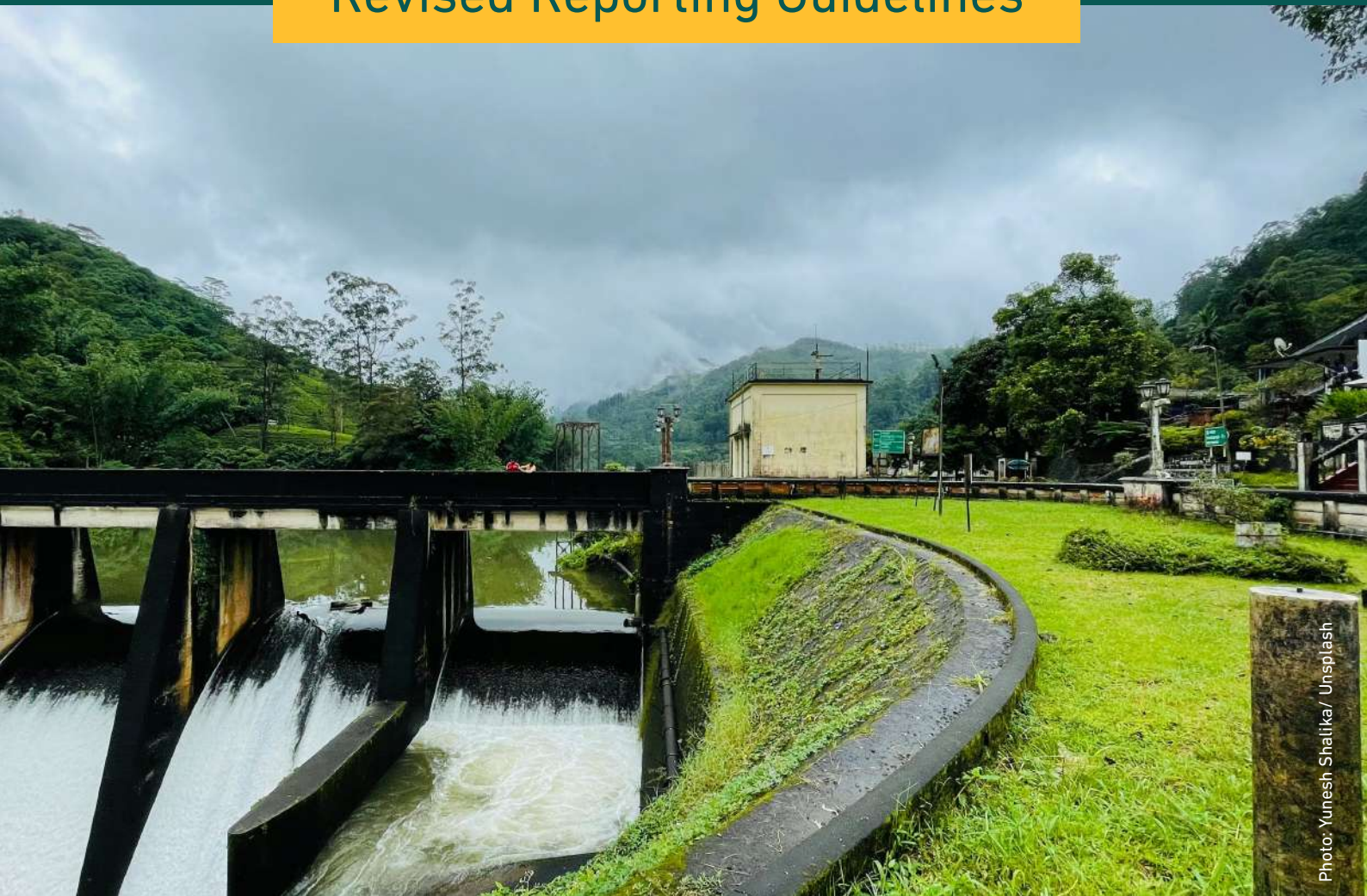


National Green Reporting System of Sri Lanka

Revised Reporting Guidelines



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Sobadam piyasa
416/C/1, Robert Gunawardena Mawatha
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CONTENTS

Preface	5
Foreword	6
Abbreviations	7
1. Green Reporting System	8
1.1. Introduction	8
1.2. Vision	9
1.3. Mission	9
1.4. Goals	9
1.5. Objective	10
1.6. Benefits	10
2. Institutional Set Up	11
2.1. The Governing Council	11
2.1.1. Objectives of the Governing Council	11
2.1.2. Role and Responsibilities of the Governing Council	12
2.2. National Green Reporting Steering Committee	12
2.2.1. Composition of the National Green Reporting Steering Committee	12
2.2.2. The Functions of the National Green Reporting Steering Committee	13
2.3. National Green Reporting Operational Unit	14
3. Reporting Principles	15
3.1. Principles on Content of the Report	15
3.2. Principles for ensuring Quality of the Report	16
4. Framework for Green Reporting System	18
4.1. Levels of Reporting	20
5. Guidelines for Reporting	21
5.1. Introduction	21
5.2. Contents of the Report	21
5.3. Guidance on the preparing Overview of Organization's Management Approach	23
5.4. List of Indicators	25
Governance Indicators	25
Environmental Indicators	25
Social Indicators	26

6. Description of indicators	28
6.1. Governance Indicators	28
6.2. Environmental Indicators	36
6.3. Social Indicators	53
7. Assurance & Evaluation of Green Reports	68
7.1. Assurance of Green Report by a Third Party	68
7.1.1. What is third party Assurance	68
7.1.2. Who is a third-party Assurance Body	68
7.1.3. Eligibility requirements to become a Assurance Body	68
7.1.4. How to become an Authorized Assurance Body	69
7.1.5. Process of Assurance	69
7.1.6. Statement of Opinion and the Assurance Report on the Green Report	70
7.2. Recognition of Green Reports through Independent Evaluation	70
7.2.1. Criteria for Evaluation of Sustainability Reports	71
7.2.2. Evaluation matrix	75
Glossary	76

PREFACE

Sustainability has evolved from a peripheral concern to a central component of strategic decision-making for organizations across all sectors. It has become necessary to do business transforming end-of-pipe solutions to pollution prevention and reduction, and minimization of resource degradation in line with life cycle thinking to cope with the limited carrying capacities of the ecosystems. In response to increasing stakeholder expectations, regulatory developments, and the urgent need for greater environmental and social accountability, transparent and standardized sustainability reporting is no longer optional—it is imperative.

In the context of Sri Lanka, the Government has to ensure economic prosperity, ensuring that the benefits of development will filter down to all the people in the country within the framework of sustainable development. The National Green Reporting System (NGRS) established by the Ministry of Environment is a collaborative effort of many stakeholders to promote such sustainability performance and demonstrate environmental, social and governance performance of industry and service sectors.

Initially the Guidelines for the Green Reporting System had been developed with the technical assistance of the Ceylon Chamber of Commerce through the SWITCH-Asia Program, funded by European Union. To provide comprehensive support to users in navigating the platform and preparing high-quality sustainability disclosures these Guidelines have been revised with the assistance of the EU-funded Accelerating Industries' Climate Response Sri Lanka (AICRSL) project, to support organizations in effectively disclosing their environmental, social, and governance (ESG) impacts, in alignment with the latest Global Reporting Initiative (GRI) Standards which represent the world's most widely adopted framework for sustainability reporting.

Beyond meeting compliance obligations, the platform is designed to foster strategic insights, enhance organizational accountability, and build stakeholder trust. By following the guidelines outlined in this guide, organizations can elevate the transparency and quality of their disclosures, thereby contributing meaningfully to the global agenda for sustainable development.

The collaboration demonstrated by all the stakeholders to finalize the guidelines is noted with high appreciation and we encourage all users to engage with this guide not merely as a procedural document, but as a tool to strengthen their commitment to sustainability, improve data-driven decision-making, and promote long-term value creation.



K R Uduwawala

Secretary,
Ministry of Environment

FOREWORD

This publication presents the National Green Reporting Guidelines of Sri Lanka, developed as part of the country's broader National Green Reporting System. The system is designed to recognize, incentivize, and reward sustainability performance in the manufacturing and service sectors, thereby enhancing organizational competitiveness in both local and global markets. It represents a strategic approach to aligning economic development with the principles of sustainable growth.

Originally formulated in 2011 with technical assistance from the Ceylon Chamber of Commerce under the SWITCH-Asia Program funded by the European Union, the guidelines have since been updated to align with internationally recognized sustainability reporting standards, particularly those of the Global Reporting Initiative (GRI). The latest revision was undertaken with the support of the EU-funded Accelerating Industries' Climate Response in Sri Lanka (AICRSL) project and finalized through extensive consultation with key stakeholders across sectors.

The implementation of the National Green Reporting System is overseen by a dedicated Governing Council and the National Green Reporting Steering Committee. These bodies are tasked with monitoring progress, guiding industries in improving their reporting practices, and encouraging continuous enhancements in production processes and service delivery. Addressing institutional and policy-level challenges remains critical to achieving the vision and goals of this initiative.

This guideline serves as a practical and comprehensive tool for organizations seeking to measure, evaluate, and disclose their impacts on governance, the environment, and society. It provides structured methodologies, technical clarifications, and contextual guidance to support users including sustainability officers, data providers, and management teams in producing reliable and consistent sustainability reports that meet international best practices.

The successful development and revision of these guidelines reflect a collaborative effort involving multiple stakeholders. Special appreciation is extended to the steering committee members and all the other relevant stakeholders for their technical contributions, the AICRSL project - UNIDO for its continued support, and all contributors whose insights and commitment have shaped this valuable resource. Together, these efforts mark a significant step forward in Sri Lanka's journey toward sustainable development.



R H M P Abeykoon

Additional Secretary (Environment Policy & Planning)
Ministry of Environment

ABBREVIATIONS

CFC	-	Chloro Floro Carbon
CH₄	-	Methane
CO₂	-	Carbon Dioxide
ECA	-	Export Credit Agencies
EPF	-	Employees' Provident Fund
EPR	-	Extended Producer Responsibility
ETF	-	Employees' Trust Fund
GHG	-	Green House Gases
GRI	-	Global Reporting Initiative
GWP	-	Global Warming Potential
HAP	-	Hazardous Pollutants
HFC	-	Hydro-Floro-Carbon
ISO	-	International organization for Standards
IT	-	Information Technology
LPG	-	Liquid Petroleum Gas
MOE	-	Ministry of Environment
MWh	-	Mega Watt Hours
NEAP	-	National Environmental Action Plan
NF₃	-	Nitrogen Tri-fluoride
NGRS	-	National Green Reporting System
NO_x	-	Nitrogen Oxides
N₂O	-	Nitrous Oxide
NWSDB	-	National Water Supply & Drainage Board
ODS	-	Ozone Depleting Substances
PFC	-	Per Floro carbon
POP	-	Persistent Organic Pollutant
PM	-	Particulate Matter
SF₆	-	Sulphur Hexa Floride
SO_x	-	Sulphur Oxides
UNIDO	-	United Nations Industrial Development Organization
VOC	-	Volatile Organic Carbon

1. GREEN REPORTING SYSTEM

1.1. INTRODUCTION

Sustainable Development, as defined in the Brundtland Report, is “development which meets the needs of the present without compromising the ability of future generations to meet their own needs.” With this aim in mind, and considering the present and emerging challenges in the path of sustainable development, the government of Sri Lanka developed several policies including National Policy and Strategy on Sustainable Development, National Environmental Policy(revised), National Policy on Sustainable Consumption & Production, National Policy on Waste management. To strengthen these policies Ministry of Environment (MOE) developed National Environment Action Plan (NEAP) which is subtitled as Pathway to Sustainable Development. This Action Plan is divided into 9 different themes focusing on different areas that should be addressed together to achieve the goal of sustainable development. The Ministry of Environment guides the action plan while each and every ministry and institution is responsible to implement planned activity and achieve targets.

One of the themes of NEAP is “Greening the Industries”. Under this mission, strategies and actions have been developed for greening the industrial and service sectors and to minimize environmental degradation caused by them, by promoting application of sustainable, resource efficient and clean practices.

Globally there is an increasing trend of scrutinizing environmental and social impacts of organizations more thoroughly by their stakeholders, as a result of which, importance of sustainability performance is growing. Transparency in dealing with these impacts is becoming an essential component in the operations of an organization, which will be impacting on areas of the business such as stakeholder relationships and investment decisions.

In this scenario of promoting transparency of an organization’s sustainability performance, the Ministry of Environment, being the responsible ministry for driving sustainable development in the country, has taken the initiative to establish a National Green Reporting System in Sri Lanka, which is a framework for enabling organizations to become transparent through sustainability reporting. A Sustainability Report of an organization will enable it to monitor, measure, disclose and be accountable to both internal and external stakeholders with regard to its organizational performance in achieving sustainable development. The Sustainability Report should give a balanced account of the sustainability performance of the organization.

Transparency in dealing with the environmental and social impacts is becoming an essential component in the operations of an organization.

The first version of the National Green Reporting System was developed in 2011 but it is not adequate to meet the current global expectations and practices. Therefore, it was decided to develop a new version (version 2) to meet the current global trends. The revised version of National Green Reporting System of Sri Lanka is based on the Global Reporting Initiative (GRI)'s latest guidelines and is developed in alignment with the internationally most popular sustainability reporting frameworks. This flexibility will ensure the users to report according to requirements of their stakeholders wishes to another sustainability framework as well while reporting under NGRS.



1.2. VISION

Ecologically sustained healthy and prosperous Sri Lanka.

1.3. MISSION

To promote the integration of environmental aspects into the socio-economic development process encouraging self-monitoring and reporting of the performance.



1.4. GOALS

GOAL NO. 1:

To raise awareness among the state and other entities in manufacturing, commercial and service sectors and the community on the need for integrating environmental aspects into socio economic development for their long term sustenance and the importance of taking responsibility and being transparent about their performance on environmental, social and governance aspects towards achieving sustainable development.

GOAL NO. 2:

To build the capacity of organizations/entities in the economic sectors including manufacturing, service and commercial sectors of the country to quantify and report on their sustainability performance, to reflect their continual improvement in the journey towards achieving sustainable development.

GOAL NO. 3:

To promote continual improvement among organizations/entities beyond compliance for sustainability.

1.5. OBJECTIVE

To facilitate the economic sectors including manufacturing, commercial and service sectors to periodically measure and report their sustainability performance with respect to environmental, social and governance aspects in order to continually improve their production processes and services, relationship with stakeholders and enhance their image, while contributing towards the sustainable development of the country.

1.6. BENEFITS

The main business drivers for engaging in Sustainability Reporting include:

- **Improved operational performance** – Reduction in operating costs, resources optimization and enhancement of operational efficiency.
- **Improved stakeholder relationships** – Building of trust and improved communication through continuous engagement with various interest groups.
- **Improved risk management** – Better understanding and dealing with non-financial risks appropriately saves organizations' time, money and avoids loss of reputation. IT also leads to a reduction of liabilities through integrated risk management.
- **Improved investor relationships** – As a result of growing demand for ethical investment funds, a sustainability report helps an organization to reach this aim through its practices of transparency and accountability.
- **Identification of new markets and/or business opportunities** – Development of innovative products and services for access to new markets while enhancing competitiveness in the market
- **Improved public value of organization** – Enhancement and maintenance of reputation and brand value.

2. INSTITUTIONAL SET UP

2.1. THE GOVERNING COUNCIL

A Governing Council for the National Green Reporting System shall be established to provide policy directions and guidance in order to ensure that organizational activities align with the commitment to Sustainable Development.

Membership of the Governing Council shall include government entities responsible for setting policy guidelines for the manufacturing and service sectors, and is expected to include, but be not limited to, the Ministries in charge of the following:

- Energy
- Environment
- Export Development
- Finance ,Planning and Economic Development
- Industry and Entrepreneurship Development
- Labor
- Science and Technology
- Trade, Commerce, Food Security and Cooperative Development
- Water Supply & Drainage

It is proposed that the Governing Council be chaired by the Secretary to the Ministry in charge of the subject of Environment with a co-chair selected by the Council from among the members, on a rotation basis, for a period of one year.

2.1.1. OBJECTIVES OF THE GOVERNING COUNCIL

1. **Network Facilitation** - stimulate collaboration and promote cross- sectoral dialogue and alliance processes, formal and informal between government, private sector and civil society to agree to a shared vision on corporate sustainability management through National Green Reporting.
2. **Mobilization of Change Agents** – provide leadership for the change and introduce processes that strengthen capacity to implement the shared vision.
3. **Strategy Development with a shared vision** – Promote sustainable development strategy of Sri Lanka though facilitating, monitoring, managing and coordinating the National Green Reporting System and its implementation. This will include identification, assessment and prioritization of challenges and opportunities.
4. **Awareness** – Develop and increase internal and external stakeholder awareness of environmental, social and Governance aspects as they relate to Corporate Excellence

2.1.2. ROLE AND RESPONSIBILITIES OF THE GOVERNING COUNCIL

Specifically, the Governing Council shall be responsible for the following:

1. To play a critical role in setting the scene for the broad changes in directions and approaches to be taken to ensure sustainable green reporting.
2. To facilitate creating a partnership between the Government, the private sector and the community to contribute to Sustainable Development.
3. To facilitate the setting up of the strategic and policy framework for Sustainability Reporting.
4. To facilitate and suggest to the government any changes in its institutional arrangements in order to ensure that the sustainability principles and objectives are taken into consideration in relevant policy making processes.
5. Creating and strengthening alliances with various national and international governmental and non-governmental organizations working on sustainability e.g. UNEP, the UN Commission for Sustainable Development, Convention on Biological Diversity and other Conventions, and other key partner organizations.
6. Monitor and evaluate the effectiveness of the National Green Reporting System and facilitate manufacturing and service sectors to ensure corporate sustainability management enhancing governance, environment and social performance in an integrated manner.
7. Ensure Good Governance at all levels in the entire reporting system.

2.2. NATIONAL GREEN REPORTING STEERING COMMITTEE

The National Green Reporting Steering Committee will be responsible to steer and guide effective operation of the National Green Reporting System to fulfill its vision, mission, goals and objective of the reporting system under the direction of the Governing Council. The steering committee will assist the national Green Reporting System operational unit of the Ministry of Environment in taking timely operational decisions.

2.2.1. COMPOSITION OF THE NATIONAL GREEN REPORTING STEERING COMMITTEE

A cross section of all stakeholders including departments and authorities, civil society organizations, standard setting organizations, and private and government sector industries shall be members of the National Green Reporting Steering Committee and chaired by the Additional Secretary (Environment and Policy), Ministry of Environment with a co-chair selected by the committee among the members, on a rotation basis, for a period of one year.

The Composition of the Committee should include, but not be limited to the following:

- Board of Investment of Sri Lanka
- Central Environmental Authority
- Ceylon Chamber of Commerce
- Construction Industry Development Authority
- Department of National Planning

- Department of Labor
- Employers' Federation
- Export Development Board
- Federation of Chambers Commerce of Industry of Sri Lanka
- Geological survey & mines bureau
- Green Building Council of Sri Lanka
- Industrial Development Board
- Industrial Technology Institute
- Institute of Chartered Accountants of Sri Lanka
- National Building Research Organization
- National Chamber of Commerce
- National Cleaner Production Center
- National Productivity Secretariat
- National Engineering Research and Development Centre
- Sri Lanka Accreditation Board
- Sri Lanka Standards Institution
- Sri Lanka Tourism Development Authority
- Sri Lanka Sustainable Energy Authority
- Sustainable Development Council of Sri Lanka

The above institutions and organizations are the members of the steering committee represented by an official nominated by the chief executive of the organization. Each and every nominated officer nominated to the National Green Reporting Steering Committee shall undertake best efforts to allocate adequate time and energy to the functioning of the body effectively and implementation of its decisions, including participation in meetings, input on items of discussion, identification of relevant information for distribution and participation on working groups or sub-committees as needed.

2.2.2. THE FUNCTIONS OF THE NATIONAL GREEN REPORTING STEERING COMMITTEE

The Functions of the National Green Reporting Steering Committee include the following:

- 1.** Steer the National Green Reporting System of Sri Lanka by engaging organizations from the economic sectors including manufacturing, commercial and service sectors with the system and facilitating the process of periodical reporting by the organizations.
- 2.** Establish thematic groups, working groups and specialist groups to study and report on matters of interest to the industry and the government with regard to relevant and emerging sustainability issues
- 3.** Build capacity among the state and private sector organizations on Greening the Industry and the economy (manufacturing, commercial and service sectors) and on Sustainability Reporting by exchanging national and regional experiences and expertise.

4. Popularize the concepts of Sustainable Development and Sustainability Reporting among the industry, and drive the initiative of enabling organizations to become transparent and take responsibility for their impacts on society and the environment through joining the National Green Reporting System.
5. Disseminate information related to environmental, sustainable development and sustainability reporting through various forums, publications and develop user friendly communication models (including electronic data bases) to ensure wide-spread access to information on its performance
6. Evaluate the Sustainability Reports of the organizations involved in the National Green Reporting System. The Committee should establish a process to authorize a number of adequately qualified and experienced entities for evaluating and grading the Sustainability Reports of the organizations engaged with the National Green Reporting System.
7. Be the driving force by interacting with respective government ministries, departments, private sector, NGO's, academicians and subject specialists and capture the issues related to performance of the green reporting system together with its ability to meet the vision, mission, goals and objectives of the reporting system and facilitate decision making that are mutually supportive.
8. Create and nurture regional and national networks and dialogue among various entities striving for sustainability in Sri Lanka.
9. Promote Intra-government linkages between various ministries, national committees and departments.
10. Ensure Good Governance at all levels in the entire reporting system.

2.3. NATIONAL GREEN REPORTING OPERATIONAL UNIT

A National Green Reporting Unit is established within the Environment Planning and Economics Division of the Ministry of Environment as the secretariat for the National Green Reporting System. This unit will be the point of contact for sustainability reporting matters and as the coordinator of responses for any inquiries from the prospective reporting entities on issues related to sustainability reporting.

The Director of the Environment Planning and Economics Division shall assign responsibilities to selected staff members for effective implementation of the national green reporting System by offering publicity, training and facilitation to reporting entities.

The Director of the Environment Planning and Economics Division shall convene steering committee meetings as the need arises and also report to the Governing Council on the progress of the implementation of National Green Reporting System.



3. REPORTING PRINCIPLES

A sustainability report prepared under National Green Reporting System should adhere to a few basic principles which are accepted by most of the sustainability reporting frameworks. The principles are to ensure the quality of the report and the content of the report. The content of the report is important to the reader to form a sound opinion based on the material provide by the company. The quality of the report indicates how effectively the information is presented and the readability of the report.

The following paragraphs offer a brief explanation of each principle on content of the report and quality of the report.

3.1. PRINCIPLES ON CONTENT OF THE REPORT

Stakeholder Inclusiveness Principle:

Stakeholders either influence the organization or is influenced by the organization. Therefore, stake holder has an interest on the performance of an organization. An organization should conduct a comprehensive stakeholder identification and their interest and concerns about organizational performance. The organization through a detailed assessment, group the stakeholders on importance and influence and explain in the report how the organization has responded to their reasonable expectations and interests.

Sustainability Context Principle:

Sustainability of an organization is a major concern of the business world where interested parties can influence the future survival and growth. Globally, the sustainability performance is assessed by three broad pillars, namely governance, environment and society. The sustainability report should present the organization's performance in the wider context of sustainability covering the relevant aspects of governance, environment and social information on performance should be placed in context. The objective of a sustainability report is how an organization or aims to contribute in the future, to the improvement of economic, environmental and social conditions, developments, and trends at the local, regional or global level. Sustainability reports should therefore present organizational performance to show case how the organization is aligning to broader concepts of sustainability to meet the local, regional and global changes in the context of customer demands and resource limitations

Materiality:

When dealing with governance, environmental and social aspects of an organizations they encounter a wide range of topics on which they could interact with interested parties. Therefore, selection of relevant topics those that are of interest to the stakeholders covering organization's governance, environmental and social impacts, needs careful selection which merits the inclusion in the report. A topic becomes important if it is material in the business decisions. Materiality is therefore the threshold at which aspects become sufficiently important so that they should be reported in a sustainability report.

Completeness:

Completeness in a report refers to the selection of scope, boundary, and time to fairly represent the operations of an organization so that the stakeholders receive a accurate picture of the organizational performance. A complete sustainability report will provide adequate evidence to the readers to assess significant governance, environmental and social impacts of the organization and make a sound judgment on the organization.

3.2. PRINCIPLES FOR ENSURING QUALITY OF THE REPORT**Accuracy:**

The reporter should attempt to present information as accurately as possible and also in sufficient detail for the reader to make a sound assessment of the organization's performance.

The information can be provided in quantitative as well as qualitative manner. The information in either form can be reinforced by evidence using measured quantities, graphs, pictures, photos or any other visual aids.

Clarity Principle:

The organization should present information in an understandable manner to make the reader interpret the content to make a clear judgment on the performance of the organization.

Reliability Principle:

The organization should maintain a proper data gathering, recording and compiling system so that the collected data can be analyzed and reported according to the requirements of the sustainability reporting. The information presented in a report may be subjected to examination by a third party, a verifier, to ascertain the quality and materiality of the information. The reader should have confidence that the content of the report can be used reliably to form a sound business decision which will not cause any negative repercussions later.

Timeliness Principle:

Information creates value only if reported at the correct time. The validity of the information provided in a report will be time bound and can be obsolete and of no value if not reported on a timely manner. The usefulness of information to a reader lies with the ability of them to make sound decisions using the information. The timeliness of a report refers both to the regularity of reporting as well as its proximity to the actual events described in the report.

Comparability Principle:

The information provided in a report should be given in a consistent manner so that the reader can analyze the current performance of the organization and compare them with previous time periods to understand the trends over time and compare the performance with other organizations and form their own judgments to arrive at sound business decisions.

Balance Principle:

The report should disclose both favourable and unfavourable aspects of the organization's performance to the reader to make an assessment of overall performance of the organization.

The report's content and its way of presentation should be developed in such a way to avoid influencing the reader to form an incorrect judgment on the performance of the organization. The report should provide adequate information to form an unbiased picture of the organization's performance.

4. FRAMEWORK FOR GREEN REPORTING SYSTEM

The National Green Reporting System of Sri Lanka is developed for organizations to report their performance on the following aspects of their operations

- Governance
- Environment
- Social

Organizations who are willing to report under National Green Reporting System will be required to report on indicators that cover various facets of the above aspects, which are listed and explained in s"5. Guidelines for Reporting" on page 21 of this document, in accordance with the level of reporting that the organization wishes to adhere to under the 5 Tier system explained below.

The organizations can decide to register under any of the Tiers explained below and prepare the green report according to the obligations stated under relevant tier.

TIER 1

Industries Accept the Green Reporting System in Principle

This is the entry level to the System, where the manufacturing, commercial and service sectors are given the opportunity to gain admission to the National Green Reporting System and benefit from being a part of the network of organizations committed to attaining Sustainable Development, such as attending awareness programs, interaction with other members and exchange of ideas, access to capacity building opportunities etc.

Obligations of Tier 1:

Industries are required to sign a Declaration accepting to join the Green Reporting System in principle and could be in the Tier 1 only for a maximum period of 2 years.

TIER 2

Voluntary Reporting by Industries

At this level, the manufacturing, commercial and service entities are expected to be mature enough to understand the concepts and process of Green Reporting and interested in genuinely getting involved with Green Reporting.

Obligations of Tier 2:

Entities can choose minimum of fifteen (15) indicators with at least two (02) each from governance, environment and social indicators listed in the Green Reporting System to qualify for listing in the system under Tier 2 and report on the selected number of indicators. The remaining number of indicators required can be selected by the organization according to their preference. The organization shall upgrade to a higher tier after 2 years.

TIER 3**Mandatory reporting by Industries based on voluntary selection of parameters, measurable and verifiable**

At this level, the entities can select the reporting indicators that they are comfortable with and are able to measure and verify by an external agency

Obligations of Tier 3:

Entities can choose minimum of twenty-five (25) indicators with at least three (03) indicators from each of the governance, environment and social indicators listed in the Green Reporting System to qualify for listing in the system under Tier 3 and report on the selected number of indicators but need to be measured, verified and assured by an external agency.

The remaining number of indicators required for reporting can be selected by the organization according to their preference. The organization in tier 3 shall upgrade to a higher tier after 3 years

TIER 4**Mandatory Reporting by Industries - Reporting in accordance with a selected set of mandatory parameters measurable and verifiable**

At this level, the entities can select a greater number of reporting indicators that they are comfortable with and are able to measure and verify by an external agency

Obligations Tier 4:

Industries have to ensure that the report covers a minimum of thirty-five (35) indicators with at least three (03) from governance indicators, five (05) from environmental indicators and five (05) from social indicators listed in the National Green Reporting System which needs to be measured, verified and externally assured

The remaining number of indicators required for reporting can be selected by the organization according to their preference. The organization in tier 3 shall upgrade to a higher tier after 3 years

TIER 5**Mandatory Reporting by Industries - Reporting in accordance with selected number of parameters listed in the reporting system measurable and verifiable**

This is the highest level of reporting where the entities must select sixty indicators listed in the National Green Reporting System of Sri Lanka and are able to measure and verify by an external agency.

Obligations of Tier 5:

Entities should ensure that the report covers sixty (60) indicators listed in the National Green Reporting System which must be externally assured.

The Entity can voluntarily report on the remaining indicators which will be additional credits during grading and evaluating of the green report.

4.1. LEVELS OF REPORTING

Level	Number of indicators for reporting	Indicator selection (minimum from each category)	Third party verification	Maximum number of years allowed
Tier 1	Registration in NGRS only			02
Tier 2	15	02 governance, 02 Environmental, 02 Social	Not required	02
Tier 3	25	03 Governance, 03 Environmental, 03 Social	Required	03
Tier 4	35	03 Governance, 05 Environmental, 05 Social	Required	03
Tier 5	60		Required	Indefinite



5. GUIDELINES FOR REPORTING

5.1. INTRODUCTION

This section provides guidelines for preparation of the sustainable report for an organization according to the requirements of the National Green Reporting System of Sri Lanka. The report is an instrument through which the organization voluntarily discloses its commitment to sustainable development, by sharing data and objectively interpreted results of data analysis, showing its performance in respect of reporting indicators selected from a list prescribed in these guidelines in a transparent and verifiable manner.

According to the framework for reporting as set out in section “4. Framework for Green Reporting System” on page 18 of this document, the organization may decide to join the reporting system at any tier and progress towards achieving a higher tier over time. The reporting obligations become more stringent as the organization moves up the tiers. However, the basic structure of the report would remain similar for Tiers 2, 3, 4 and 5.

5.2. CONTENTS OF THE REPORT

GREEN REPORT CONTENTS

(The report is expected to include the following information in an orderly manner. A reporter is free to use an innovative approach as long as all the information required in this content page is presented in a clear and readable form)

Assurance Certificate & Report (Applicable to Tier 3, 4 & 5 only)

Content page

Section 1 Strategy and Executive Summary

- 1.1.** Statement from Top Management regarding the organization’s Sustainable Development principles, values and policies
- 1.2.** Summary of Report giving a description of the key impacts, risks and opportunities

Section 2 Corporate Context

- 2.1.** Name of the organization
- 2.2.** Location of the organization’s headquarters
- 2.3.** Nature of ownership and legal form.
- 2.4.** A description of the organization’s values, principles, standards, and norms of behavior
- 2.5.** Organizational Structure

- 2.6.** Major sites and operations (production places)
- 2.7.** Geographic Spread and Scope of Activities
- 2.8.** Major markets and organization's role and position
 - i.** geographic locations where products and services are offered;
 - ii.** sectors served;
 - iii.** types of customers and beneficiaries.
- 2.9.** Scale of the organization, including:
 - i.** total number of employees;
 - ii.** total number of operations;
 - iii.** net sales (for private sector organizations) or net revenues (for public sector organizations);
 - iv.** total capitalization (for private sector organizations) broken down in terms of debt and equity;
 - v.** quantity of products or services provided
- 2.10.** A description of the organization's supply chain,
- 2.11.** Contact Details of key Persons

Section 3 Report Profile

- 3.1.** Reporting Period
 - i.** period from which data and information in report is given;
 - ii.** date/s of previous Report/s
- 3.2.** Reporting Scope
 - i.** areas of concern, issues or activities that are covered by the report and respective limitations
 - ii.** basis for selection of Reporting Indicators, data measurements and techniques
 - iii.** any significant changes from previous reporting period
- 3.3.** Reporting Entity
 - i.** parts of the reporting organization that refers to the reported aspects, activities and performance.
- 3.4.** Boundaries and Limitations (Restrictions or exclusions to the scope or entity)

Section 4 Stakeholder Engagement

- 4.1.** List of stakeholder groups engaged by the organization
- 4.2.** Basis for identification of stakeholder groups
- 4.3.** Approaches and frequency of engagement
- 4.4.** Key topics and concerns and the Organization's response to them

Section 5 Management Approach

Brief overview of the Organization's management approach to the aspects defined under each category of indicators.

- 5.1.** Governance
- 5.2.** Environmental
- 5.3.** Social

Section 6 Performance Indicators

5.3. GUIDANCE ON THE PREPARING OVERVIEW OF ORGANIZATION'S MANAGEMENT APPROACH

(Provide a brief explanation of how the organization manages sustainability related governance, environmental and social aspects as required in section Section 5 Management Approach under Guidelines for Reporting)

The organization is expected to provide a description of the following topics under the management approach:

1. **The policies and/ or strategies** available in the organization for managing sustainability under governance, environment and society. Are these policies generated with the blessings of the highest governance body (board of directors) or initiated at the site level.
2. **The organization shall report their assessment of risks** from external environment or from internal operations. The organization should report the strategies used to minimize the risks or convert risks into opportunities for the long-term sustainable growth.
3. **The organizations commitments to compliance requirements** under national regulations and also of their customers. The National Environmental Policy and factories ordinance have established several legal requirements to be fulfilled by the organizations operating in the country. In addition, ILO conventions, health directives by the Ministry of Health as well as national obligations under international agreements/ protocols impose restrictions or commitments to be adhered to by an organization. Further supply chain partners or customers also expect fulfilling the commitments according to their expectations
4. **The time bound goals and targets on sustainability.** Give a brief explanation on short term, medium term and long-term goals and targets. Are they self-generated or imposed by customers or supply chain partners. Are these goals and targets developed based on national commitments such as "Achieving Net Zero Carbon by 2050". If it is so state these base documents for setting up the goals and targets.
5. **How does the organization address the life cycle perspective** of their products and services. Is the organization following environmental stewardship practices including extended producer responsibility (EPR). How does the organization procure the raw materials and other ancillary material. Does the organization consider environmental impacts when procuring goods or service and purchase green products.
6. **Give a brief description on the handling, transport and storage** of raw materials, work in progress and finished goods until they reach the customers, so that the wastes, emissions and environmental impacts are minimized. Also briefly explain the way wastes are stored until they are treated or disposed. Pay special attention to report on any hazardous materials or products in the value chain.
7. **The roles and responsibilities** in the implementation of sustainability practices. Whether the organization has appointed responsible officers for sustainability and/or for pillars of governance, environmental and society. If not, how is the sustainability programs implemented within the organization

- 8. How does the organization allocate resources** for implementation of sustainability related actions. State what percentage of sustainability expenditure is incurred from the total annual operating expenditure
- 9. Has the organization obtained international certification** for environment management (ISO 14001), occupational health & safety (ISO 45001), quality management (ISO 9001), energy management (ISO 50001), carbon management (ISO 14064-1) or any other relevant sustainability systems. If certified to any system give details and explain for how long the organization practicing these management systems.
- 10. Does the organization practice gender equality** in recruitment, deciding salaries & wages and other perks, giving promotions and in all organizational activities. Also report organization policy for employing differently abled persons and the facilities offered to them to work with others. If not explain why. If the organization recruits only males provide reasons for the decision.
- 11. Does the organization maintain a grievance handling mechanism** for the employees and their family members, neighbours, suppliers or for the larger society. Provide details of the mechanism.
- 12. Describe any other specific actions**, such as processes, projects, programs and initiatives on sustainability carried out by the organization.

5.4. LIST OF INDICATORS

GOVERNANCE INDICATORS

Economic performance	
GOV 1	Direct economic value generated and distributed
GOV 2	Financial implications and other risks and opportunities due to climate change
GOV 3	Defined benefit plan obligations and other retirement plans
GOV 4	Financial assistance received from government & other sources
Market Presence	
GOV 5	Ratios of standard entry level wage by gender compared to local minimum wage
Indirect Economic Impacts	
GOV 6	Infrastructure investments and services supported
GOV 7	Significant indirect economic impacts
Procurement Practice	
GOV 8	Proportion of spending on local suppliers
GOV 9	Approach to green procurement to purchase environmentally friendly products and services
Anti Corruption	
GOV 10	Operations assessed for risks related to corruption
GOV 11	Communication and training about anti-corruption policies and procedures
GOV 12	Confirmed incidents of corruption and actions taken
Anti Competitive Behaviour	
GOV 13	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
Tax	
GOV 14	Approach to tax
GOV 15	Tax governance, control, and risk management

ENVIRONMENTAL INDICATORS

Material	
ENV 1	Materials used by weight or volume
ENV 2	Recycled input materials used
ENV 3	Reclaimed products and their packaging materials
Energy	
ENV 4	Energy consumption within the organization
ENV 5	Energy intensity
ENV 6	Reduction of energy consumption
Water and Effluent	
ENV 7	Interactions with water as a shared resource
ENV 8	Water sources significantly affected by water usage
ENV 9	Water withdrawal
ENV 10	Water consumption

ENV 11	Quantity & Percentage of water usage that is reused or recycled
ENV 12	The water Footprint
Bio Diversity	
ENV 13	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
ENV 14	Significant impacts of activities, products, and services on biodiversity
ENV 15	Habitats protected or restored
ENV 16	National Red List species and national conservation progress on species with habitats in areas affected by operations
Emissions	
ENV 17	Direct (Scope 1) GHG emissions
ENV 18	Energy indirect (Scope 2) GHG emissions
ENV 19	Other indirect (Scope 3) GHG emissions
ENV 20	GHG emissions intensity
ENV 21	Reduction of GHG emissions
ENV 22	Strategies implemented to reach net zero carbon status
ENV 23	Emissions of ozone-depleting substances (ODS)
ENV 24	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions
Effluents and Waste	
ENV 25	Water discharge by quality and destination
ENV 26	Waste by type and disposal method
ENV 27	Significant spills
ENV 28	Transport of hazardous waste
Environmental Compliance	
ENV 29	Non-compliance with environmental laws and regulations
Supplier Environmental Assessment	
ENV 30	New suppliers that were screened using environmental criteria
Environmental Investment	
ENV 31	Total environmental protection expenditures and investments by type

SOCIAL INDICATORS

Employment	
SOC 1	New employee hires and employee turnover
SOC 2	Benefits provided to full-time employees that are not provided to temporary or part-time employees and other workers
SOC 3	Parental Leave
Labour/Management Relations	
SOC 4	Minimum notice periods regarding operational changes
Occupational Health & Safety	
SOC 5	Occupational health and safety management system
SOC 6	Hazard identification, risk assessment, and incident investigation
SOC 7	Occupational health services
SOC 8	Worker participation, consultation, and communication on occupational health and safety
SOC 9	Worker training on occupational health and safety

SOC 10	Promotion of worker health
SOC 11	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
SOC 12	Workers covered by an occupational health and safety management system
SOC 13	Work-related injuries
SOC 14	Work-related ill health
Training and Education	
SOC 15	Average hours of training per year per employee
SOC 16	Programs for upgrading employee skills and transition assistance programs
SOC 17	Percentage of employees receiving regular performance and career development reviews
Diversity & Equal Opportunity	
SOC 18	Diversity of governance bodies and employees
SOC 19	Ratio of basic salary and remuneration of women to men
SOC 20	Approach to achieve gender equality
Non Discrimination	
SOC 21	Incidents of discrimination and corrective actions taken
Freedom of Association	
SOC 22	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk
Human Rights Assessments	
SOC 23	Employee training on human rights policies or procedures
Local Communities	
SOC 24	Operations with local community engagement, impact assessments, and development programs
Supplier Social Assessment	
SOC 25	New suppliers that were screened using social criteria
Customer Health & Safety	
SOC 26	Assessment of the health and safety impacts of product and service categories
SOC 27	Incidents of non-compliance concerning the health & safety impacts of products and services
Marketing & Labeling	
SOC 28	Requirements for product and service information and labeling
SOC 29	Incidents of non-compliance concerning product and service information and labeling
Socio Economic Compliance	
SOC 30	Non-compliance with laws and regulations in the social and economic area



6. DESCRIPTION OF INDICATORS

The following pages provide a description of indicators, showing expected reporting under each indicator and wherever applicable guidance on the reporting.

6.1. GOVERNANCE INDICATORS

ECONOMIC PERFORMANCE

GOV 1 Direct economic value generated and distributed

The organization shall report the following information:

Direct economic value generated and distributed on an accrual's basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:

- a) Direct economic value generated: revenues;
- b) Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;
- c) Economic value retained: 'direct economic value generated' less 'economic value distributed'.

Guidance

Revenues: Revenues include net sales plus revenues from financial investments and sales of assets.

Net sales can be calculated as gross sales from products and services minus returns, discounts, and allowances. Revenues from financial investments can include cash received as: interest on financial loans, dividends from shareholdings, royalties, direct income generated from assets, such as property rental. Revenues from sale of assets can include: physical assets, such as property, infrastructure, and equipment, intangibles, such as intellectual property rights, designs, and brand names.

Operating costs: Operating costs include cash payments made outside the organization for materials, product components, facilities, and services purchased.

Employee wages and benefits: This includes employee wages and benefits as total salaries and wages and amounts paid as statutory payments behalf of employees) and other benefits.

Payments to providers of capital: Payments to providers of capital include dividends to all shareholders and interest paid on loans

Payments to government: Payments to governments include organization's taxes plus related penalties paid at the international, national, and local levels. Organization taxes include corporate, income, and property.

GOV 2 Financial implications and other risks and opportunities due to climate change

The organization shall report the following information:

Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including:

- a) description of the risk or opportunity and its classification as either physical, regulatory, or other;
- b) description of the impact associated with the risk or opportunity;
- c) the financial implications of the risk or opportunity before action is taken;
- d) the methods used to manage the risk or opportunity;
- e) the costs of actions taken to manage the risk or opportunity.

Guidance

Risk and opportunities due to climate change can be classified as:

- Physical , regulatory or any other risks
- The risks and opportunities can be new laws and regulations, exposure to impacts such as water scarcity, shortage of raw materials, poor employee health or higher demand for a product or service

Other risks and opportunities can include the availability of new technologies, products, or services to address challenges related to climate change, as well as changes in customer behavior.

Report the likelihood and the magnitude of the risk, time frame and methods used and expenditure incurred in the method. If not implemented report the plans.

Methods used to manage the risk or opportunity can include:

- carbon capture and storage;
- fuel switching;
- use of renewable and lower carbon footprint energy;
- improving energy efficiency;
- flaring, venting, and fugitive emission reduction;
- renewable energy certificates;
- use of carbon offsets.
- Green Bonds/Climate disaster Risk Finance & Insurance (CDRFI)

GOV 3 Defined benefit plan obligations and other retirement plans

The organization shall report:

- a) Whether they contribute to the Government employee retirement scheme (Pension, EPF, ETF) and Level of contribution in the mandatory schemes,
- b) If an alternative/additional fund is set up for employee benefit plan using their own resources and funds
- c) Percentage of salary contributed by employee or employer.

Guidance

The structure of retirement plans offered to employees can be based on:

Mandatory regulatory requirements on:

- defined benefit plans
- defined contribution plans
- any other types of additional retirement benefits

GOV 4 Financial assistance received from government & other sources

The organization shall report:

- a) Monetary value of all financial assistance received by the organization from any government during the reporting period, including:
 - tax relief and tax credits;
 - subsidies;
 - investment grants, research and development grants, and other relevant types of grant;
 - awards;
 - royalty holidays;
 - financial assistance from Export Credit Agencies (ECAs);
 - financial incentives;
 - other financial benefits received or receivable from any government for any operation.
- b) Whether Government is a shareholder/owner of the organization
- c) Organizations are expected to report any other financial assistance received from any other parties such as international donors, global alliances, NGOs etc.

Guidance

- Any financial assistance received according to the audited financial statements should be reported.

MARKET PRESENCE

GOV 5 Ratios of standard entry level wage by gender compared to local minimum wage

The organization shall report:

- a) When a significant proportion of employees are compensated based on wages subject to minimum wage rules, report the relevant ratio of the entry level wage by gender to the minimum wage.
- b) When a significant proportion of other workers (excluding employees) performing the organization's activities are compensated based on wages subject to minimum wage rules, describe the actions taken to determine whether these workers are paid above the minimum wage.
- c) What reference law or regulation on local minimum wage is used to determine the minimum wage by gender.

Guidance

- This indicator is relevant to organizations in which their employees, and workers (excluding employees) performing the organization's activities, and are compensated according to laws or regulations on minimum wage in the country.
- Also, entry level wages paid compared to local minimum wages show the competitiveness of an organization's wages and help assessing the effect of wages on the local labor market.
- Comparing this information by gender can also be a measure of an organization's approach to equal opportunity in the workplace.

INDIRECT ECONOMIC IMPACTS

GOV 6 Infrastructure investments and services supported

The reporting organization shall report

- a) The extent and caliber of the development of infrastructure and services supported (size, cost and duration)
- b) The current or expected positive and negative impact on community and regional economy
- c) Document whether the firm has conducted a community need assessment
- d) Whether these investments and services are commercial, in-kind, or pro bono engagements

Guidance

- This will demonstrate to which degree the firm has asserted an influence over the economy through infrastructure development. The measurement demonstrates the organization's capital contribution to the society.
- Such investments can include transport links, utilities, community social facilities, health and welfare centers, and sports centers. Along with investment in its own operations, this is one measure of the organization's capital contribution to the economy.

- The impacts of infrastructure investment can extend beyond the scope of an organization's own operations and over a longer timescale.

GOV 7 Understanding and describing Significant indirect economic impacts

The organization shall report:

- Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts.
- Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.

Guidance

- In the reporting document the changes to the productivity of the firm and other supported organizations, sectors (new management practices and Information technology).
- Include in reporting the contribution of the organization to eradicate poverty (increase in number persons employed by the firm and their supply chain and distribution chain).
- Making available preferentially priced goods for essential services such as health.
- Document the efforts to enhance the skills and knowledge (professionalism) of the community.
- Document the efforts taken to obtain an in-depth understanding of such issues
- The changes in environmental pollution and its economic impact to firm and community.

PROCUREMENT PRACTICE

GOV 8: Policy Practices and Portion of Spending on Locally-Based Suppliers at Significant Locations of Operations

The organization shall report:

- The written policy on local based purchasing
- Percentage of the procurement budget used for products and services purchased locally

Guidance

- This describes how the organization can indirectly contribute towards the local economy. It stabilizes the local economy and can be effective in a rural context.
- Local purchases indirectly attract additional investment to the local economy. Local sourcing can be a strategy to help ensure maintain sound community relations.

GOV 9: Approach to green procurement to purchase environmentally friendly products and services

The organization shall report:

- a) Whether they have a policy or a strategy on purchasing environmentally (green) products or services during procurement
- b) What steps are taken to purchase environmentally friendly products, services, works by the organization
- c) What actions they have taken for “greening their supply chain”

Guidance

- Green products and services are having less environmental pollution than conventional products and services. An organization buying such products is encouraging the suppliers also to be environmentally friendly.
- Green product, services and works reduces energy use, water use and waste generation reducing the burden on an organization and the environment which can be reflected in other relevant indicators.
- A national policy on green procurement is published and is available in the website of the Ministry of Environment.
- Any organization practicing sustainable procurement may report on sustainable procurement instead of green procurement.

ANTI-CORRUPTION

GOV 10 Communication and training about anti-corruption policies and procedures

The organization shall report:

- a) The outcome of a risk assessment conducted showing number and percentage of operations assessed for risks related to corruption.
- b) Significant risks related to corruption identified through the risk assessment.

Guidance

- The reporter can conduct a risk assessment focused on corruption or the include corruption as a risk factor in overall risk assessment of the organization.
- Risk assessments help to assess the avenues for incidents of corruption within and related to the organization including the supply chain and distribution chain and help the organization to design policies and procedures to combat corruption.

GOV 11 Communication and training about anti-corruption policies and procedures

The organization shall report:

- a) Details of board directors, top management, middle management and employees by categories in the organization who are communicated on anti-corruption policies and procedures

- b)** Details of supply chain and distribution chain and other major stakeholders that the organization's anti-corruption policies and procedures have been communicated to.
- c)** Total number Board of Directors, top management, middle management and employees by category that have received training on anti-corruption.

Guidance

- The frequent communication and training help for all parties to be alert on corruption and to take action to prevent incidents or opportunities leading to corruption.

GOV 12 Confirmed incidents of corruption and actions taken

The organization shall report:

- a)** Total number and nature of confirmed incidents of corruption in which individuals or groups from board directors, top management, middle management or employees were involved and disciplinary actions taken including dismissals.
- b)** Total number of confirmed incidents when contracts with business partners were blacklisted or not renewed due to violations related to corruption.
- c)** Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.

Guidance

- Business partners include supply chain players, distribution chain players or any others engaged with the organizational activities of any form.
- Legal cases closed, pending or under investigation is included.

ANTI COMPETITIVE BEHAVIOUR

GOV 13 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

The organization shall report:

- a)** Any legal actions pending or completed during the reporting period on anti-competitive behavior and violations of anti-trust and monopoly practices according to prevailing national or international laws in which the organization has been identified as a participant.
- b)** The decisions or judgments from completed legal actions against or exonerating the organization.

Guidance

- In a dynamic market it is assumed that competition between enterprises promotes economic efficiency and sustainable growth.
- Anti-competitive behavior, anti-trust, and monopoly practices can affect consumer choice, pricing, and other factors that are essential to dynamic markets.

TAX**GOV 14 Approach to Tax**

The organization shall report:

- a) Description of the approach to tax, including:
- whether the organization has a tax strategy and, if so, whether the tax strategy is publicly available;
 - the approach to regulatory compliance including mandatory legal requirements
 - how the approach to tax is linked to the business and sustainable development strategies of the organization.

Guidance

- Organization can provide an overview of its use of tax havens, the types of tax incentive it uses, or its approach to transfer pricing.
- The approach shall explain the mandatory legal requirements on tax payment and how the organization act on its legal bindings and how these bindings linked to business strategy.
- The organization can provide an overview on how their sustainable development strategies and activities influenced by the tax approach.

GOV 15 Tax governance, control, and risk management

The organization shall report:

- a) A description of the tax governance and control framework, including:
- the executive-level position within the organization accountable for compliance with the tax strategy and the responsibilities of governance body (board of Directors) on tax strategy;
 - what are the tax risks, including how risks are identified, managed, and monitored;
 - how compliance with the tax governance and control framework is evaluated.
- b) A description of the mechanisms to assure the organization's integrity in relation to tax.

Guidance

- The organization can provide information on the responsible persons within the organization for ensuring fulfilling of mandatory legal requirements on tax and also whether the external consultants are employed on tax advice and their role.
- The organization shall provide information on the responsibilities of the board of directors on compliance to tax.
- Tax risks are risks associated with the organization's tax practices that might lead to a negative effect on the goals of the organization, or to financial or reputational damage. These include compliance risks or risks such as those related to uncertain tax positions, changes in legislation changes in economic environment where the organization is operating and the internal control mechanisms for managing the risks.

- The organization can describe the mechanisms used to ensure the integrity of its business operations and how it helps to keep the tax obligations are not violated.

6.2. ENVIRONMENTAL INDICATORS

MATERIALS

ENV 1 Materials Used by Weight or Volume

The organization shall Identify and report:

- a) The total amount, by weight or volume, of total materials used, by internal procurement of materials through captive means and materials purchased from external suppliers that are used to produce and package the organization’s primary products and services during the reporting period:
 - Raw materials
 - Non-renewable materials
 - Direct materials (Materials in the final product)
 - Process materials (Materials not in the final product but required for manufacturing the product)
 - Semi-manufactured materials
 - Materials for packaging

Materials used	Weight/volume	Non-Renewable / Renewable
Raw Materials	1	
	2	
Auxiliary Process Material	1	
	2	
Semi Processed materials	1	
	2	
Materials for Packaging	1	
	2	

Guidance

- Organization should include the following material types in reporting the total materials used:
 - a) raw materials, i.e., natural resources used for conversion to products or services, such as ores, minerals, and wood;
 - b) associated process materials, i.e., materials that are needed for the manufacturing process but are not part of the final product, such as lubricants for manufacturing machinery;
 - c) semi-manufactured goods or parts, including all forms of materials and components other than raw materials that are part of the final product;
 - d) materials for packaging purposes, including paper, cardboard and plastics;
 - e) state if any hazardous materials are used in the process and whether it is embedded in the product, disposed as a waste or go through a closed cycle (Like refrigerants or lubricant oils)

- State whether the values are actuals or estimated
- Develop a table to suit the requirements of the organization

ENV 2 Recycled input materials used

This indicator describes the usage of recyclable materials in the organization's operations. Using recycled materials will help organizations to reduce material use and lower operational costs.

The organization shall report:

- Percentage of recycled input materials used to manufacture the organization's primary products and services.

Guidance

- Organization should identify the amount of recycled input materials for its operations. If the quantity provided is an estimate, the organization will have to provide the details of the estimation method
- Calculate the percentage based on the total amount of materials used as reported in Indicator 1 and the quantity of recycled materials consumed using following equation:

$$\text{Percentage of recycled input materials used} = \frac{\text{Total recycled input materials used} \times 100}{\text{Total input materials used}}$$

ENV 3 Reclaimed products and their packaging materials

The organization shall report:

- Percentage of reclaimed products and their packaging materials for each product category.
- Whether the data is actual or estimated and if estimated the methodology used.

Guidance

- When reporting the reclaimed products exclude rejects and recalls of products;
- The percentage of reclaimed products and their packaging materials for each product category should be calculated using the following formula:

$$\text{Percentage of reclaimed products and their packaging materials} = \frac{\text{Products and their packaging materials reclaimed within the reporting period}}{\text{Products sold within the reporting period}} \times 100$$

ENERGY

ENV 4 Total Energy consumption within the organization

This indicator describes the amount of total energy and the source of the energy that an organization uses. Total energy means all forms of energy that is used within the organization's boundary or exported to other users in primary form or secondary form like electricity or steam. Forms of direct energy include coal, oil, natural gas, furnace oil, etc. The energy source and amount used by organizations has a direct significant impact on its environmental quality and also impacts its operational costs

The organization will have to:

- a) Identify the amount of non-renewable primary energy purchased by the organization for consumption in its operations in joules or multiples. All energy sources, and the amount of energy purchased for each source shall also have to be reported:
- b) Identify the amount of secondary energy purchased by the organization from external parties in joules or multiples.
- c) Identify the amount of renewable energy generated and/or purchased during the period in joules or multiples
- d) Show a breakdown of the total energy consumption in joules or multiples as
 - Electrical Energy
 - Thermal Energy
 - Others
- e) Show a breakdown of the amount of energy exported or sold outside the reporting boundary in joules or multiples
 - Electrical Energy
 - Thermal Energy
 - Others
- f) Total energy consumption within the organization, in joules or multiples

Guidance

- Primary non renewable energy sources include coal, fuel oil, diesel, LPG, etc
- Renewable energy sources include solar, wind, biomass, biogas, etc
- Renewable energy purchased as electrical energy from the grid, should not be considered in reporting the renewable energy. If generated and exported to the Grid it should be reported
- The units and conversion factors used in quantification should be stated
- The total energy consumed within the organization should be calculated using the following equation

$$\begin{array}{r}
 \text{Total energy} \\
 \text{consumption} \\
 \text{within the} \\
 \text{organization}
 \end{array}
 =
 \begin{array}{r}
 \text{Non-renewable} \\
 \text{primary energy} \\
 \text{consumed}
 \end{array}
 +
 \begin{array}{r}
 \text{Renewable} \\
 \text{energy} \\
 \text{consumed}
 \end{array}
 +
 \begin{array}{r}
 \text{Electricity,} \\
 \text{heating, cooling,} \\
 \text{and steam} \\
 \text{purchased for} \\
 \text{consumption} \\
 \text{from external} \\
 \text{suppliers}
 \end{array}
 -
 \begin{array}{r}
 \text{Electricity,} \\
 \text{heating, cooling,} \\
 \text{and steam sold/} \\
 \text{exported}
 \end{array}$$

ENV 5 Energy intensity

The organization shall report:

- a) Energy intensity ratio for the organization.
- b) Organization-specific metric (the denominator) chosen to calculate the ratio.

Guidance

- Use total energy consumption in calculating the energy intensity ratio
- Organization-specific metrics (denominators) can be decided by the organization as appropriate. The metric can include:
 - production volume (such as metric tons, liters, or MWh);
 - built area of the organization (such as m² floor space);
 - number of full-time employees;
 - monetary units (such as revenue or sales).
- Use equation: Energy Intensity= Total Energy Consumption/ Organization specific metric
- Alternatively, an organization can calculate the energy intensity using following equation

$$\text{Energy Intensity} = \frac{\text{Expenditure on Energy}}{\text{Cost of Production}}$$

ENV 6 Reduction of energy consumption

The organization shall report:

- a) Quantity of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.
- b) Percentage of energy savings based on the previous reporting period consumption.
- c) Initiatives to reduce indirect energy consumption and reductions achieved
- d) Methodologies, and calculation tools used.

Guidance

- State the baselines, if any used to show the reduction
- Exclude reductions resulting from reduced production capacity or outsourcing any other reasons other than implemented energy saving measures
- Describe whether energy reduction reported is estimated or from direct measurements. If estimated explain the methods used.
- Reduction initiatives can include:
 - process redesign;
 - conversion and retrofitting of new equipment, instruments
 - changes in behavior due to training;
 - operational changes/improved process control

WATER AND EFFLUENT

ENV 7 Interactions with water as a shared resource

The organization shall report:

- a) A description of how the organization interacts with water, including how and where water is withdrawn, consumed, and discharged, and the water-related impacts caused or contributed to, or directly linked to the organization's activities, products or services by a business relationship (e.g., impacts caused by runoff).
- b) A description of the approach used to identify water-related impacts, including the scope of assessments, their timeframe, and any tools or methodologies used.
- c) A description of how water-related impacts are addressed, including how the organization works with stakeholders to steward water as a shared resource, and how it engages with suppliers or customers with significant water-related impacts.
- d) An explanation of the process for setting any water-related goals and targets that are part of the organization's management approach, and how they relate to public policy and the local context of each area with water stress.

Guidance

- The organization should report the following additional information:
 - An overview of water uses across the organization's value chain;
 - A list of specific catchments where the organization causes significant water-related impacts.
- The reporting under this indicator does not expect the organization to provide quantities. Instead, their understanding on importance of water for global sustainability and local sustainability and their knowledge and understanding of the interaction among different parties when water is used causing positive or negative impacts.
- The organization is expected to work with stakeholders (mostly parties affected by usage of water by the organization) to prevent or mitigate water related impacts caused to them.

ENV 8 Water sources significantly affected by water usage

This indicator describes the scale of impacts of the organization's water use. Withdrawal of water from different sources can affect the balance of environment in that area by reducing the amount of water available and reducing the water table. This can in turn benefit organizations by understanding the stability of their water sources.

The organization shall report:

- a) Identify water sources significantly affected by water withdrawal by the reporting organization. Significant withdrawals meet one or more of the following criteria:
 - Withdrawals that account for an average of 5 percent or more of the annual average volume of a given water body

- Withdrawals from water bodies that are recognized to be particularly sensitive
 - Any withdrawal from any national or international designated conservation area regardless of the rate of withdrawal
- b)** Report the total number of significantly affected water sources by type according to the criteria above, indicating the following:
- Size of water source
 - Whether or not the source is designated as a protected area
 - Biodiversity value (e.g., species diversity and endemism, number of protected species)

Guidance

The indicator offers knowledge from the organization to ensure their water security without threatening the natural ecosystems including protected areas.

ENV 9 Water withdrawal

The organization shall report:

- a)** Total water withdrawal from all areas in cubic meters, and a breakdown of this total by the following sources, if applicable:
- Surface Water;
 - Groundwater;
 - Water from National Water Supply and Drainage Board (NWSDB)
 - Rain Water
 - Third-party water (Bowser water)
 - Recycled Waste Water

Guidance

For each category state whether the quantities provided are measured, estimated or extracted from invoices received from suppliers.

ENV 10 Water consumption

The organization shall report:

- a)** Total water consumption from all sources in Cubic meters or multiples.
- b)** Breakdown of water consumption by type of use and the quantity in cubic meters or multiples
- Embodied in the product
 - For Washing of production & Auxiliary machinery, equipment and the floors
 - For cooling of machines, products or in chillers (recirculated through cooling towers, spray ponds, cooling ponds/channels etc)
 - For heating purposes such as steam/hot water generation
 - For employees' sanitary requirements
 - Others (Specify)
- c)** Any contextual information necessary to understand how the data have been compiled, including whether the information is calculated, estimated, or sourced from direct measurements, and the approach taken for this, such as the use of any sector-specific factors.

Guidance

- If cooling water is recirculated indicate only the amount of make up water used.
- If condensate is used from steam/hot water systems indicate additional make up.
- In each category indicate the quality of water such as extracted from the source/received from the source, treated, demineralized, de-ionized, chlorinated, ozonated, etc.

ENV 11 Quantity & Percentage of water usage that is reused or recycled

The organization will have to:

- a) Calculate the volume of recycled/reused water based on the volume of water demand satisfied by recycled/reused water rather than further withdrawals.
- b) Report the total volume of water recycled/reused by the organization and also as a percentage of the total water withdrawal reported.

Guidance

- The amount and rate of water that is reused and recycled is an important determinant of the scale of the organization's water use efficiency. Greater reuse and recycling will reduce water consumption which will in turn reduce costs and help in sustaining local, national and regional water bodies. This Indicator measures both water that was treated prior to reuse and water that was not treated prior to reuse.
- For example, if the organization has a production cycle that requires 10 m³ of water per cycle, the organization withdraws 10 m³ of water for one production process cycle and then reuses it for an additional 4 cycles. The total volume of water recycled/reused for that process is 40 m³.

ENV 12 Water Footprint

The organization shall report:

- a) The water footprint of the organization indicating
 - The green water footprint
 - The Blue water footprint
 - The greywater footprint

Guidance

The organization can refer to "water footprint network" website and the manuals offered free of charge in the website for instructions on the calculation of water footprint

BIO DIVERSITY

ENV 13 Lands owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

The organization shall report:

- a) Operational sites owned, leased, managed in, located in, adjacent to, or that contain protected areas and areas of high biodiversity value outside protected areas
- b) Report the following information for each operational site identified above:
 - Geographic location
 - Position in relation to protected area (in the area, adjacent to, or containing portions of the protected area) and high biodiversity value area outside protected area
 - Type of operation at the site.
 - Size of operational site.
 - Biodiversity value characterized by the attributes of the protected area and high biodiversity value area outside designated protected areas and the listing of protected status
 - Biodiversity value characterized by listing of protected status (such as nationally Protected Area Management Categories, Ramsar Convention, national legislation).

Guidance

- This indicator can assist an organization in identifying and understanding the risks it can pose on the biodiversity of the surrounding area. This can help organizations to manage their impacts on biodiversity.
- Identified sites for future operations have to be included.
- Any land reserved for sub surface and/or underground operations should also be included.

ENV 14 Description of significant impacts of activities, products and services on biodiversity

The organization shall report:

- a) Identify significant impacts on biodiversity associated with activities, products, and services of the reporting organization
- b) Report the nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following:
 - Construction or use of manufacturing plants, mines, and transport infrastructure
 - Pollution
 - Introduction of invasive species, pests, and pathogens
 - Reduction of species
 - Habitat conversion
 - Changes in ecological processes outside the natural range of variation (e.g., changes in groundwater level)

- c) Report significant direct and indirect positive and negative impacts with reference to the following:
- Species affected
 - Extent of areas impacted
 - Duration of impacts
 - Reversibility or irreversibility of the impacts

Guidance

- Indirect impacts on the biodiversity which can be caused by the supply chain should also be considered
- Areas of impact are not limited to areas that are formally protected and include consideration of impacts on buffer zones, as well as formally designated areas of special importance or sensitivity.

ENV 15 Habitats protected or restored

The organization shall report:

- a) Size and location of all habitat areas protected or restored,
- b) Whether organization has partnerships with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures.
- c) Status of each area based on its condition at the close of the reporting period.

Guidance

- The information should include the regulatory or license requirements applicable and restoration measure was approved by independent external party as successful.

ENV 16 National Red List species and national conservation progress on species with habitats in areas affected by operations

The organization shall report:

- a) Total number of National Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk:
 - Critically endangered
 - Endangered
 - Vulnerable
 - Near threatened
 - Least concern

Guidance

- The information helps an organization to identify where its activities pose a threat to endangered plant and animal species.
- By identifying these threats, the organization can initiate appropriate steps to avoid harm and to prevent the extinction of species.
- Information should be compared with species listed in the National Red List and national conservation progress with organizations monitoring records for consistency.

EMISSIONS

ENV 17 Total Direct GHG Emissions (Scope 1)

The organization shall report:

- a) Direct emissions of greenhouse gases from all sources owned or controlled by the reporting organization, including:
 - Generation of electricity, heat, or steam
 - Other combustion processes
 - Physical or chemical processing
 - Transportation of materials, products, and waste
 - Venting
 - Fugitive emissions.
 - Others (specify)
- b) The base year for calculation
- c) Green House Gases included in the calculations
- d) Emission Factors and GWP values used for calculations
- e) The approach used to select organizational boundary
- f) Biogenic CO₂ emissions through burning of biomass as CO₂ equivalent

Guidance

- The values should be reported as metric tons of CO₂ equivalent
- The green houses gases to be reported are CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NH₃
- The approach for selection of the organizational boundary should be stated as chosen based on equity share, financial control or operational control

ENV 18 Energy indirect GHG emissions (Scope 2)

The organization shall report:

- a) Indirect emissions of GHGs from purchased electricity, heat or steam by the organization
- b) Emissions factors used for calculation and the source

Guidance

- The values should be reported as metric tons of CO₂ equivalent
- The green houses gases to be reported are CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NH₃
- The approach for selection of the organizational boundary should be stated as chosen based on equity share, financial control or operational control

ENV 19 Other indirect (Scope 3) GHG emissions

The organization shall report:

- a) Other Indirect GHG emissions from the operations of the organization.
- b) Green House Gases included in the calculations.
- c) Emission Factors and GWP values used for calculations.
- d) Justification for omitting any indirect emissions source, if any, from the above calculation.

Guidance

- The values should be reported as metric tons of CO₂ equivalent
- The green houses gases to be reported are CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NH₃
- The approach for selection of the organizational boundary should be stated as chosen based on equity share, financial control or operational control
- List other indirect (Scope 3) GHG emissions reported, with a breakdown by upstream and downstream categories and activities. The organization can use the upstream and downstream categories and activities listed in the 'GHG Protocol Corporate Value Chain Standard'

ENV 20 GHG emissions intensity

The organization shall report:

- a) GHG emissions intensity ratio for the organization.
- b) Organization-specific metric (the denominator) chosen to calculate the ratio.
- c) Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.

Guidance

- Use total GHG Emissions (sum of scope1, scope2 and scope 3 reported earlier in ENV 17, ENV 18 & ENV 19) in calculating the emission intensity ratio
- Organization-specific metrics (denominators) can be decided by the organization as appropriate. The metric can include:
 - production volume (such as metric tons, liters, or MWh);
 - built area of the organization (such as m² floor space);
 - number of full-time employees;
 - monetary units (such as revenue or sales).
- Use equation: GHG Emission Intensity = Total GHG emissions/ Organization specific metric
- Identify the units of GHG emissions Intensity according to the selection of denominator

ENV 21 Reduction of GHG emissions

The organization shall report:

- a) Identify GHG emissions reductions from all sources owned or controlled by the organization and resulting from indirect energy use and activities of the organization. Organizations must differentiate between mandatory and voluntary emissions reductions.
- b) Report reduction from direct, Indirect energy and other indirect emissions separately.
- c) Report initiatives to reduce greenhouse gas emissions. Areas where the initiatives have been implemented must be included.
- d) Report the reductions achieved for GHG emissions as a direct result of the initiatives.

Guidance

- Exclude reductions resulting from reduced production capacity or outsourcing of activities;
- Report reductions from offsets, if any, separately
- Reduction initiatives can include:
 - process redesign;
 - conversion and retrofitting of new equipment, instruments
 - changes in behavior due to training;
 - operational changes/improved process control

ENV 22 Strategies implemented to reach net zero carbon status

The organization shall report:

- a) Whether they have reached net zero carbon already or have a target to reach net zero carbon on a given future date
- b) What steps were taken to reach the net zero carbon target or what are the plans to reach net zero carbon in the future
- c) If there is no such target, the reasons for the decision

Guidance

- Net zero carbon is reaching a balance between the amount of GHG emissions due to organizational activities and the amount it reduces through various strategies such as renewable energy programs, forestry programs, other off setting programs or through carbon trading
- Sri Lanka has made an international commitment to become net zero carbon as a country by 2050 and every organization should contribute to meet the commitment.

ENV 23 Emissions of ozone-depleting substances (ODS)

The organization shall report:

- a) Quantities of ODS imported, Used and exported in metric tons of CFC-11 (trichlorofluoromethane) equivalent.
- b) Substances included in the calculation.

Guidance

- Imports and exports of ODS are applicable to organizations engaged in trade of these substances or organization engaged in air conditioning/ refrigeration activities
- The organization who are still using or dealing with any ODS should state the proposed phased out program as given in Montreal Protocol
- Use the emissions factors for all ODS to convert to equivalent of CFC 11

ENV 24 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions

The organization shall report:

- a) All types of significant air emissions and the quantity emitted by weight
- b) Report the methodology used for calculations, selecting one of the following approaches:
 - Direct measurement of emissions
 - Calculation based on site specific data
 - Calculation based on publicly available emissions factors
 - Estimations, which are to be used due to a lack of default figures and where the basic figures obtained must be specified
- c) Report the weight of significant air emissions for each of the following categories
 - NO_x
 - SO_x
 - Persistent organic pollutants (POP)
 - Volatile organic compounds (VOC)
 - Hazardous air pollutants (HAP)
 - Stack and fugitive emissions
 - Particulate matter (PM)
 - Other standard categories of air emissions identified in regulation

Guidance

- State whether the emissions are regulated by the published national standards for each type of gas
- State the standards given in the national regulations

EFFLUENTS AND WASTE

ENV 25 Water discharge by quality and destination

The organization shall report:

- a) Identify planned and unplanned waste water discharges by destination and indicate how it is treated
- b) Report the total volume of planned and unplanned waste water discharges by:
 - Destination
 - Treatment method
 - Whether it was reused by another organization or it self
- c) Report water quality in terms of total volumes of effluent using standard effluent parameters such as Biological Oxygen Demand (BOD), Total Suspended Solids (TSS), etc. The selection of parameters should be consistent with parameters stated in the national regulations.

Guidance

- Exclude collected rainwater and domestic sewage from the volume of planned and unplanned water discharges;
- If a meter is not installed to measure water discharges, estimate the volume of planned and unplanned water discharges by subtracting the approximate volume consumed on-site from the volume withdrawn
- The volume of water consumed on site includes water embodied in products, water directed to sewage plant from sanitary uses and any water evaporated.

ENV 26 Waste by type and disposal method

The organization shall report:

- a) The amount of waste created by the organization's operations, by:
 - Hazardous waste
 - Non-hazardous waste
- b) The total amount of waste as identified above for each of the following disposal methods:
 - Composting
 - Reuse
 - Recycling
 - Recovery
 - Converted to value added products
 - Incineration (or use as fuel)
 - Controlled Landfill
 - Producing energy (Bio Gas)
 - On-site storage
 - Other (to be specified by the reporting organization)
- c) Report how the method of disposal has been determined

Guidance

- Identify hazardous waste as defined by national legislation at the point of generation and how they are stored to prevent mixing with non hazardous wastes;
- Exclude non-hazardous wastewater from the calculation of non-hazardous waste;
- If no weight data are available, estimate the weight using available information on waste density and volume collected, mass balances, or similar information.
- Determination of waste disposal method can be; disposed directly by the organization, or otherwise directly confirmed Information provided by the waste disposal contractor

ENV 27 Total Number and Amount of Significant spills

The organization shall report:

- a) All recorded significant spills, the material of the spills (oil, fuel, waste, etc.) and the volume of these spills
- b) The total number and total volume of recorded significant spills.
- c) The impacts of significant spills

Guidance

- This indicator helps to understand the level of risk related to spills. Spills of varying types can lead to significant negative impacts to the surrounding environment.
- Each category of material of the spill should be recorded separately.

ENV 28 Transport, Export or Treatment of hazardous waste

The organization shall report:

- a) All types of hazardous wastes transported by the organization
- b) The total weight of transported hazardous waste
- c) The proportion and quantity of the total amount of transported hazardous waste that is transported from the organization to locations abroad. Waste transported between different locations of the organization is not counted as imported/exported.
- d) The proportion of the total amount of transported and exported hazardous waste that the organization has treated.
- e) The proportion of the total amount of hazardous waste treated by external sources/ suppliers, that has been transported or exported by the organization.
- f) Report the following information in kilograms or tonnes:
 - Total weight of hazardous waste transported
 - Total weight of exported hazardous waste
 - Total weight of treated hazardous waste

Guidance

- This indicator requires the Weight of transported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.
- Convert all volume into weight using an appropriate methodology.

ENVIRONMENTAL COMPLIANCE**ENV 29 Non-compliance with environmental laws and regulations**

The organization shall report:

- a) Administrative or judicial sanctions for failure to comply with environmental laws and regulations,
- b) Significant fines and non-monetary sanctions in terms of:
 - Total monetary value of significant fines
 - Number of non-monetary sanctions
 - Cases brought through dispute resolution mechanisms
- c) If the organization has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient.

Guidance

- The organization shall report of any non-compliance on environmental discharges including air pollution, water pollution, solid wastes, scheduled wastes, sound pollution.
- When reporting any non-compliance stated in (a) the organization should consider:
 - International declarations/conventions/treaties and national, sub-national, regional, and local regulations;
 - Voluntary environmental agreements with regulating authorities that are considered binding and developed as a substitute for implementing new regulations;
 - Cases brought against the organization through the use of international dispute mechanisms or national dispute mechanisms supervised by government authorities.

SUPPLIER ENVIRONMENT ASSESSMENT**ENV 30 New suppliers that were screened using environmental criteria**

The organization shall report:

- a) Percentage of new/existing suppliers (who were not screened previously) that were screened using environmental criteria.
- b) State the criteria used in the screening

Guidance

- Environment Criteria can be all criteria stated under environmental Indicators

ENV 31 Total environmental protection expenditures and investments by type

The organization shall report:

- a) Expenditure incurred for waste disposal, emissions treatment and remediation costs related to the following items:
 - Treatment and disposal of waste
 - Treatment of emissions
 - Expenditures for the purchase and use of emissions certificates
 - Insurance for environmental liability
 - Clean-up costs, including costs for remediation of spills
- b) Expenditure incurred on prevention and environmental management related to the following items:
 - Personnel employed for education and training
 - External services for environmental management
 - External certification of management systems
 - Personnel for general environmental management activities
 - Research and development
 - Extra expenditures to install cleaner technologies
 - Extra expenditures on green purchases
 - Other environmental management costs
- c) Report total environmental protection expenditure broken down by:
 - Waste disposal, emissions treatment, and remediation costs
 - Prevention and environmental management cost

Guidance

- This indicator helps to describe the efficiency of an organization's environmental initiatives through measuring environmental mitigation and protection expenditures
- This provides insight to how effectively resources are used to improve performance and for future planning
- The expenditure may be stated in Sri Lankan Rupees or US dollars (if applicable to the organization)

6.3. SOCIAL INDICATORS

EMPLOYMENT

SOC 1 New employee hires and employee turnover

The organization shall report for each category of employment:

- a) Total number of new employee recruited during the reporting period
- b) Total number of applications received for employment
- c) Total number of employee turnover during the reporting period
- d) Report all recruits and turnover by age group, gender and region
- e) Estimate the rate of turnover by category

Guidance

- Organization can use the following age groups:
 - Under 30 years old;
 - 30-50 years old;
 - Over 50 years old.
- Rates should be calculated using the total employee numbers at the end of the reporting period.
- This indicator describes the attraction to the organization by the potential employees applying for employment while turnover in the organization can be an indication of dissatisfaction among employees or a fault in the internal structure of the organization.

SOC 2 Benefits provided to full-time employees that are not provided to temporary or part-time employees or other workers

The organization shall report:

- a) Benefits offered to all employees.
- b) Which of the following benefits are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by major operations:
 - Life insurance
 - Health care
 - Disability/invalidity coverage
 - Maternity/paternity leave
 - Retirement provision
 - Stock ownership
 - Others (Organization has to specify this)

Guidance

- The indicator provides information on the organization's investment to its human resources provides a picture of the investment in different areas of the workforce.
- Standard benefits refer to those typically offered to at least the majority of full-time employees. This should not be interpreted as being offered to every single full-time employee of the organization. The intention of the indicator is to disclose what full-time employees can reasonably expect.
- Organization shall exclude in-kind benefits such as provision of sports or child day care facilities, free meals during working time, and similar general employee welfare programs.

SOC 3 Parental Leave

The reporting organization shall report the following information:

- Total number of employees that were entitled to parental leave.
- Total number of employees that took parental leave.
- Total number of employees that returned to work in the reporting period after parental leave ended.
- Return to work and retention rates of employees that took parental leave, by gender.
- Additional hours and period offered for baby feeding after the designated parental leave

LABOUR/MANAGEMENT RELATIONS**SOC 4 Minimum notice periods regarding operational changes**

The organization shall report:

- Minimum number of weeks/days notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them.
- For organizations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements.

Guidance

- Operational change can be a change in the working hours of employees, commencing shift-based operations etc.
- This can affect life style of an employee leading to dissatisfaction unless adequate time is provided for the adjustments

OCCUPATIONAL HEALTH & SAFETY

SOC 5 Occupational health and safety management system

The organization shall report:

- a) A statement of whether an occupational health and safety management system has been implemented, including whether:
 - the system has been implemented because of legal requirements and, if so, a list of the requirements;
 - the system has been implemented based on recognized risk management and/or management system standards/guidelines and, if so, a list of the standards/guidelines.
- b) A description of the scope of workers, activities, and workplaces covered by the occupational health and safety management system, and an explanation of whether and, if so, why any workers, activities, or workplaces are not covered.

Guidance

- The above information should include all the employees and workers who are not employees but whose work and/or workplace is controlled by the organization
- Occupational health and safety management system can be ISO 45001, or any equivalent standard or a guideline.
- How the continual improvement of the management system is achieved should also be reported in the above, i.e., the iterative process of enhancing the management system to achieve improvements in overall occupational health and safety performance.

SOC 6 Hazard identification, risk assessment, and incident investigation

The organization shall report:

- a) A description of the methods used to identify work-related hazards and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls in order to eliminate hazards and minimize risks, including:
 - How the organization ensures the quality of these methods, including the competency of persons who carry them out and the documentation of the findings;
 - How the results of these methods are used to evaluate and continually improve the occupational health and safety management system.
- b) A description of the methods available for workers to report work-related hazards and hazardous situations, and an explanation of how workers are protected against reprisals.
- c) A description of the processes used to investigate work-related incidents, including the processes to identify hazards and assess risks relating to the incidents, to determine corrective actions using the hierarchy of controls, and to determine improvements needed in the occupational health and safety management system.

Guidance

- The above information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:
- Under b describe how employees or workers are engaged for implementing proposed improvements
- Under c explain the legal and regulatory requirements existing for reporting any significant incident causing injury to employees or workers.
- The hierarchy of controls are stated as follows in ISO 45001:018
 - eliminate the hazard/risk;
 - substitute the hazard/risk with less hazardous processes, operations, materials, or equipment;
 - control the hazard/risk at source, through the use of engineering controls or organizational measures;
 - minimize the hazard/risk by the design of safe work systems, which include administrative control measures;
 - where residual hazards/risks cannot be controlled by collective measures, provide for appropriate personal protective equipment, including clothing, at no cost, and implement measures to ensure its use and maintenance.

SOC 7 Occupational health services

The reporting organization shall report:

- a) A description of the occupational health services' functions that contribute to the identification and elimination of hazards and minimization of risks, and an explanation of how the organization ensures the quality of these services and facilitates workers' access to them.

Guidance

- The above information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization
- The organization should provide information on how the organization maintains the confidentiality of workers' personal health-related information;
- The organization should provide information how the organization ensures that workers' personal health related information and their participation in any occupational health services is not used for any favorable or unfavorable treatment of workers.

SOC 8 Worker participation, consultation, and communication on occupational health and safety

The organization shall report:

- a) A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers.
- b) Where formal health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers/ worker groups are excluded from these committees.

Guidance

- The above information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization
- Organization can include information on:
 - formal participation, based on legal requirements or through engagement with formally recognized workers' representatives;
 - voluntary participation, particularly by affected workers (e.g., the direct involvement of all workers in occupational health and safety decisions in small organizations);
 - engagement in the occupational health and safety management system (e.g., participation in identification of hazards, assessment of risks, application of the hierarchy of controls, investigation of incidents, audits, decision-making about the use of contractors and outsourcing);
 - how obstacles to participation are identified and removed (e.g., by providing training, motivational program or by protecting workers against reprisals).

SOC 9 Worker training on occupational health and safety

The reporting organization shall report:

- a) A description of occupational health and safety training conducted for workers, including generic training as well as specialized training on workplace hazards, hazardous tasks, or hazardous situations and eliminating hazards.

Guidance

- The following information should be provided for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:
- The organization should include the information on
 - How training needs assessment is carried out
 - The contents of the training programme including the topics addressed, the mode of delivery, competency of trainers,

- The categories of workers receiving the training, the frequency of the training, and whether the training is conducted in an appropriate language understood by workers;
- Training on use of personal protective equipment (PPE) when performing tasks
- The method for evaluation of effectiveness of the training.

SOC10 Promotion of worker health

The organization shall report:

- a) How the organization facilitates workers' access to non-occupational medical and healthcare services including medical examinations, and the scope of access provided.
- Through a direct medical scheme
 - Through medical Insurance scheme financed by the organization
 - Any other

Guidance

- The above information should be provided for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization
- The organization should provide information on
 - How the organization maintains the confidentiality of workers' personal health-related information;
 - How the organization ensures that workers' personal health-related information and their participation in any services or programs is not used for any favorable or unfavorable treatment of workers.

SOC 11 Mitigation of occupational health and safety impacts directly linked by business relationships

The organization shall report:

- a) The organization's approach to preventing or mitigating significant negative occupational health and safety impacts that are directly linked to its operations, products or services by its business relationships, and the related hazards and risks.

Guidance

- The organization should provide information on their findings from feasibility studies, periodic health & safety audits or findings from management system audits on potential for the health and safety risks and the precautions taken to eliminate them or mitigate the impacts.

SOC 12 Workers covered by an occupational health and safety management system

The organization shall report:

- a) If the organization has implemented an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines:
 - The number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system;
 - The number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been audited or certified by an external party.
- b) Whether and, if so, why any workers have been excluded from the occupational health and safety management system, including the types of workers excluded.

Guidance

- Workers who are not employees but whose work and/or workplace is controlled by the organization can be
 - Workers provided by a human resource supplier
 - A contractor's workers engaged in temporary work
 - A sub-contractor undertaking a specific task of the organization
 - Other categories

SOC 13 Work-related injuries

The organization shall report:

- a) For all employees and for all workers who are not employees but whose work and/or workplace is controlled by the organization the following information
 - The number and rate of fatalities as a result of work-related injury;
 - The number and rate of high-consequence work-related injuries (excluding fatalities);
 - The number and rate of recordable work-related injuries;
 - The main types of work-related injury;
 - The number of hours lost due to injuries
- b) Actions taken or underway to eliminate all types work-related hazards and minimize risks using the hierarchy of controls.

Guidance

- Include injuries as a result of commuting incidents only where the transport has been organized by the organization
- The organization shall report
 - A breakdown of the number of recordable work-related injuries by type of incident
 - The number of high-potential work-related incidents identified;
 - The number of close calls identified
 - List of chemicals used in the operations and potential chemical hazardous
- The rates of injuries should be calculated using million (1,000,000) hours
- Since some reporting organizations include minor (first-aid level) injuries in their data indicate whether such injuries are included or excluded
- In calculating 'lost days' indicate whether 'days' means 'calendar days' or 'scheduled work days' and at what point the 'lost days' count begins.
- Equation to be used for calculation of rate of injuries is as follows. The equation may be applied for fatalities, high consequence injuries and recordable injuries by changing the numerator appropriately.

$$\text{Rate of Work-Related Injuries} = \frac{\text{Number of work related Injuries}}{\text{Hours worked}} \times 1,000,000$$

SOC 14 Work-related ill health

The organization shall report:

- a) For all employees and all workers who are not employees but whose work and/or workplace is controlled by the organization:
 - The main types of work-related ill health.
 - The number of cases of recordable work-related ill health
- b) The work-related hazards that pose a risk of ill health, including:
 - How these hazards have been determined;
 - Which of these hazards have caused or contributed to cases of ill health during the reporting period;
 - Actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls.

Guidance

- Follow the guidelines given in Indicator SOC 9 with appropriate changes to injuries by ill health.

TRAINING AND EDUCATION

SOC 15 Average hours of training per year per employee

The organization shall report:

- a) The total number of employees in each employment category who underwent training across the organization's operations at the end of the reporting year.
- b) Identify total hours devoted to training personnel within each employee category.
- c) Report the average number of hours of training per year per employee by employee category and by gender.

Guidance

- The employment categories can include senior management, middle management, professional, technical, administrative, production, maintenance, etc.
- Provide information on how the employees are selected for training (ie by an annually prepared training needs analysis or on adhoc basis).

SOC 16 Programs for upgrading employee skills and transition assistance programs

The organization shall report:

- a) Whether employee training or assistance programs to upgrade skills provide any of the following:
 - Internal training courses
 - Funding support for external training or education
 - The provision of sabbatical periods with guaranteed return to employment
- b) Whether transition assistance programs to support employees who are retiring or who have been terminated provide any of the following:
 - Pre-retirement planning for intended retirees,
 - Retraining for those intending to continue working,
 - Severance pay,
 - If severance pay is provided, does it take into account employee age and years of service,
 - Job placement services,
 - Assistance (e.g., training, counseling) on transitioning to a non-working life.

Guidance

- State whether the employees are released for training for skills development and transition assistance during working hours
- For those facing retirement or leaving the employment for personal reasons, the confidence and quality of work relations are improved by the knowledge that they are supported in their transition from work to retirement.

SOC 17 Percentage of employees receiving regular performance and career development reviews

The organization shall report:

- a) Percentage of total employees who received a regular performance and career development review during the reporting period.
 - by gender
 - by employee category

Guidance

- Regular performance and career development reviews can also enhance employee satisfaction, which correlates with improved organizational performance.
- This demonstrates the extent to which this system is applied throughout the organization, and whether there is inequity of access to these opportunities.

DIVERSITY & EQUAL OPPORTUNITY

SOC 18 Diversity of governance bodies and employees

The organization shall report:

- a) Percentage of individuals within the organization's governance bodies in each of the following diversity categories:
 - Gender;
 - Age group: under 30 years old, 30-50 years old, over 50 years old;
 - Other indicators of diversity where relevant (such as minority or vulnerable groups including differently able persons).
- b) Percentage of employees per employee category in each of the following diversity categories:
 - Gender;
 - Age group: under 30 years old, 30-50 years old, over 50 years old;
 - Other indicators of diversity where relevant (such as minority or vulnerable groups including differently able persons)

Guidance

- Organizations may use any other diversity indicators used internally
- Governance bodies can be board of directors or management committees

SOC 19 Ratio of basic salary and remuneration of women to men

The organization shall report:

- a) The ratio of the basic salary and remuneration of women to men for each employee category,

Guidance

- Equality of remuneration is also an important factor in retaining qualified employees
- If there is no difference in salaries by gender, a statement to that effect is sufficient

SOC 20 Approach to achieve gender equality

The organization shall report:

- a) Whether they have a policy on gender equality or otherwise
- b) If they do not treat gender equally the reasons for the differentiation
- c) If they have a policy on gender equality how they implement it

Guidance

- Gender equality means treatment of all employees (males and females) with equal considerations including salaries, promotions, other perks and other facilities
- If the organization is not employing females, they should describe the reasons for such decisions
- If the organization has differential treatment to males and females on salaries & wages, promotions facilities etc the reason for such differentiation should be explained

NON DISCRIMINATION**SOC 21 Incidents of discrimination and corrective actions taken**

The organization shall report:

- a) Total number of incidents of discrimination during the reporting period.
- b) Whether the organization has a non-discrimination policy or strategy. If so state briefly its approach.
- c) Procedure used by the organization for handling cases of discrimination.
- d) Status of the incidents and actions taken with reference to the following:
 - Incident reviewed by the organization;
 - Remediation plans being implemented;
 - Remediation plans that have been implemented, with results reviewed through routine internal management review processes;
 - Incident no longer subject to action.

Guidance

- The reporting organization shall include incidents of discrimination on grounds of race, color, sex, religion, political opinion, national extraction, or social origin as defined by the ILO,
- If organization uses any other approaches to address the relevant forms of discrimination involving internal and/or external stakeholders across operations in the reporting period, provide information on them.

FREEDOM OF ASSOCIATION**SOC 22 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk**

The organization shall report:

- a) Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of:
 - Type of operation (such as manufacturing plant) and supplier;
 - Geographic areas with operations and suppliers considered at risk.
- b) Measures taken by the organization in the reporting period intended to support rights to exercise freedom of association and collective bargaining.

Guidance

- The risk assessment on potential risk to the operation and suppliers is a prerequisite.

HUMAN RIGHTS ASSESSMENTS**SOC 23 Employee training on human rights policies or procedures**

The organization shall report:

- a) Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.
- b) Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations.

Guidance

- Human rights are well-established in international standards and laws, and this has obligated organizations to implement specialized training that equips employees to address human rights in the course of their regular work
- The training can refer either to training dedicated to the subject of human rights or to a human rights module within a general training program.

LOCAL COMMUNITIES

SOC 24 Operations with local community engagement, impact assessments, and development programs

The organization shall report:

- a) Operations implemented with local community engagement, impact assessments, and/or development programs, including the use of:
- Social impact assessments, including gender impact assessments, based on participatory processes;
 - Environmental impact assessments and ongoing monitoring;
 - Public disclosure of results of environmental and social impact assessments;
 - Local community development programs based on local communities' needs;
 - Stakeholder engagement plans based on stakeholder mapping;
 - Broad based local community consultation committees and processes that include vulnerable groups;
 - Works councils, occupational health and safety committees and other worker representation bodies to deal with impacts;
 - Formal local community grievance processes.

Guidance

- An organization is expected to consider the differentiated nature of local communities and to take specific action to identify and engage vulnerable groups
- Establishing a timely and effective stakeholder identification and engagement process is important to help organizations understand the vulnerability of local communities and how these might be affected by the organization's activities.
- Organizations are expected to establish additional or separate processes so that negative impacts on vulnerable or disadvantaged groups are avoided, minimized, mitigated or compensated.

SUPPLIER SOCIAL ASSESSMENT

SOC 25 New suppliers that were screened using social criteria

The organization shall report:

- a) Percentage of new suppliers/existing suppliers (who were not screened earlier) that were screened using social criteria.
- b) State the criteria used for the screening of suppliers.

Guidance

- Social criteria used for evaluation can be selected from the social indicator list.

CUSTOMER HEALTH & SAFETY

SOC 26 Assessment of the health and safety impacts of product and service categories

The organization shall report:

- a) Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.

Guidance

- This measure helps to identify the existence and range of systematic efforts to address health and safety across the life cycle of a product or service
- State the criteria used for the assessment
- State the method used for sampling.

SOC 27 Incidents of non-compliance concerning the health & safety impacts of products and services

The organization shall report:

- a) The total number of incidents of non-compliance with regulations concerning marketing communications
- b) Report the total number of incidents of non-compliance with regulations concerning marketing communications, broken down by:
 - Incidents of non-compliance with regulations resulting in a fine or penalty;
 - Incidents of non-compliance with regulations resulting in a warning; and
 - Incidents of non-compliance with voluntary codes.

Guidance

- Exclude incidents of non-compliance in which the organization was determined not to be at fault;
- Exclude incidents of non-compliance related to labeling;
- If applicable, identify any incidents of non-compliance that relate to events in periods prior to the reporting period.

MARKETING & LABELING

SOC 28 Requirements for product and service information and labeling

The organization shall report:

- a) Whether each of the following types of information is required by the organization's procedures for product and service information and labeling:
 - The sourcing of components of the product or service;
 - Content, particularly with regard to substances that might produce an environmental or social impact;

- Safe use of the product or service;
- Disposal of the product and environmental or social impacts;
- Other (explain).

Guidance

- The organization shall provide any other information required to be included on the label by laws and regulations of the country.

SOC 29 Incidents of non-compliance concerning product and service information and labeling

The organization shall report:

- a) The total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling
- b) Report the total number of incidents of non-compliance with regulations concerning product and service information and labeling, broken down by:
 - Incidents of non-compliance with regulations resulting in a fine or penalty.
 - Incidents of non-compliance with regulations resulting in a warning.
 - Incidents of non-compliance with voluntary codes.

Guidance

- Where the reporting organization has not identified any non-compliance with regulations and voluntary codes, a brief statement to this fact is sufficient
- Exclude Incidents of non-compliance in which the organization was determined not to be at fault
- If applicable, identify any incidents of non-compliance that relate to events in periods prior to the reporting period

SOCIO ECONOMIC COMPLIANCE

SOC 30 Non-compliance with laws and regulations in the social and economic area

The organization shall report:

- a) Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:
 - total monetary value of significant fines;
 - total number of non-monetary sanctions;
 - cases brought through dispute resolution mechanisms.
- b) The context against which significant fines and non-monetary sanctions were incurred.

Guidance

- If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.



7. ASSURANCE & EVALUATION OF GREEN REPORTS

7.1. ASSURANCE OF GREEN REPORT BY A THIRD PARTY

7.1.1. WHAT IS THIRD PARTY ASSURANCE

The report prepared by any organization will be a one-sided document where the authors will try to impress the report users. The possibility of presenting information in a form advantageous to the organization is always unavoidable. The practice can contribute to biased reporting and can lead to form inaccurate opinions on some of the business aspects by the stakeholders.

The common practice to avoid such possibilities is conducting an independent review of the sustainability report by an external party. The external party will review all the information provided in the report, check the information against the source records and on ground situation to ensure the reported information is meeting the principles for reporting. The external party satisfies themselves that the information provided in the report represents the actual performance of the organization and all the indicators and other data presented in the report true and accurate.

When they are satisfied a statement/certificate will be issued by the external party to the organization offering their opinion on the report. A positive opinion is termed as assurance. If the external party who did the review is not satisfied with any of the information may ask the organization to correct any errors, mistakes, omissions, misrepresentation and resubmit the sustainability report and only then will issue a statement verifying the contents of report are true and accurate in disclosing the performance of the organization.

The external independent party is usually referred to as an assurance body. The assurance body might provide a report to the organization on their findings and opportunities for improvements together with the statement/certificate.

7.1.2. WHO IS A THIRD-PARTY ASSURANCE BODY

An assurance body can be an independent entity or a subsidiary of a larger organization holding legal status as a registered company or as a government institution. The assurance body should register with the Ministry of Environment for offering services to reporting organizations.

7.1.3. ELIGIBILITY REQUIREMENTS TO BECOME A ASSURANCE BODY

An assurance body should provide evidence to demonstrate that they have adequate competencies to conduct verification of green reports prepared according to the requirements given in the National Green Reporting System guidelines. They should

provide the details of the personnel who will engage in the verification activities. The personnel conducting the assurance work should be adequately competent in both the subject matter and assurance practices. In addition, the personnel should have a thorough understanding of the National Green Reporting System and the principle of reporting under NGRS.

7.1.4. HOW TO BECOME AN AUTHORIZED ASSURANCE BODY

The entity interested in becoming an authorized assurance body should fill the application form and submit it to the director environment planning and economics division through the Secretary to the Ministry of Environment together with CVs of nominated officers who will be engaged in the assurance activities. The CVs should demonstrate the competencies of the personnel through their education, past experience and acquired skills in the assurance activities including green reports or any other sustainable reports as well ISO system certification.

The Ministry may organize skills development workshops for assurance body personnel and it will be mandatory for the nominated personnel to take part in the skills development training. The prospective assurance body shall have a documented process on how they conduct the assurance activities for offering the assurance of the report.

The Ministry will issue a letter to the prospective applicant stating they are authorized to conduct assurance activities of green reports. The authorization is valid for a period of three years and the entity should renew their authorization as an assurance body at the end of three years by making a request for renewal. Ministry may conduct surveillance audits of the registered assurance bodies within the three year term to satisfy on the performance of the registered assurance body.

Any changes to the personnel or other administrative matters related to assurance activities should be notified to the ministry at the time of renewal.

The Ministry will issue an authorization to conduct assurance activities valid for a period of three years

7.1.5. PROCESS OF ASSURANCE

The assurance process requires the body to conduct a complete verification of all relevant source documents and observe site situation in relation to the facts documented in the green report. This process should be implemented in a manner that is systematic, documented, evidence-based, and is characterized by defined procedures developed by the assurance body. The defined procedure should include how they assess whether the report provides a reasonable and balanced presentation of performance, taking into consideration the veracity of the data in the report.

The assurance body shall **document their process to ensure the impartiality** by utilizing personnel who are not having any form of business or personal relationship with the organization or its stakeholders to conduct the assurance activities.

When an organization makes a request from the assurance body requesting services for assurance of a green report the assurance body should obtain sufficient information on the requested service and if accepted, they shall enter into an agreement with the reporter organization.

The assurance body might conduct a document review followed by a detailed assessment at site.

The assurance body shall **conduct an opening meeting with key officials** of

the reporting organization, to explain the scope of the verification exercise for assurance, their verification plan and introduce their team members prior to starting the initial verification of the sustainability report.

The assurance body shall **study all the indicators selected by the reporter**, discuss with the reporting organization personnel basis for selection to satisfy themselves that the selection of indicators is reasonable and the organization is having adequate records and documents to justify the selection.

The assurance body shall **inspect all the source documents**, records and any other evidence related to the green report and any discrepancies between records and the report content should be brought to the attention of the reporter. The personnel from the reporting body shall conduct an inspection of all operations and activities covered in the green report to satisfy themselves that the facts reported are in accordance with the ground situation observed. The personnel from the assurance body shall communicate with a number of key stakeholders selected at random.

The team from the assurance body shall verbally convey all their findings and their conclusions to a group of responsible officials of the organization in a closing meeting. These findings and the conclusion shall be submitted to the reporting organization as written documents.

7.1.6. STATEMENT OF OPINION AND THE ASSURANCE REPORT ON THE GREEN REPORT

After the completion of assurance activities, the assurance body shall confirm their final conclusion to the reporting organization by issuing a statement and a report. The statement should be one page document in the form of a certificate to clearly indicate their conclusion while the report can be a detailed description of findings including proposed improvements for the future. The statement with the signatures and seal of the assurance body shall be a page of the final green report.

7.2. RECOGNITION OF GREEN REPORTS THROUGH INDEPENDENT EVALUATION

An organization's Sustainability Report is not merely a "report," of numbers and words and should not be prepared solely for public relations motives. Rather, it is a dynamic organizational learning process in which business and society are conceptualized as interdependent, so that both parties would benefit over the long term. The role of sustainability reporting has broadened with time; it is now being read by a diverse range of readers, such as organizations seeking to decide on potential partners, consumers wanting to choose which product or service to buy, students evaluating prospective employers, investors and financial analysts looking for information to make investment decisions, banks and insurance companies for assessing the risks for forming business relationships etc.

Green Reports will be submitted by the organizations registered under the National Green Reporting System of Sri Lanka at the National Green Reporting Unit, which is the Secretariat for Green Reporting. Evaluation and grading of the Reports will be carried out by this unit under the directions and guidance of the National Green Reporting Steering Committee. The members of the evaluation panel are expected to draw from a identified list of subject specific experts equipped with sufficient knowledge and understanding on Sustainability Reporting in order to carry out an objective evaluation of the reports submitted.

7.2.1. CRITERIA FOR EVALUATION OF SUSTAINABILITY REPORTS

A Sustainability Report submitted by an organization will be evaluated based on the following 7 criteria:

1. Does the Report communicate information effectively?
2. Are the key stakeholders' concerns and relevant issues identified properly?
3. Does the Report demonstrate the commitment of the top management and at every level of the organizational structure, their commitment towards sustainability?
4. Does the report describe the employee involvement and interaction with the community in the implementation of the Organization's Sustainable Development agenda?
5. Does the Report quantify the organization's performance in respect of the identified key stakeholders' concerns and issues, with acceptable data quality and accuracy, with trend analyses, targets and interpretation of performance results?
6. Does the Report provide sufficient information about stakeholder engagement, and does it cover the issues and concerns raised sufficiently, in order to provide a balanced and credible picture?
7. How presentable the report is to the readers and users?

More details of the above main criteria, further divided into sub criteria, are given under the section on Structure and Content of Evaluation.

This section explains the basic requirements that the evaluators will be looking for in a Sustainability Report. Understanding the Process of Evaluation will help the organizations who are preparing the Reports to submit reports that will be easy to evaluate and grade.

EFFECTIVE COMMUNICATION

Basic Principles of Reporting

- Report should provide information about reporting period, reporting scope, reporting, entity, related boundaries and target audiences.
- Report should also state reasons for omitting certain aspects of sustainability scope and specifies plans for more extensive coverage in the future.

Qualitative Reporting Characteristics

The information provided in the report should fulfill the qualitative characteristics of accounting and sustainability reporting. The disclosed information should be relevant, reliable, clear, comparable, time bound, and verifiable.

Report structure

- The report should have a clear structure, comprehensible logic in the sequences of the chapters, and the reader is guided through the complex matter in a way that facilitates reading and assists understanding.
- Understanding should be supported by rationale for the structure and flow/sequence chosen.

Readability

- The report should use language, charts, pictures and necessary explanations, as well as other useful tools that help the reader navigate through the document.
- The report should contain an executive summary and key indicators that allow readers to capture the most important message of the report.

IDENTIFICATION

Identification of key stakeholders and their concerns and challenges.

- The report should demonstrate that the reporting organizations have identified it's all stakeholders and select key stakeholders with their major concerns and challenges.
- Report should also provide evidence how the organization is addressing these concerns and challenges.

Identification of key relevant issues

The report should demonstrate and explain what the organization's relevant issues are and how they have identified them.

DEMONSTRATION OF COMMITMENT AND MANAGEMENT QUALITY

Formulate Top Management Commitment

The report should describe top management's involvement in release and implementation of the organization's principles, values and policies, e.g. through a CEO statement.

Responsibilities and Organizational Structures

The report should describe the organization's structures that are in place on various levels and the allocation of roles and responsibilities to deal with sustainability matters as well as individual responsibilities or duties allocated to individual managers and members of the governing body.

ADDRESSING THE SUSTAINABLE DEVELOPMENT AGENDA

Employee Involvement and Relationship

The report should describe how employees are included and encouraged to be actively involved in the organization's sustainability improvement programs and actions. Inclusion and active involvement of employees in sustainability programs demonstrate the organization's approach to sustainability.

Interaction with the Society

The report should describe the organization's contribution in terms of improvement programs for the local community and actions, measures on community related issues.

QUANTIFYING PERFORMANCE

Use of Metrics/Indicators

The report should include quantitative performance information on all issues or aspects which the organization has classified as being relevant or significant to its stakeholders and its business.

The use of metrics provides necessary information to stakeholders for timely and intelligent decision making.

Data quality and Accuracy

The quality of the data presented in the report should be characterized and accuracy and expected uncertainties are specified and assessed.

Reporting on data quality and accuracy, together with an analysis of uncertainties connected with the reported information add to the authenticity and reliability of the report.

Trends over Time

The report should include trends over time which improves the value of performance related information to users make sound judgment of organizational performance over the years.

Targets

The report should include annual or strategic targets and progress on achieving the set targets which improves the value of the performance information and demonstrate the usefulness of indicators for decision-making,

Interpretation and Benchmarks

The report should include discussion on the performance results achieved and compare them with national, regional or best achievements and benchmarks to interpret results and identify potential for improvements.

ACHIEVEMENT OF CREDIBILITY

Engagement with Stakeholders

The report should include information of the organization's engagement with stakeholders and outcome of such dialogue on issues that are environmentally and socially relevant to them and to the organization.

Engagement with stakeholders means interaction that allows the stakeholder an active role with the reporting organization.

Balance of Issues and Suitability

The report should demonstrate performance of the organization and its governance, environmental and societal issues and challenges which can make a major impact to its performance. The information should be provided on the progress in addressing these issues and challenges in a balanced way so that it is useful for the readers in sound decision making

The issues that are covered should be in balance with respect to its key stakeholders and key relevant issues of the organization and industry identified previously.

PRESENTATION

Inclusion of Supporting evidence

The report should include relevant summarized records and baselines used in developing indicators as supporting evidence. The evidence may be submitted as annexures.

Inclusion of pictorials, graphs, charts to substantiate the reported content

Wherever applicable presentation of pictorials, graphs, charts or any other forms of illustrations will make the report more readable and meaningful. It will also break the monotony of reading words and numbers in indicators and bring a variety

Attractiveness

The report should have an attractive appearance instead of a wordy monotony which appeal to the reader to delve into its contents. Using colours and designs and innovations to make the report will further enhance the motivation of the stakeholders to read the report.

SCORECARD FOR EVALUATION OF REPORTING BY ORGANIZATIONS

A score card can be an important tool in assessing how organizations report and what they state in their reports. The score card is used to evaluate the quality of reporting, and not the performance of the respective reporting organization. The score card provides an opportunity to learn about reporting practices and to improve effectiveness and quality. It will also help for benchmarking of reports over time. A template that can be used as score card is given in table. A score card has to be prepared for each criterion used for evaluation of the report for each entity reporting under NGRS.

There are 20 criteria for the evaluation of the Green Report. The performance level will be measured from poor to excellent for each criteria and marks allocated accordingly as shown under performance level.

Performance level	
Poor	1
Some	2
Average	3
Good	4
Excellent	5

7.2.2. EVALUATION MATRIX

	Entity Name/Number	
	Tier	
	Performance Level	Mark (100)
1 Effective Communication		
1.1 Basic Principles of Reporting		
1.2 Qualitative Reporting Characteristics		
1.3 Report Structure		
1.4 Readability		
2 Identification		
2.1 Identification of key stakeholders and their concerns and challenges		
2.2 Identification of key relevant issues		
3 Demonstration of Commitment and Management Quality		
3.1 Formulate of Top Management Commitment		
3.2 Responsibilities and Organizational Structures		
4 Addressing the Sustainable Development Agenda		
4.1 Employment Involvement and Relationship		
4.2 Interaction with the Community		
5 Quantifying Formation		
5.1 Use of Metrics/Indicators		
5.2 Data Quality and Accuracy		
5.3 Trends over Time		
5.4 Targets		
5.5 Interpretation and Benchmarks		
6 Achievement of Credibility		
6.1 Engagement with Stakeholders		
6.2 Balance of Issues and Suitability		
7 Presentation		
7.1 Inclusion of Supporting evidence		
7.2 Inclusion of pictorials, graphs, charts to substantiate the reported content		
7.3 Attractiveness		
Total		



GLOSSARY

Anti-competitive behavior

Anti-competitive behavior refers to actions by businesses that restrict or distort competition, potentially harming consumers and the market by leading to higher prices, lower quality, and reduced innovation. Anti-competitive behavior is reflected by actions like price fixing, rigging of bids, creating output restrictions, allocation of markets, customers, areas and product lines among the selected parties.

Base year

A year selected by an organization to compare their performance of the future years. It is a historical datum against which a measurement is tracked over time

Baseline

Current level of performance which is considered the starting point for comparison of future performances. Baseline can be defined for any material topic and annual performance compared against the with all other factors remaining constant.

Basic salary

Fixed, minimum amount paid to an employee for performing his or her duties on a monthly or daily basis, excluding any additional remuneration, such as allowances, overtime, incentives or bonuses

Biogenic carbon dioxide (CO₂) emission

Emission of CO₂ from the combustion or biodegradation of biomass

Carbon dioxide (CO₂) equivalent

Measure used to compare the emissions from various types of greenhouse gases (GHG) based on their global warming potential (GWP)

Child labour

Employment of children below the permitted legal age in an organization.

Collective bargaining

Collective bargaining is the process in which working people, through their unions, negotiate contracts with their employers to determine their terms of employment, including pay, benefits, hours, leave, job health and safety policies, ways to balance work and family, and more.

Community development program

Plan that details actions to minimize, mitigate, or compensate for adverse social and/or economic impacts, and/or to identify opportunities or actions to enhance positive impacts of a project on the community

Confirmed incident of corruption

Incident of corruption that has been found to be substantiated.

Note: Confirmed incidents of corruption do not include incidents of corruption that are still under investigation in the reporting period.

Conflict of interest

Situation where an individual is confronted with choosing between the requirements of his or her function and his or her own private interests. This can include bias towards personally preferences towards selected employees, other organizations or external parties.

Corruption

Corruption is a form of dishonesty or a criminal offense that is undertaken by a person or an organization that is entrusted in a position of authority. Corruption includes practices like bribery, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the enterprise's business.

Discrimination

Treating a person or a particular group of persons differently by imposing unequal burdens or denying benefits instead of treating each person fairly on the basis of individual merit. Discrimination can be shown as harassment, harsh and unwelcome comments or actions, depriving facilities or benefits to the person or group of persons towards whom they are addressed.

Effluent

Treated or untreated wastewater or other liquids that is discharged from an operation in an organization.

Employee

Any individual who is in engaged by an organization, through a legal contract or an agreement according to applicable national law for performing activities within the organization.

Employee category

Breakdown of employees by level of their responsibilities within the organization (such as senior management, middle management) and function (such as technical, administrative, production) according to the established organizational structure. The designations for the levels can be different from organization to organization.

Employee turnover

Employees who leave the services of an organization voluntarily or due to termination. Voluntary leaving includes retirement, resignation or death in service.

Employment type

Full-time: A 'full-time employee' is an employee whose working hours per week, month, or year are defined according to national legislation and practice regarding working time.

Part-time: A 'part-time employee' is an employee whose working hours per week, month, or year are less than 'full-time' as defined above but determined by the organization on mutual agreement with the persons.

Environmental protection expenditure

Expenditure incurred by an organization on environmental protection to prevent, reduce, control, and document environmental aspects, impacts, and hazards. Environmental protection expenditures also include expenditures on cost of prevention, treatment of wastes & emissions, disposal, sanitation, clean-up as well as obtaining licenses and certification, testing, training, research & development and any other costs incurred to maintain or improve the status of environment.

Environmental stewardship

Refers to the responsible use and protection of the natural environment through conservation and sustainable practices, aiming to enhance ecosystem resilience and human well-being. It is a philosophy and a set of actions focused on protecting, restoring, and sustainably using natural resources for the benefit of both the environment and society.

Exposure

Time spent at a particular environmental condition or the quantity of pollutants contacted with certain environments that can affect the health or cause injury or that can contribute to a change in normal life pattern. Examples include contact with chemicals, open to radiation, high pressure, noise, fire, explosives or natural environmental hazards arising from global warming).

Financial assistance

Direct or indirect financial benefits received from an external source such as Government, donor agency or any other party, that do not represent a transaction of goods and services, but which are an incentive or compensation for actions taken, the cost of an asset, or expenses incurred by the organization in conducting their operations.

Freedom of association

A right that allows individuals, groups or organizations to voluntarily join or leave groups and for groups to organize and act collectively to pursue their interests and express, promote, pursue and/or defend common interests.

Gender equality

Equal access to resources and opportunities for all, regardless of gender, including economic participation and leadership. This includes individuals should have the same opportunities, rights, and responsibilities regardless of gender and also non-discrimination based on gender.

Global warming potential (GWP)

This represents a special characteristic of a particular gas describing the radiative forcing impact of one unit of the given gas relative to one unit of CO₂ over a given period of time. The standard practice is to consider the 100-year period and to assess the value in comparison to CO₂. This value explains how many units of CO₂ is required to have the same radiative force impact within the given time period. The GWP values convert GHG emissions data for non-CO₂ gases into units of CO₂ equivalent.

Governance body

The top-level decision-making body of an organization which is usually referred to as a board of directors in commercial and industrial entities. In others this may

be referred to as Governing Council, Board of Trustees, Executive Committee or similar names. They are responsible for the strategic guidance of the organization, the effective monitoring of management, and the accountability of management to the broader organization and its stakeholders.

Green procurement

Green procurement is a process where organizations (public or private) meet their needs for goods, services, works, and utilities in a way that achieves value for money on a life-cycle basis, while minimizing environmental impacts. When social impacts also are considered in the procurement process it is termed as sustainable procurement.

Greenhouse gas (GHG)

Any gas that contributes to the greenhouse effect by absorbing infrared radiation. These gases absorb the heat waves emitted from the earth surface or any other surfaces and contribute to global warming and to climate change.

Grievance mechanism

A system consisting of effective procedures, roles and rules for receiving complaints and providing appropriate solutions and remedies to any issues arising from the circumstances, work context or content of a person or a group of persons or from a community.

Groundwater

Groundwater is the water present beneath Earth's surface in rock and soil pore spaces and in the fractures of rock formations or any an underground formation. Ground water also includes soil moisture and permafrost. This water can be recovered easily for consumption.

Hazards

A hazard is a potential source of harm. Substances, events, or circumstances can constitute hazards when their nature would potentially allow them to cause damage to health, life, property, or any other interest of value.

Infrastructure

Infrastructure is defined as the basic physical systems of a business, region, or nation and often involves the production of public goods or production processes. Examples of infrastructure include transportation systems, communication networks, sewage, water, and school systems.

Life cycle

Life cycle is the entire life of a product, process or a service from the extraction of raw material, premanufacturing, manufacturing, distribution, consumption and final disposal.

Management approach disclosure

A narrative description about how an organization plans, implement, monitor and improve on any particular aspect of the business which can make a significant contribution or an impact to decision making with regard to its governance, environmental and social performance.

Materiality

Materiality is about determining which factors are most critical to a company's success, resilience, and value creation, both internally and externally. It refers to the process of identifying and prioritizing the most significant environmental, social, and governance (ESG) issues that are relevant to a company's business and its stakeholders, impacting their long-term value and decisions.

Monopoly practice

A monopoly is a market structure with a single seller or producer or a few in collusion that assumes a dominant position in an industry or a sector. Monopoly practice trifles competition, limits consumer substitutes, and thus, limit consumer choice.

Non-renewable energy source

An energy source that cannot be replenished, reproduced, grown or generated in a short time period through ecological cycles or agricultural processes. This mainly refers to petroleum sources used for energy generation.

Occupational health and safety management system

A comprehensive set of processes, procedures, action plans and documentation to establish an occupational health and safety policy and objectives, and to achieve those objectives to minimize the incidents, injuries, ill health to employees and any other personnel associated with an organization.

Ozone Depleting Substances

Any gas when released to the atmosphere can move up to the ozone layer in the stratosphere and react with the ozone molecules and destroy the ozone layer. The main category is called chloro-fluoro-carbon (CFC) used in air conditioning and refrigeration. There are other gases also in this category which are mainly consist of halogen molecules.

Parental leave

Official Leave granted to men and women employees on the grounds of the birth of a child in the family.

Protected area

Geographic area that is designated, regulated, or managed to achieve specific conservation objectives.

Reclaimed

Reclaimed materials are materials that have been salvaged from old buildings, structures, post consumer products or other sources and are repurposed for new uses without being broken down or processed into a different form. Reclaimed materials are reused in their original form, without reprocessing, for a new purpose.

Recycled input material

Material previously used but treated to a higher quality suitable for use in manufacturing processes which are obtained from internal operations or purchased from an external source to replace virgin raw material fully or partially.

Remuneration

The total package paid to an employee or a worker engaged by an organization which includes basic salary plus additional amounts including bonuses including cash and equity such as stocks and shares, benefit payments, overtime, and any additional allowances, such as transportation, living and childcare allowances.

Renewable energy source

Energy sources that are regenerative or capable of being replenished in a short time through ecological cycles or agricultural processes. The sources include geothermal, wind, solar, hydro, and biomass, biogas, ocean wave energy.

Renewable material

Material that is derived from natural sources that can be quickly replenished by ecological cycles or agricultural processes, so that the services provided by these and other linked resources are not depleted or endangered and remain available for the future generations.

Reporting period

The time span covered by an organization in providing information in a report.

Reporting principle

Concept that describes the outcomes a report is expected to achieve, and that guides decisions made throughout the reporting process around report content or quality.

Risk

Risk is the chance or probability of an outcome having a negative effect on people, systems, or assets. It involves uncertainty about the effects or implications of an activity, often focusing on negative, undesirable consequences including financial losses, injury, harm to health, damage to property, or harm to the environment.

Risk assessment

Risk assessment is a systematic process that identifies, analyzes, and evaluates potential hazards and risks, aiming to determine the likelihood and impact of those risks, and to develop strategies for mitigation or elimination.

Runoff

Part of excess rainwater that flows towards a water body along the ground surface (i.e., surface runoff) or within the soil (i.e., subsurface flow) without being used or absorbed by fauna and flora or by the soil.

Scope of GHG emissions

Scope signifies the operational boundaries where GHG emissions occurring in an organization, whether GHG emissions are created within an organization itself, or are created by external organizations but consumed within the organizational boundary, or emitted by others on services offered to the organization (example electricity suppliers or logistics companies). The emissions are divided into 3 scopes, Scope 1, Scope 2 and Scope 3.

Significant operational change

Changes to the pattern of organization's operations that can potentially have significant positive or negative impacts on workers performing the organization's activities. Some examples are outsourcing of operations, changing to shift based operations from day operations, closures, sale of all or part of the organization, or mergers.

Significant spill

A spill that is financially significant so that it is included in the organization's annual financial statements or environmentally significant so that it makes a harmful impact to the human health or aquatic life.

Spill

Accidental release of a hazardous substance to a water body that may affect human health, soil, vegetation, water bodies, ground water or aquatic life.

Stakeholder

An entity or individual that can be influenced by the reporting organization's activities, products and services, or whose actions can influence the ability of the organization to successfully implement its strategies and achieve its objectives. The stakeholders can be grouped as very influential, moderately influential or with a minor influence and the organization should identify these groups appropriately.

Supplier

Another business organization or person who has a commercial interest with an organization and provides materials, components, products or services for an organization on a regular basis at predetermined terms and conditions.

Supplier screening

A formal process for evaluating a party's eligibility to be considered as suitable supplier for the organization, that applies a set of performance criteria as one of the factors in determining whether to include the party for maintaining future relationship. The set of criteria may include the party's past historical record, financial status, business integrity, environmental responsibilities and social involvements and commitments to sustainability.

Supply chain

A number of parties or a sequence of activities that provides materials, components, products or services to an organization which can include main suppliers, contractors, outsourced organizations, etc.

Surface water

Water that is available naturally on the Earth's surface such as water bodies, ponds, lakes, rivers, and streams.

Sustainability

Sustainability can be defined as a long-term vision to enhance the capacity to maintain or improve the state and availability of desirable materials or conditions over the long term.

Sustainable development

Development that meets the needs of the present without compromising the ability of future generations to meet their own needs (Brundtland commission report). Sustainable development encompasses three dimensions: economic, environmental and social. Sustainable Development is considered to be the path to achieve sustainability.

Value chain

A value chain is a series of consecutive steps that go into the creation of a finished product, from its initial design to its arrival at a customer's door. An organization's value chain encompasses the activities that convert input into output by adding value.

Vulnerable group

A group of persons with some specific physical, social, political, or economic condition or characteristic that places the group at a higher risk of suffering a burden, or at a risk of suffering a disproportionate burden of the social, economic or environmental impacts of the organization's operations. Vulnerable groups can include children and youth, the elderly, people with disabilities, the internally displaced, refugees or returning refugees, , indigenous people, and ethnic minorities.

Waste disposal method

Techniques or methods by which waste is treated or disposed of from the organization which may include one or a few of the following approaches.

Composting, reuse, recycling, recovery, incineration, landfill, deep well injection, on-site storage, handing over to a authorized third party such as local authorities or licensed collectors.

Water stewardship

Use of water in a manner that is socially equitable, environmentally sustainable, and economically beneficial which can be achieved through a stakeholder-inclusive process that involves facility- and catchment-based actions. Good water stewardship means users understand their own water use; catchment context; and shared risk in terms of water governance, water balance, and water quality; and engage in meaningful individual and collective actions that benefit people and nature.

Water withdrawal

Sum of all water drawn from surface water, groundwater, seawater, or from a third party or rainwater collected for any use over the course of the reporting period

Work-related injury or ill health

Facing a physical harm to the body or an organ of the body or causing negative impacts on health while working or thereafter arising from exposure to hazards at work.



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