Company-level Supplement
Key Performance Indicators

Version 01.04

THESIS
BY THE SUSTAINABILITY CONSORTIUM

About the Company-level Supplement Key Performance Indicators

This THESIS Performance Assessment provides a generic supplement to other THESIS KPI sets to measure, track, and report environmental metrics by using organization-wide boundaries. Only complete this for self-assessment purposes or if you received a specific request to do so.
The information you collect for these KPIs should cover all production you source from the U.S. and should not be specific to any buyer (e.g., retailer).
Remember to download the assessment documents to help you in completing the KPIs. Make sure to review the detailed guidance and resources for each KPI. Your work is saved automatically but not shared until you are ready.

Introduction

The Sustainability Insight System, THESIS, from The Sustainability Consortium (TSC) is a comprehensive and holistic solution for understanding environmental and social performance in consumer goods supply chains. These key performance indicators (KPIs) can be used to assess action, transparency, and continuous improvement on the material sustainability issues for brands, manufacturers, and producers.

TSC created this KPI set using its science-based, multi-stakeholder, and full life-cycle development process. TSC members and partners, including manufacturers, retailers, suppliers, service providers, NGOs, civil society organizations, governmental agencies, and academics, contributed valuable perspectives and expertise.

TSC is a global organization dedicated to improving the sustainability of consumer products that also offers a portfolio of services to help drive effective implementation. For more information please visit www.sustainabilityconsortium.org

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Key Performance Indicators

QUESTION	RESPONSE OPTION
1. Deforestation - Virgin fiber and wood sourcing What percentage of your virgin fiber and wood supply, by mass, has been determined to be provided by forestry operations that are low risk for conversion to non-forest use, have had zero conversion of High Conservation Value (HCV) forests or High Carbon Stock (HCS) forests since 2010, or had zero deforestation?	**A.** Not applicable. We do not use virgin fiber or wood in our products. **B.** We are unable to determine at this time. **C.** We are able to report the following percentages for our virgin fiber and wood supply: **C1.**_____% of our virgin fiber and wood supply is provided by forestry operations that have been determined to be low risk for conversion to plantation or non-forest use. **C2.**_____% of our virgin fiber and wood supply has been determined to be provided by forestry operations that have had zero conversion of HCV forests since 2010. **C3.**_____% of our virgin fiber and wood supply has been determined to be provided by forestry operations that have had zero conversion of HCS forests since 2010. **C4.**_____% of our virgin fiber and wood supply is provided by forestry operations with zero deforestation since 2010.
2. Greenhouse gas emissions intensity - Scope 1 and 2 What was your company-wide, scope 1 and scope 2 combined greenhouse gas emissions intensity?	**A.** We are unable to determine at this time. **B.** Our greenhouse gas emissions intensity was: **B1.**_____ kg CO2e per dollars revenue. **B2.**_____% of our facilities is represented by the number reported above.
3. Labor rights What are the outcomes of your risk assessments, conducted against a labor standard, that were performed at all company facilities?	**A.** We are unable to determine at this time. **B.** The following percentages, by product and service revenue, represent the outcomes of our risk assessment(s): **B1.**_____% of revenue from products made and services delivered from facilities in low risk countries with corrective actions taken for any known high risk sites. **B2.**_____% of revenue from products made and services delivered from facilities in high risk countries that have high risk sites for which we took corrective actions. **B3.**_____% of revenue from products made or services delivered from facilities in high risk countries, but an audit determined the site risk to be low.
4. Waste diversion What was the mass and percentage of all organic and inorganic waste, company-wide, that was diverted from landfill?	**A.** We are unable to determine at this time. **B.** The following amount of waste was diverted from landfill: **B1.**_____ metric tonnes **B2.**_____% of total waste was diverted from landfill.
5. Water use intensity What was your company-wide water use intensity?	**A.** We are unable to determine at this time. **B.** Our water use intensity was: **B1.**_____ liters per dollars of revenue. **B2.**_____% of our facilities is represented by the number reported above.
6. Worker health and safety What was your company-wide injury and illness rate?	**A.** We are unable to determine at this time. **B.** Our injury and illness rate was: **B1.**_____. **B2.**_____% of our facilities is represented by the number reported above.

Key Performance Indicators with Guidance

1. DEFORESTATION - VIRGIN FIBER AND WOOD SOURCING

Question

What percentage of your virgin fiber and wood supply, by mass, has been determined to be provided by forestry operations that are low risk for conversion to non-forest use, have had zero conversion of High Conservation Value (HCV) forests or High Carbon Stock (HCS) forests since 2010, or had zero deforestation?

Response Options

A. Not applicable. We do not use virgin fiber or wood in our products.

B. We are unable to determine at this time.

C. We are able to report the following percentages for our virgin fiber and wood supply:

C1._____% of our virgin fiber and wood supply is provided by forestry operations that have been determined to be low risk for conversion to plantation or non-forest use.

C2._____% of our virgin fiber and wood supply has been determined to be provided by forestry operations that have had zero conversion of HCV forests since 2010.

C3._____% of our virgin fiber and wood supply has been determined to be provided by forestry operations that have had zero conversion of HCS forests since 2010.

C4._____% of our virgin fiber and wood supply is provided by forestry operations with zero deforestation since 2010.

Guidance

Calculation & Scope

Calculate C1 as the mass of your virgin fiber and wood supply that was provided by forestry operations that have been determined to be low risk for the conversion of forests to non-forest use, divided by the total mass of your virgin fiber and wood supply from all forestry operations, then multiply by 100. Include any of your fiber or wood supply that is certified under FSC standards, SFI standards, or a PEFC-endorsed certification system. A forestry operation can be considered low risk for conversion to non-forest use when one of the following is true: The forestry operation is located in a jurisdiction that is assessed to be low risk by a risk classification analysis; the forestry operation is located in a jurisdiction that is assessed to be high risk by a risk classification analysis but corrective actions are taken where needed; or, the site risk was determined to be low by an on-site audit. Other standards or tools may also be applicable.

High risk countries include those listed as “high priority” by the Consumer Goods Forum Pulp, Paper & Packaging Guidelines and those where an FSC National Risk Assessment specifies high risk in Category 4.

Calculate C2 as the mass of your virgin fiber and wood supply that was provided by growing operations that have had zero conversion of HCV forests since January 1, 2010, divided by the total mass of your virgin fiber and wood supply from all forestry operations, then multiply by 100.

Calculate C3 as the mass of your virgin fiber and wood supply that was provided by forestry operations that have had zero conversion of HCS forests since January 1, 2010, divided by the total mass of your virgin fiber and wood supply from all forestry operations, then multiply by 100.

Calculate C4 as the mass of your virgin fiber and wood that was provided by forestry operations that have had zero deforestation since January 1, 2010 divided by the total mass of your virgin fiber and wood supply from all forestry operations, then multiply by 100.

Zero deforestation means that since January 1, 2010, no existing forest was converted to plantation or non-forest use for the production of the virgin fiber or wood used in your products. This does not include sustainable harvesting of trees for wood or fiber production. Offsets or zero-net deforestation are not included in this definition. Land on which deforestation has occurred since 2010 may be considered to have “zero deforestation” if restored to its previous state as determined by tree cover, species composition, stored carbon, and all other relevant factors. The absence of deforestation must be confirmed using monitoring of the specific land tracts where the material originated, such as remote sensing, audits, or other direct observations.

Perform these calculations using data from a 12-month period that ended within 12 months of the date you respond to this question.

The maximum possible response for each response option is 100%. However, multiple response options may be applicable to the same portion of your supply. For example, supply included in the calculation of C2, C3, and/or C4 could also be included in the calculation of C1 if the stated conditions are also met.

Certifications, Standards & Tools

Forest Stewardship Council National Risk Assessment: National Risk Assessments are intended to provide specification of low and unspecified risk for the country under consideration, for the Controlled Wood categories. Where there is the need, specification is conducted at a finer scale for districts within the country.
https://us.fsc.org/en-us/certification/controlled-wood/fsc-us-controlled-wood-national-risk-assessment-us-nra

The Consumer Goods Forum Pulp, Paper & Packaging Guidelines: The Pulp, Paper & Packaging Guidelines are intended to assist companies in the development of their own policies for sourcing pulp, paper and packaging and offer an number of recommendations on how to get there.
http://www.theconsumergoodsforum.com/wp-content/uploads/2017/10/Pulp_Paper_and_Packaging_Guidelines_June_21.pdf

The HCS Approach Toolkit: This High Carbon Stock Approach Toolkit takes practitioners through the steps in identifying HCS forest, from initial stratification of the vegetation using satellite images and field plots, through a decision tree process to assess the conservation value of the HCS forest patches in the landscape and ensure communities' rights and livelihoods are respected, to making the final conservation and land use map.
http://highcarbonstock.org/the-hcs-approach-toolkit/

Background Information

Fairtrade International Certification: Fairtrade International provides several standards (e.g. for smallholders and workers), and a certification through FLOCERT. Fairtrade aims to improve the livelihoods of smallholders and workers amongst others via fair trade relationships.
https://www.fairtrade.net/about/certification

Greenpeace High Carbon Stock Approach: This website provides information about how to identify High Carbon Stock forests.
https://www.greenpeace.org/archive-international/en/campaigns/forests/solutions/HCS-Approach/

High Carbon Stock Approach: This website provides a standardized methodology for identifying natural, high carbon stock forest areas.
http://highcarbonstock.org

High Conservation Value Resource Network: This resource provides common guidance for how to identify, manage, and monitor High Conservation Value forest areas.
https://hcvnetwork.org/

Jurisdictional and Nested REDD+ (JNR): This website describes a pathway for existing and new projects to be integrated or 'nested' within broader jurisdictional REDD+ programs in order to quantify carbon benefits for individual conservation projects.
https://verra.org/project/jurisdictional-and-nested-redd-framework/

WWF High Conservation Value Forests: This website provides information describing the underlying concept of High Conservation Value forests.
http://wwf.panda.org/?93560/High-Conservation-Value-Forests-The-concept-in-theory-and-practice

Definitions

Forest Plantation: A forest plantation is an area of land with trees established by planting or seeding. The features of uniformity, shape, and intensity of management distinguish these sites from natural forests.

High Carbon Stock (HCS) forest: Forest areas with a significant amount of carbon stored within the vegetation and soil. Burning and clearing HCS forests releases stored carbon as greenhouse gas emissions. Different initiatives have set thresholds for identifying High Carbon Stock forests.

High Conservation Value (HCV) forest: Forested areas that support natural concentrations and distribution of species including significant species and ecosystems (e.g., endemic or endangered species, refuges), provide the basic services of nature in critical conditions (e.g., watershed protection, erosion control), and are fundamental to meeting the basic needs and traditional cultural identity of local communities.

Land conversion: The human-induced change of the prevailing physical and ecological conditions of an area of land to facilitate a new use or function. Examples include conversion of forests for pasture; conversion of native grasslands or other ecosystems for crop production, grazing, or other uses; conversion of farmland for urban development; and draining marshes or wetlands to create dry land.

Virgin Wood: Wood derived from natural or managed forests that has had no previous use in products. This includes co-products and mill residues from virgin wood processing and forestry waste but excludes post-consumer or post-industrial recycled or recovered wood.

Zero Deforestation: No existing forest is converted to plantation or non-forest use. This does not include sustainable harvesting of trees for wood or fiber production. Offsets or zero-net deforestation are not included in this definition. Land on which deforestation has occurred may be considered to have zero deforestation if restored to its previous state as determined by tree cover, species composition, stored carbon, and all other relevant factors.

2. GREENHOUSE GAS EMISSIONS INTENSITY - SCOPE 1 AND 2

Question

What was your company-wide, scope 1 and scope 2 combined greenhouse gas emissions intensity?

Response Options

A. We are unable to determine at this time.

B. Our greenhouse gas emissions intensity was:

B1._____ kg CO2e per dollars revenue.

B2._____% of our facilities is represented by the number reported above.

Guidance

Calculation & Scope

Included in the scope of this question are all scope 1 and scope 2 greenhouse gas emissions, company-wide. Include all operations within your financial or operational control. Excluded from the scope of this question are GHG allowances, offsets, and credits.

To calculate B1, use the instructions in the Greenhouse Gas Protocol Corporate Standard (2015) to calculate scope 1 and 2 greenhouse gas emissions. Worksheets are available on the GHG Protocol web site to facilitate these calculations.

Calculate B2 as the number of facilities for which you are able to obtain data, divided by your total number of facilities, then multiply by 100.

Perform these calculations using data from a 12-month period that ended within 12 months of the date you respond to this question.

The data required for the CDP Climate Change 2020 Questionnaire combined with production data can be used to calculate your response (refer to C7.3b and C7.6b). The data required for “Disclosure 302-1 Energy consumption within the organization” in GRI 302: Energy 2016 or “Disclosure 305-1 Direct (Scope 1) GHG emissions” and “Disclosure 305-2 Energy indirect (Scope 2) GHG emissions” in GRI 305: Emissions 2016 can also be used to calculate your response.

Certifications, Standards & Tools

CDP Climate Change Questionnaire: The CDP Climate Change Questionnaire provides questions that assess a company's greenhouse gas emissions, goals, and management. The report provided by CDP provides the overview of the results from companies responding to the request.
https://www.cdp.net/en/guidance/guidance-for-companies

Background Information

CDP: This program assists in the measuring and reporting of carbon emissions and water use.
https://www.cdp.net/en

CDP Climate Change Questionnaire: The CDP Climate Change Questionnaire provides questions that assess a company's greenhouse gas emissions, goals, and management. The report provided by CDP provides the overview of the results from companies responding to the request.
https://www.cdp.net/en/guidance/guidance-for-companies

Greenhouse Gas (GHG) Protocol Corporate Standard: The Greenhouse Gas (GHG) Protocol provides guidance and is a useful resource published by the World Resources Institute with the World Business Council for Sustainable Development as a guide for monitoring and accounting for greenhouse gas emissions.
https://ghgprotocol.org/corporate-standard

3. LABOR RIGHTS

Question

What are the outcomes of your risk assessments, conducted against a labor standard, that were performed at all company facilities?

Response Options

A. We are unable to determine at this time.

B. The following percentages, by product and service revenue, represent the outcomes of our risk assessment(s):

B1._____% of revenue from products made and services delivered from facilities in low risk countries with corrective actions taken for any known high risk sites.

B2._____% of revenue from products made and services delivered from facilities in high risk countries that have high risk sites for which we took corrective actions.

B3._____% of revenue from products made or services delivered from facilities in high risk countries, but an audit determined the site risk to be low.

Guidance

Calculation & Scope

Include all operations within your financial or operational control. To determine if a country is low risk or high risk for labor rights violations for B1, utilize a country risk analysis tool. The tool should measure the strength of a country's ability to govern and enforce laws, regulations, and internationally recognized principles. This assessment may be a first party systematic review assessment, or external risk analyses tools may be utilized. It must be conducted at least once per year.

On-site risk assessments and audits, where necessary, can be conducted by second or third parties and must have been conducted at least once every two years using a standard based on internationally recognized principles. The assessments, audits, and standard must be verifiable and must address freedom of association & collective bargaining, forced & child labor, fair income, and equality of opportunity & treatment, as outlined by the United Nations Global Compact or the International Labour Organization Declaration on Fundamental Principles and Rights at Work. Where freedom of association & collective bargaining are restricted by law, employers can use other forms of non-union employee representation and relations to respect this aspect of workers' rights.

Calculate B1 as the product and service revenue that was created in low risk countries with corrective actions taken for any known high risk sites, divided by your total product and service revenue, then multiply by 100.

Calculate B2 as the product and service revenue that was created in high risk countries that have high risk sites for which you took corrective actions, divided by your total product and service revenue, then multiply by 100.

Calculate B3 as the product and service revenue that was created in high risk countries, but an audit determined the site risk to be low, divided by your total product and service revenue, then multiply by 100.

Perform these calculations using data from a 12-month period that ended within 12 months of the date you respond to this question.

The sum of B1, B2, and B3 must not exceed 100%.

The Business Social Compliance Initiative Countries' Risk Classification tool listed below may be used to inform your response for B1. The standards and websites listed in Background Information below may be helpful for conducting your on-site risk assessment(s) and for understanding appropriate corrective actions, which can inform your response for B2. The certifications listed below may be used to calculate your response for B3.

Certifications, Standards & Tools

Amfori Country Risk Classification List: The risk classification of countries is based on the Worldwide Governance Indicators. These determine the level of risks related to Governance in sourcing countries. http://duediligence.amfori.org/CountryRiskClassification

Definitions

Corrective actions: Prompt actions taken to eliminate the causes of a problem, thus preventing their recurrence.

First party audit: A first party audit is conducted by the organization itself for management review and other internal purposes and may form the basis for an organization's declaration of conformity.

Risk assessment: A systematic process to evaluate potential risks within an operation, system, or supply chain. It can include an on-site audit by a second party or third party or a country risk classification analysis that judges the site risk due to prevailing conditions, controls, or other mitigating factors.

Second-party audit: An audit conducted by a party having an interest in the organization, such as customers, or by another entity on their behalf.

Third-party audit: An audit conducted by external, independent auditing organizations, such as those providing certification of conformity to a standard.

Verifiable: Having the ability to demonstrate, through a reputable assessor, the truth or accuracy of a claim.

4. WASTE DIVERSION

Question

What was the mass and percentage of all organic and inorganic waste, company-wide, that was diverted from landfill?

Response Options

- **A.** We are unable to determine at this time.
- **B.** The following amount of waste was diverted from landfill:
  - **B1.**_____ metric tonnes
  - **B2.**_____% of total waste was diverted from landfill.

Guidance

Calculation & Scope

Include all operations within your financial or operational control. Included in the scope of this question is any organic or inorganic waste present in your facilities that would otherwise be sent to landfill. This includes waste material from any form of packaging, or secondary operations that might take place on site. In order to be included in this calculation, the waste must be diverted from landfill by reuse, refurbishment, recycling, or energy recovery.

Calculate B2 as the weight of all waste diverted from landfill, divided by the total weight of waste generated, then multiply by 100.

Perform these calculations using data from a 12-month period that ended within 12 months of the date you respond to this question.

5. WATER USE INTENSITY

Question
What was your company-wide water use intensity?

Response Options

- **A.** We are unable to determine at this time.
- **B.** Our water use intensity was:
  B1._____ liters per dollars of revenue.
  B2._____% of our facilities is represented by the number reported above.

Guidance

Calculation & Scope

Calculate B1 as total water use across all global operations, in liters, divided by dollars of total dollars of revenue. Include all operations within your financial or operational control.

Calculate B2 as the number of facilities for which you are able to obtain data, divided by your total number of facilities, then multiply by 100.

Perform these calculations using data from a 12-month period that ended within 12 months of the date you respond to this question.

Water use is defined as total withdrawals from municipal and private water providers, surface water, groundwater, or wells.

The data required for the CDP Water Security 2020 Questionnaire can be used to calculate your response (refer to W1.2b, W1.2h, and W5.1a). The data required for “Disclosure 303-3 Water withdrawal” in GRI 303: Water and Effluents 2018 can also be used to calculate your response.

Background Information

CDP: This program assists in the measuring and reporting of carbon emissions and water use.
https://www.cdp.net/en

World Resources Institute (WRI) Aqueduct Measuring and Mapping Water Risk: WRI created the global water risk mapping tool, Aqueduct, which used 12 indicators to map where and how water risks and opportunities occur globally.
https://www.wri.org/aqueduct

Definitions

Water use: Water use is defined as total withdrawals from municipal and private water providers, surface water, groundwater, or wells.

6. WORKER HEALTH AND SAFETY

Question	Response Options
What was your company-wide injury and illness rate?	**A.** We are unable to determine at this time. **B.** Our injury and illness rate was: **B1.**_____. **B2.**_____% of our facilities is represented by the number reported above.

Guidance

Calculation & Scope

This question aligns with the United States Occupational Safety and Health Administration (OSHA) Injury and Illness rate. This rate can be normalized for global applicability. Include all operations within your financial or operational control.

Calculate B1 according to OSHA's injury and illness rate by multiplying the number of recordable injuries and illnesses by 200,000. Divide this number by the total employee hours worked. This includes both full-time and contracted employees.

Calculate B2 as the number of facilities for which you are able to obtain data, divided by your total number of facilities, then multiply by 100.

Perform these calculations using data from a 12-month period that ended within 12 months of the date you respond to this question.

The Incidence Rate Calculator and Comparison Tool is an online calculator that will compute your injury and illness rate. The OSHA Forms for Recording Work-Related Injuries and Illnesses provides forms and information for computing your facility injury and illness rate.

Certifications, Standards & Tools

Incidence Rate Calculator and Comparison Tool: This tool calculates the injury and illness incidence rate for employers.
https://data.bls.gov/iirc/

OSHA Forms for Recording Work-Related Injuries and Illnesses: This webpage contains information on how to record workplace injuries and illnesses and provides the worksheets needed to correctly do so.
https://www.osha.gov/recordkeeping/forms

Definitions

Corrective actions: Prompt actions taken to eliminate the causes of a problem, thus preventing their recurrence.

First party audit: A first party audit is conducted by the organization itself for management review and other internal purposes and may form the basis for an organization's declaration of conformity.

Risk assessment: A systematic process to evaluate potential risks within an operation, system, or supply chain. It can include an on-site audit by a second party or third party or a country risk classification analysis that judges the site risk due to prevailing conditions, controls, or other mitigating factors.

Second-party audit: An audit conducted by a party having an interest in the organization, such as customers, or by another entity on their behalf.

Third-party audit: An audit conducted by external, independent auditing organizations, such as those providing certification of conformity to a standard.

Verifiable: Having the ability to demonstrate, through a reputable assessor, the truth or accuracy of a claim.

Worker exposure to harmful elements: Contact with potentially harmful chemical, physical, or biological elements that occurs as a result of one's job-related activities. Examples include chronic interaction with chemicals, dusts, radiation, environmental elements, allergens, noise, and vibrations.

Worker health and safety: Worker health and safety consists of worker injury and worker exposure to harmful elements. Please see the corresponding terms.

Release Notes

*** 01.04.10, May 2021 ***
- In-text references and broken resource links (URLs) included in the KPI guidance were updated to the most recent available versions. Where no alternative resource was available, the item was substituted with a comparable resource or was removed.
01.03.10, May 2020
- In-text references and broken resource links (URLs) included in the KPI guidance were updated to the most recent available versions.
- Ensured that all relevant of deforestation-related terms were linked to the deforestation KPI.

01.02.10, June 2018
- Broken links referenced in the KPI guidance were corrected.
- KPI guidance language referencing CDP's Information Requests for Climate Change and Water were updated to reflect the 2018 versions.

01.02.10, June 2017
- Language referring to the "last twelve months" or "the past year" was removed from the question and/or response options text to avoid any confusion with the related statement in the "Calculation and Scope" of the Guidance. The following KPIs were affected:
- Greenhouse gas emissions intensity - Scope 1 and 2
- Water use intensity
- Waste diversion
- Worker health and safety

TSC's Multi-stakeholder Process
The Sustainability Consortium (TSC) is a multi-stakeholder organization comprised of leading companies, non-profit organizations, and other members that represent broad perspectives on sustainability. To build a KPI set that can be deployed widely, TSC acknowledges that members have diverse points of view. As such, the attributes, activities, KPIs, and scoring used in this KPI set represent a composite perspective of the current market and are not necessarily the views, policies, or program of any single member of TSC.