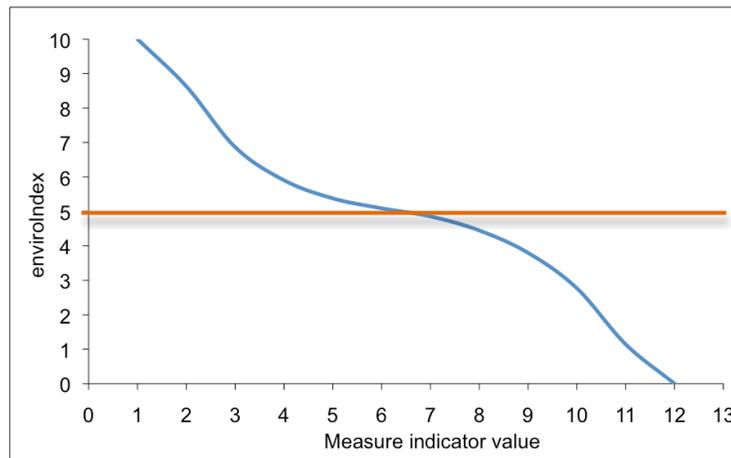


How an enviroIndex™ Rating is assessed

The relationship between the level of performance and the enviroIndex™ Rating for a Measure or a component of an Inventory is non-linear, as demonstrated in the figure below. The index assumes that an enviroIndex™ Rating of 5 is an industry standard performance, and that any changes around that level are relatively easy to achieve, and hence the rating does not change significantly.

However, the rating curve is responsive to the fact that above around a rating of 6, better and better performance is harder and harder to achieve. This is recognized with an increase in the rate that the enviroIndex™ value improves as you approach outstanding levels of performance. Equally, the opposite applies as performance deteriorates below that of a rating of around 4.



An enviroIndex™ of an Indicator Inventory uses weighting factors that take into account relative impacts. As shown below, an Inventory is made up of five components, each of which can be given an individual enviroIndex™ Rating (e.g., 6.08 for Item 2 in the example below). In order to calculate the overall enviroIndex™ Rating for the entire inventory (6.44 in the example below), a weighting factor for each item is taken into account (essentially, the weighting factor ranks the impact significance of each item).

Inventory	Item enviroIndex™	Weighting factor	Inventory enviroIndex™
Item 1	8.06	1.00	$(8.06 \times 1.00)/4.50 = 1.79$
Item 2	6.08	0.75	$(6.08 \times 0.75)/4.50 = 1.01$
Item 3	5.31	1.00	$(5.31 \times 1.00)/4.50 = 1.18$
Item 4	8.06	0.75	$(8.06 \times 0.75)/4.50 = 1.34$
Item 5	5.00	1.00	$(5.00 \times 1.00)/4.50 = 1.11$
Totals:		4.50	6.44

The overall enviroIndex™ of the entire business or operation is a weighted combination of all the individual Measures and Inventories ratings. If an individual Measure or Inventory is benchmarked below the acceptable (standard) level of 5, it has a negative impact on the overall enviroIndex, the level of which increases the further below the standard level it is.

Finally, a zero rating in any Measure or Inventory can also result in an overall enviroIndex™ of zero.