Environmental Performance Evaluation
Review of Additional Indicators in Barclays Group Wide EMS

External
1 June 2012
Environmental Performance Evaluation (EPE)
Review of Additional Indicators in Barclays Group Wide EMS

Introduction: Review of Environmental Performance Evaluation indicator

Current Indicators reported in the Banking Sector (2010)

Barclays review: Impact & Implications,

Environmental Performance Evaluation benefits & challenges, Implementation review

Process Approach: Barclays Next Steps

Conclusion:
Introduction
Review of Environmental Performance Evaluation Indicators

ISO14031 outlines three types of indicators

Environmental Condition Indicators – ECI
• Related to a reference point, or background/baseline position

Management Indicators – MPI
• Related to the actions of management controls, and

Operational Indicators – OPI
• Related to the operations and activities of the organisation
Introduction
Review of Environmental Performance Evaluation Indicators

Environmental Condition Indicator

Aim:
To measure the background position or baseline and the influence of the organisation on its environment

Outcome:
May determine the extent of the impact or change in local environment
(extent or proportion)

Management Indicator

To measure the impact and influence on the outcome of an operation
(forward looking)

Operational Indicator

To measure the output of operations
(backward looking)

May act as a ‘lead’ indicator and to demonstrate effectiveness of controls
May act as a ‘lag’ indicator of performance over time

Outcome:
Aim:
Barclays commissioned a review of the key financial organisations. BiTC separated the indicators reported into three categories – environmental condition, management and operational indicators.

Most banks report operational indicators, few report management or environmental condition indicators.

Current EPE Reported in the Banking Sector (2010)
Barclays Review: Impact and Implications

**Plan**
- Identify - scope
  - Significant impacts,
  - Operational controls
  - Management controls
  - Environmental boundary

**Do**
- Identify background position and measures (ECI)

**Check**
- Identify operational and management measures and controls (MPI, OPI)
- Measure & monitor outcomes

**Act**
- Identify - Performance
  - From a baseline
  - Of management controls
  - Of operational controls
- Identify - Opportunities
  - Mitigate negative outcomes
  - Maximise positive outcomes

Scope of Environmental boundary
Scope of Management & Operational Controls
Report to Stakeholders
Environmental Performance Evaluation

Benefits and Challenges

• Increases the number of measures available to recognise performance and metrics providing greater transparency and perspective (ECI)
• Provides closer links between environment and management action (MPI)
• Increases engagement across the organisation (MPI)

Challenges

• Potentially difficult to adopt unless EMS is mature (especially for ECI’s),
• Some indicators may be subjective and difficulty to measure (MPI)
• Potential for variation between organisations within the same industry sector (all indicators)
# Implementation Review - Barclays

<table>
<thead>
<tr>
<th></th>
<th>ECi</th>
<th>MPi</th>
<th>OPi</th>
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<tbody>
<tr>
<td>Ease of implementation</td>
<td>Low</td>
<td>Medium</td>
<td>High</td>
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<tr>
<td>Relevance to the business</td>
<td>Low</td>
<td>High</td>
<td>High</td>
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<tr>
<td>Relevance to stakeholders</td>
<td>High</td>
<td>High</td>
<td>High</td>
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<tr>
<td>Adding Value</td>
<td>Medium</td>
<td>High</td>
<td>High</td>
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<tr>
<td>Overall evaluation</td>
<td>Medium</td>
<td>High</td>
<td>High</td>
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## Barclays Process Approach: Next Steps - Trial

<table>
<thead>
<tr>
<th>Establish Indicators / Set objectives</th>
<th>Performance Evaluation</th>
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<tbody>
<tr>
<td><strong>Plan</strong></td>
<td><strong>Do</strong></td>
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<tr>
<td>Identify the environmental indicators (relevant for the operations)</td>
<td>Identify starting position and objective / target</td>
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<tr>
<td>Environmental Condition Indicators (ECI) – key / critical sites</td>
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<tr>
<td>Environmental Performance indicators</td>
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<tr>
<td>• Management Performance indicators (MPI)</td>
<td></td>
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<tr>
<td>• Operational Improvement indicators (OPI)</td>
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Conclusion

In summary the key benefits of ISO14031 include

• added value to the current EMS
• added value for showing the true performance of management and operational controls
• inclusion of environmental criteria in management decision making,

Key challenges for some organisations may include

• the identification of boundary scope and
• consistency of approach within industry sectors e.g. giving consideration to industry best practice criteria and benchmarks adopted by competitors.