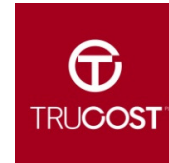


# Parent Company Engagement – Evaluation Methodology



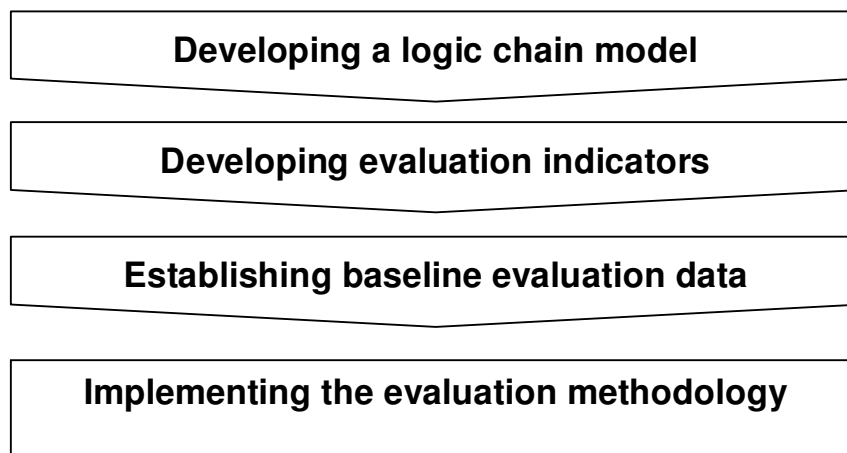
Project Reference	LIFE10 ENV/UK/000175 CLEAR Info
Action number	3.4
Description	Parent Company Engagement – Evaluation Methodology
Version	Final
Contents	<p>Report on the Transferable evaluation methodology.</p> <p>Annex 1: Logic Chain Model, completed for parent company engagement.</p> <p>Annex 2 : Evaluation methodology</p> <p>Annex 3: Baseline Information Questionnaire</p> <p>Annex 4: Link between dashboard data and EU legislation</p>
Written By	Emily Stone
Project Manager Sign-off & Date	Suzanne Laidlaw
Project Executive Sign off & Date	Gillian Pratt

# Parent Company Engagement

## Evaluation methodology

The CLEAR Info project developed an approach to evaluate the outcomes of Parent Company engagement trials. We believe the materials developed may be a valuable resource for other European regulators who are considering introduction company level engagement as a regulatory tool.

This document explains the four-stage approach taken by the CLEAR Info project team:



It also provides a number of materials which a regulator could use as a foundation for building their own evaluation methodology:

- An example logic chain model (Annex 1) and evaluation indicators (Annex 2)
- A baseline company information questionnaire to capture the Regulator's perception of the company (Annex 3)

By using this evaluation methodology a regulator can clearly see the value achieved through company engagement, and can revisit and measure the qualitative and quantitative impact resulting from company engagement year on year.

## Stage 1 and 2: developing a logic chain model and evaluation indicators

The first step is to create a logic chain model for the engagement with companies. This is a best practice approach given by the UK government in “The Magenta Book - Guidance for Evaluation”<sup>1</sup>.

The activities and their effects are identified and recorded in the model. This is broken down into inputs; interventions; outputs; expected outcomes and desired impacts of the intervention. The Logic Chain Model produced for the CLEAR info Company Engagement trials is shown in Annex 1. It describes the theory of how the company engagement could deliver environmental and regulatory improvements.

The evaluation indicators were then developed further, expanding the simple logic chain model by identifying the objectives at each of the following levels of detail:

- Operational Objectives (what activities to we aim to complete)
- Specific Objectives (what will be the direct results of these activities)
- Intermediate Objectives (what larger objectives the results contribute to)
- Global Objectives (what are the overarching objectives of our activities)

This is shown in Annex 2: Evaluation Methodology.

Once the objectives have been mapped in the expanded logic chain model, it is possible to identify suitable indicators that can be used to evaluate the company engagement at each level of detail.

There are two main types of indicator that can be used:

- quantitative analysis of changes in the data submitted by the Company
- qualitative feedback gathered using feedback forms and verbal feedback.

At the operational and specific levels of the model, there can be a stronger level of attribution between the actions taken and the impacts measured. At intermediate and global levels there are likely to be other external factors impacting any measured improvement against objectives. External factors can also be identified and recorded in the model, to highlight the lower level of attribution between the company engagement and changes measured.

---

<sup>1</sup> 2011 HMRC The Magenta Book - Guidance for Evaluation.

## **Stage 3: establishing baseline evaluation data**

In order to measure the impact of Parent Company engagement, a baseline for the Company's environmental performance was established before conducting the trials. This involved gathering:

- Qualitative data –Environment Agency specialist staff were asked to rate the company on attitude and maturity of their environmental management. The template questionnaire used is provided in Annex 3.
- Quantitative data - the project had developed a Company Data Report for the companies' environmental performance in 2012. This report contained information such as emissions data, risk appraisal of the company, and breaches of permit conditions. The link between this data and the EU legislation is shown in Annex 4.

Annex 4 shows the link between the data used in the Company Data Report and EU legislation. This demonstrated the link between using data as a measure of improvement, and the stated CLEAR Info objective to “improve implementation of EU legislation”.

## **Stage 4: implementing the evaluation methodology**

When the company engagement is held, companies should agree an Environmental Improvement Strategy with the regulator. The improvements should be targeted to tackle issues raised by the Company Data Report. For each improvement action agreed in the strategy, the appropriate data set should be identified to measure the impact of the improvements. Example data sets are given in the Intermediate Impact Indicators in evaluation methodology (Annex 2).

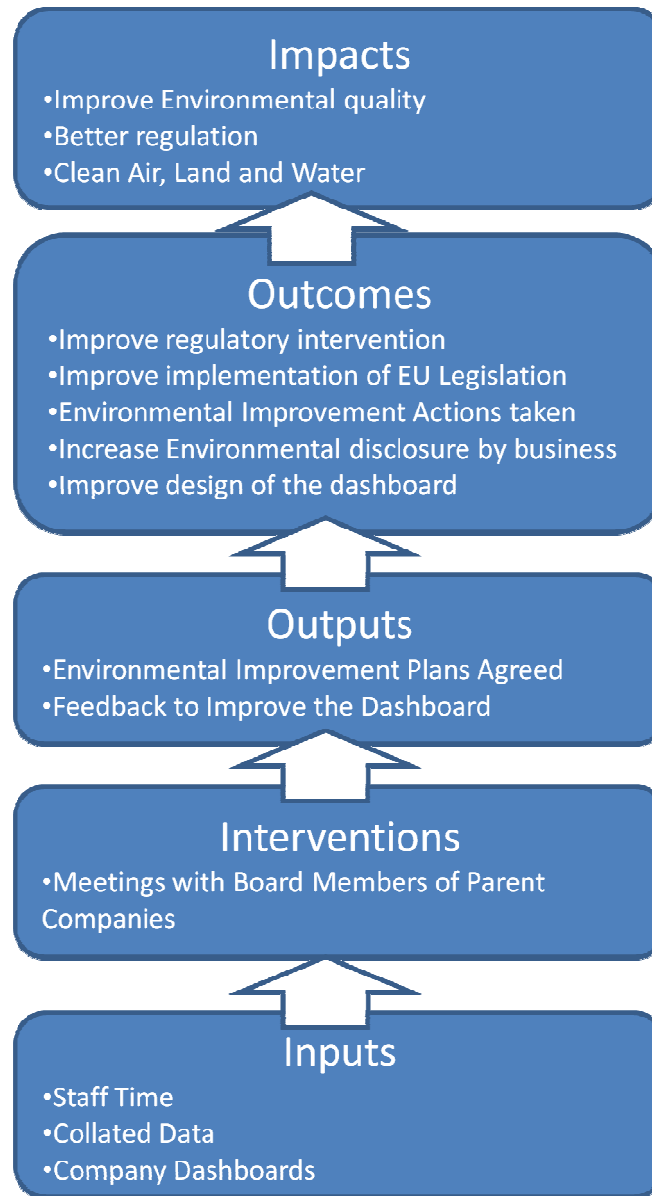
This strategy and indicators should be tailored to each company. The indicators can include both qualitative information and quantitative improvements found in the relevant data.

The indicators are monitored over time, and compared to the baseline data. After a year of engagement we would expect to see tangible improvements in selected indicators.

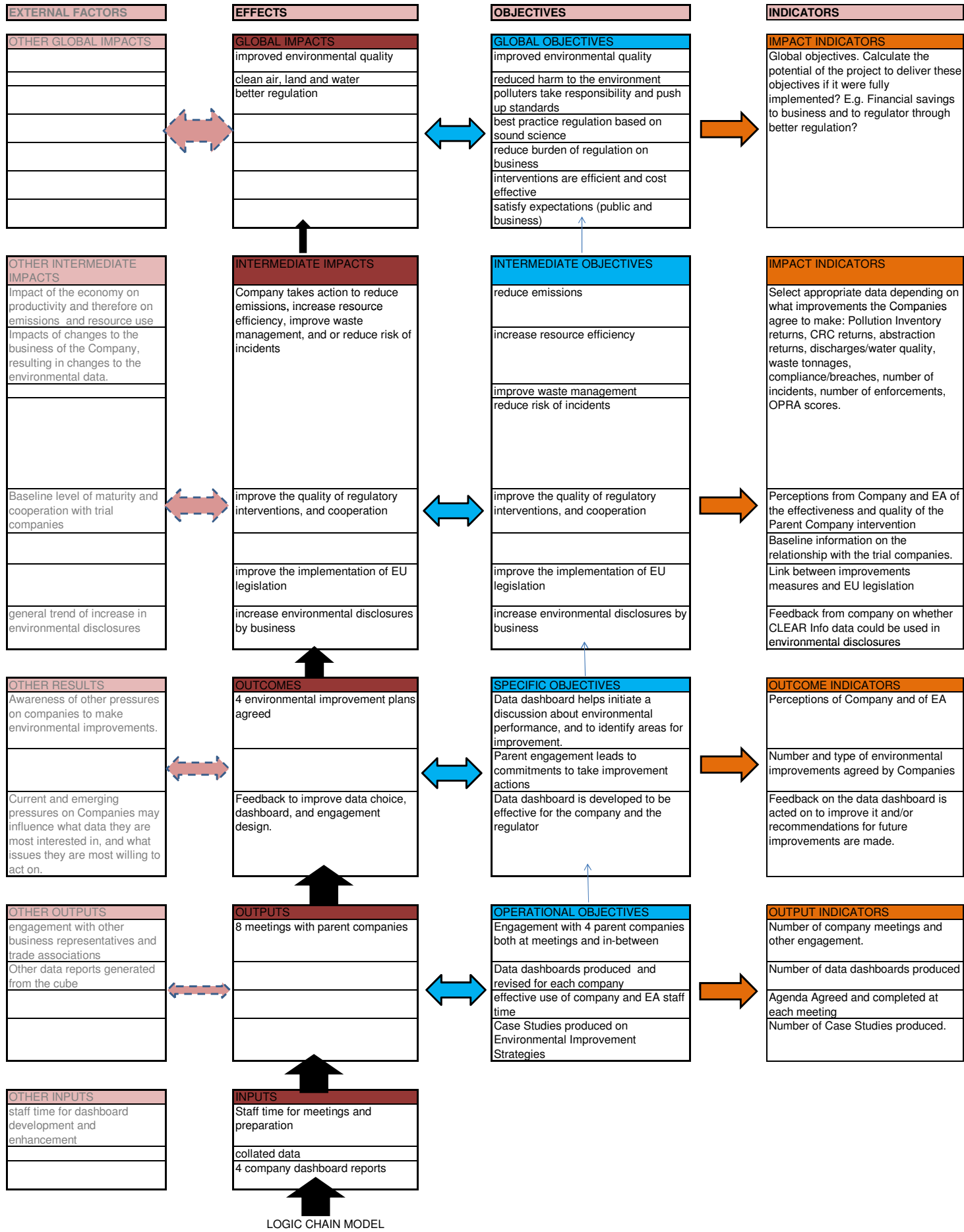
The attitude and maturity of the company can also be re-assessed after a year, to measure any improvement perceived by the Environment Agency staff.

## Annex 1

### Logic chain model completed for parent company engagement



Annex 2: Parent Company Engagement: Monitoring Indicators



EXTERNAL FACTORS

EFFECTS
<b>GLOBAL IMPACTS</b>
improved environmental quality
clean air, land and water
better regulation

OBJECTIVES
<b>GLOBAL OBJECTIVES</b>
improved environmental quality
reduced harm to the environment
polluters take responsibility and push up standards
best practice regulation based on sound science
reduce burden of regulation on business
interventions are efficient and cost effective
satisfy expectations (public and business)

INDICATORS
<b>IMPACT INDICATORS</b>
Global objectives. Calculate the potential of the project to deliver these objectives if it were fully implemented? E.g. Financial savings to business and to regulator through better regulation?

OTHER INTERMEDIATE IMPACTS
Impact of the economy on productivity and therefore on emissions and resource use
Impacts of changes to the business of the Company, resulting in changes to the environmental data.
Baseline level of maturity and cooperation with trial companies
general trend of increase in environmental disclosures

INTERMEDIATE IMPACTS
Company takes action to reduce emissions, increase resource efficiency, improve waste management, and or reduce risk of incidents
improve the quality of regulatory interventions, and cooperation
improve the implementation of EU legislation
increase environmental disclosures by business

INTERMEDIATE OBJECTIVES
reduce emissions
increase resource efficiency
improve waste management
reduce risk of incidents
improve the quality of regulatory interventions, and cooperation
improve the implementation of EU legislation
increase environmental disclosures by business

IMPACT INDICATORS
Select appropriate data depending on what improvements the Companies agree to make: Pollution Inventory returns, CRC returns, abstraction returns, discharges/water quality, waste tonnages, compliance/breaches, number of incidents, number of enforcements, OPRA scores.
Perceptions from Company and EA of the effectiveness and quality of the Parent Company intervention
Baseline information on the relationship with the trial companies.
Link between improvements measures and EU legislation
Feedback from company on whether CLEAR Info data could be used in environmental disclosures

OTHER RESULTS
Awareness of other pressures on companies to make environmental improvements.
Current and emerging pressures on Companies may influence what data they are most interested in, and what issues they are most willing to act on.

OUTCOMES
4 environmental improvement plans agreed
Feedback to improve data choice, dashboard, and engagement design.

SPECIFIC OBJECTIVES
Data dashboard helps initiate a discussion about environmental performance, and to identify areas for improvement.
Parent engagement leads to commitments to take improvement actions
Data dashboard is developed to be effective for the company and the regulator

OUTCOME INDICATORS
Perceptions of Company and of EA
Number and type of environmental improvements agreed by Companies
Feedback on the data dashboard is acted on to improve it and/or recommendations for future improvements are made.

OTHER OUTPUTS
engagement with other business representatives and trade associations
Other data reports generated from the cube

OUTPUTS
8 meetings with parent companies

OPERATIONAL OBJECTIVES
Engagement with 4 parent companies both at meetings and in-between
Data dashboards produced and revised for each company
effective use of company and EA staff time
Case Studies produced on Environmental Improvement Strategies

OUTPUT INDICATORS
Number of company meetings and other engagement.
Number of data dashboards produced
Agenda Agreed and completed at each meeting
Number of Case Studies produced.

OTHER INPUTS
staff time for dashboard development and enhancement

INPUTS
Staff time for meetings and preparation
collated data
4 company dashboard reports

LOGIC CHAIN MODEL

## Annex 3

### Baseline Information Questionnaire

Company name:		
Q1: What type of engagement do the EA have with the Company? Do we have an established Account Management relationship with the Company? What other forums do we engage with them in?		
A:		
Q2: Which of the following options best describes the attitude of the Company?		
	Champion	Innovates and leads on environment because it is the right thing to do. Proactively manages across company and leads within sector.
	Competent	Manages environmental impacts to maintain compliance. May be influenced by external drivers to do so e.g. via supply chain.
	Chancer	Environment is not high on agenda and only manages environmental impact that are seen as high risk to company. Variable performance and will do just enough to remain legal. May be moving towards being competent, or being criminal.
	Criminal	No intention of being environmentally competent or compliant. Will see environment as an opportunity to make money.
Q3: Which of the following options best describes the maturity of environmental management in the Company?		
	Sustainable Management and Practice	Probably takes lifecycle approach across products and services. Will often have independently assured management system that covers company and all sites. Board and directors lead on environment and sustainability.
	Competent Management and normally compliant	Likely to have a formal management system and a senior management lead. May have started to look at sustainability. May have company-wide management system, but will tend to manage on a site by site basis.
	Working towards competence and compliance	May have just implemented an Environmental Management System. Likely to be piecemeal approach and variable performance across sites. Probably focuses on high risk sites and activities and leaves others to chance.
	Not competent and frequently non-compliant across company and sites	Little or no effective management of environmental compliance. Unlikely to be aware or understand impacts on environment. Little or no interest in environment other than to make money through illegal practices.
Are any Enforcement Actions currently being taken against this company? If so please provide some detail sufficient to brief the team meeting the Company.		
A:		

## Annex 4

### Link between dashboard data and EU legislation

Data Type	Regime	Description	EU Directive
<b>Breaches</b>	Installation/ Waste Ops	EA record of any breaches of permit compliance, and categorised by severity and cause.	Industrial Emissions Directive (2010/75/EU)
<b>OPRA Scores</b>	Installation/ Waste Ops	Operational Risk Appraisal. EA gives a score of A-F to all sites for risk rating. This is based on a range of criteria including their number of breaches.	Industrial Emissions Directive (2010/75/EU)
<b>Pollution Inventory</b>	Installations/Waste Ops	Emission of prescribed substance releases to Land, Air & Water over a specific threshold. Emissions from Mines & Quarries over 25 Hectares in size	Industrial Emissions Directive (2010/75/EU)
<b>Permitted Site Waste Return</b>	Installations/Waste Ops	Tonnages of waste received and removed from site.	Waste Framework Directive (2006/12/EC)
<b>Water Abstraction licence returns</b>	Water Resources	Record of quantities of water abstracted. Submitted once a year. Not usually required if the authorised volume is less than 100m <sup>3</sup> /day.	Water Framework Directive (2000/60/EC)