coded.

Step 4 Data analysis and standards creation

The data enables analysis to be conducted and eventually standards to be determined and created a policy making level.