

GREEN TIER ADVISORS
ISSUE PAPER: Performance Indicators
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ISSUE SUMMARY: The effectiveness of the Green Tier Program will be measured against a variety of benchmarks. Discussion will focus on:

- Reviewing the generic suite of indicators as one of the tools for evaluating the program and the results of the program.
- Determining which indicators the Advisors see as most valuable.
- Assessing the approach for selecting parameters of social indicators.
- Determining whether reporting should be required for selected indicators.

This discussion is an important step before soliciting feedback on performance indicators from outside the agency from legislative agencies and others.

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BACKGROUND: A suite of generic indicators has been developed and included in each Green Tier Agreement, Contract or Charter issued. (See attached.) This generic suite is in addition to participant or site-specific indicators developed to assess the performance of their Environmental Management System.

In early Fall 2006, each Green Tier participant was asked about the generic suite of indicators. Based on the information collected, it appears that good environmental data will be available from each participant, but there is no consensus that the social indicators proposed in the generic suite are needed, nor appropriate.

In order to assess the program's effectiveness beyond just the environmental footprint of Green Tier and the program's advocacy of an environmental ethic of continuous improvement within the larger context of sustainability, performance indicators that pertain to general community satisfaction or social responsibility have also been discussed. Social responsibility includes aspects such as transparency, greater public participation, relationships and trust. It can also include and evaluate an organization's commitment to compliance with national laws pertaining to working conditions, e.g. OSHA and US Department of Labor laws that have been included in Social Accountability 8000 standard.

The department has recently completed an initial survey of participants in Green Tier to assess general reaction/assessment of the program's value and to assess the department's progress on some of the elements contained in 1(m) of the statutes. Survey responses were solicited from the first 12 Green Tier participants. Of the 12, ten responded; all responses are anonymous. Survey results will be available in January 2007.

In January 2007 the department is hosting a full day working session for all participants in Green Tier and the Environmental Cooperation Pilot Program. Topics will include a discussion of Performance metrics, annual reporting, and discussions about innovative efforts to use the regulatory system to accomplish superior environmental performance. There will also be a focus group held to discuss participants' perceptions on the business value of participating in these two programs.

ALTERNATIVES: The Advisors have discussed four groups of performance indicators: Environmental, Economic including business value, Social in terms of New Governance, and the more conventional broader Social. The methodology for collecting information for each of these groups of indicators varies; some such as business value as well as some of the information about New Governance needs to be collected via focus groups.

- For the Environmental Indicators, use the generic suite of indicators as a voluntary supplement to the required reporting of participant or site-specific performance commitments.
- For the Environmental Indicators, use the generic suite of indicators as a requirement in addition to the required reporting of participant or site-specific performance commitments.
- For the Economic Indicators, use the generic suite of indicators, or develop a different list based on feedback from participants and externals.
- For the broad Social Indicators, use the generic suite on a voluntary basis, or draft a different list for evaluating social aspects that uses concepts embodied in Social Accountability 8000 standards.

DISCUSSION: Eight Areas of Emphasis have been developed that are key environmental priorities. These areas of emphasis will form the basis for overall measurement through the use of broad indicators that can be aggregated across Green Tier contracts and charters (e.g. total water consumption, total solid waste produced, total energy used, etc.). Participant specific measurement will also key on the areas of emphasis with anecdotal information in broad categories (e.g. water quality/quantity, hazardous waste, greenhouse gases, etc.) that contain progress on the specific commitments made by Green Tier companies and organizations. The areas of emphasis combined with the emerging generic, commitment-specific and social metrics can provide a “where are we going” and “how are we doing” path for Green Tier.

Specific indicators/metrics associated with participants' environmental management systems will be identified and used to help participants and the DNR document the success of the program.

The law requires participants submit an annual report on progress toward meeting the objectives contained in their EMS. The law also requires the department to submit a

progress report on the program to the legislature. Information on performance will be collected directly from participants' reports as well as from surveys and focus groups.

DISCUSSION SYNOPSIS (from prior meetings): In July the Advisors agreed that the need is to look at the full range of indicators in the context of the following goals:

- Demonstrate wherever possible that Green Tier is protecting human health.
- Encourage metrics of Green Tier participants that effectively demonstrate cumulative acts that go beyond the regulated and also address non regulated environmental risks.
- Capture information that provides indicators of financial success, as well as any cost savings in meeting regulatory requirements.
- Start to measure brands (company as well as Green Tier) rising in the public awareness especially when the brand gives a message to someone who doesn't know them (e.g. expanding into another community).
- Hit the key business areas – permitting, business development/expansion/growth, conditional approvals, contracting, and if it has reduced the amount of litigation.
- Ask but don't demand information and ask a manageable number of questions in areas where we have a chance of getting more universally available information.
- Use the metrics as an entry point to a more open and perhaps even subjective dialogue that explores permitting.
- Draw social questions from the existing models (e.g. Innovest).
- Draw some of the reporting from the community itself.