Environmental & Social Management System (ESMS)

A framework for environmental & social risk management

Ambuya John | EARF Helpdesk | August 2022

Poll – What's your business practice

1. Mini-grids installer
2. Retailer/Distributor of off grid solar systems – Small
3. Retailer/Distributor of off grid solar systems – Medium
4. Assembler of Solar Systems – Small
5. Assembler of Solar Systems – Medium Enterprises
6. All the above

EARF ESMS Requirements

Mini-Grids

- **E&S policy articulating companies' intent to identify, assess and management E&S impacts created by its operations**
- **Organizational capacity: E&S roles and responsibilities**
- Land acquisition process/process for identification of key social issues associated with land such as impacts on IPs, biodiversity impacts.
- **Procedures for assessment and monitoring of E&S impacts**
  - **Categorization of projects**
  - **Undertaking an initial Environmental and Social Impact Assessment (ESIA),**
  - **Developing and implementing E&S Management Plans (ESMPs), and**
  - **Monitoring ongoing compliance and implementation of ESMPs**

EARF ESMS Requirements

Mini-Grids

- **Information disclosure and stakeholder engagement plan**
- E-waste management plan
- OHS plan for construction and operations phase
- Grievance mechanism
- **Monitoring and reporting procedures**
- HR policies must reflect commitments to the Human Resources/Human Rights Principles
- Commitment to Consumer Protection Principles set out by GOGLA, SMART Campaign, or other industry association

EARF ESMS Requirements

Retailers/Distributors of off grid solar systems – Small

- **E&S policy articulating companies' intent to identify, assess, and manage E&S impacts created by its operations**
- **Organizational capacity: E&S roles and responsibilities**
- **Procedures for assessment and monitoring of E&S impacts (proportional to E&S risks)**
- **Grievance mechanism**
- **Monitoring and reporting procedures**
- Commitment to Consumer Protection Principles set out by GOGLA, SMART Campaign, or other industry association

EARF ESMS Requirements

Retailers/Distributors of off grid solar systems – Medium Enterprises

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- **Information disclosure** and stakeholder engagement plan
- E-waste management plan
- OHS
- Grievance mechanism

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Retailers/Distributors of off grid solar systems – Medium Enterprises

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Assemblers of Solar Systems– Small

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Assemblers of Solar Systems – Medium Enterprises

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PS 5	Land Acquisition and Involuntary Resettlement

PS 6	Biodiversity Conservation and Sustainable Management of Living Natural Resources
PS 7	Indigenous Peoples
PS 8	Cultural Heritage

IFC Performance Standards (PSs)

PS 1 — Assessment and Management of Environmental and Social Risks and Impacts

Relates to integrating and managing environmental and social performance throughout the life of a project in line with national regulations and international standards.

The standard requires the development of an Environmental and Social Management System (ESMS that entails a structured approach to managing environmental and social risks and impacts.

What is an ESMS?

- **A set of processes and practices** to **consistently implement** your **company's environmental and social policies** to **meet your business objectives**.
- ESMS helps organizations incorporate social and environmental objectives into their projects through a set of clearly defined and replicable processes.
- **Appropriate policies and procedures** are **in place** and that **people consistently follow them**.
- **Assessing** and **controlling risks** is the key to lasting improvement.
- **Continual improvement** – an ongoing process of reviewing, correcting and improving your system. PDCA – Plan, Do, Check, Act.

ESMS Benefits

1. Foresee and address issues confronting your business – prevent potential risks from becoming actual problems.
2. Direct business benefits
   - Conserving and using energy and materials more efficiently reduces production costs.
   - Reducing waste and discharges, and recycling can minimize costs of waste disposal
   - Build processes to benchmark your expenditures against industry standards and identify potential production and operational cost savings.
3. Transparent human resource policies and procedures improve communication between workers and managers – helps to anticipate and avoid labor problems.
4. Effective occupational health and safety management procedures –> identify workplace and process hazards so you can eliminate them or reduce their potential negative impacts –> reduced absenteeism and worker turnover, lower insurance premiums for workers' compensation.

ESMS Elements

1. Policy
2. Identification of risks and impacts
3. Management programs
4. Organizational capacity and competency
5. Emergency preparedness and response
6. Stakeholder engagement
7. External communications and grievance mechanisms
8. Ongoing reporting to affected communities
9. Monitoring and review

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ESMS Development & Implementation

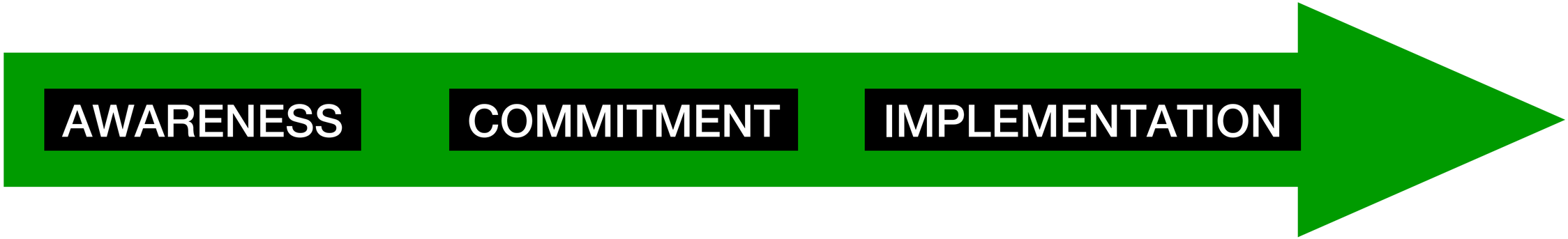
- System development – The documented **policies** and **procedures**
- System Implementation – Trained, committed **people** routinely following the **procedures**.
  - **Procedures** – step-by-step way that **people** follow your **policies.** Procedures are the heart of effective system development.
  - “**trained**, **committed people** routinely following **procedures**”
- Large companies – better at system development/weak at implementation
- Small companies – better at system implementation/weak at documentation

Policy(ies)

- Cornerstone of ESMS
- Summarizes company commitment to managing environmental and social risks and impacts
- Establishes expectations for conduct in all related aspects of your business
- Rules – what is allowed and what is not allowed when it comes to social and environmental issues such as labor and working conditions, resource efficiency and pollution prevention, and community health, safety and security
- Policy statement

Policy Statement should:

- Be clear and simple
- Communicate your company's policies to **Management, Staff, Board, Suppliers, Contractors, Customers and all other stakeholders**.
- Tailored to to your company's operations
- Be aware of the specific risks you face in your industry.



Risk/Impact Identification

What is Screening?

- Considers likely impacts, and sensitivity of proposed locations
- Eliminates high-risk project alternatives
  - **For regulators – determine if an ESIA is required and if so, to what level**
- Identifies key sub-project/activities risks and impacts
  - **For companies – pre-ESIA assessment of the potential impacts from proposed project and its alternatives**

What is Scoping?

Screening

Eliminates high-risk project alternatives

Identifies key risks and impacts

Scoping

Determines priority impacts for further study

What is Baseline Assessment?

‘A description of existing conditions to provide a reference (e.g. pre-project air quality) against which comparisons can be made (e.g. post- investment impact on air quality), allowing the change to be quantified.’

- Establishes status e.g. of air quality pre-project
- Informs impact assessment and mitigation
- Informs data collection for long-term monitoring and measuring performance
- More detailed assessment than screening and scoping

Risk/Impact Assessment

- Positive or negative
- Direct, indirect and cumulative
  - Direct impacts e.g. Habitat loss through vegetation clearance, Pollution (air, water, soil), climate change (energy use and fugitive emissions), etc.
  - Indirect/induced impacts e.g. Social influx and creation of jobs, changes in local environment (soil erosion), etc.
  - Cumulative impacts e.g. Habitat loss combined with operational noise, leading to cumulative and severe impacts on species, Over-exploitation of water from multiple operations, etc.

Screening/Assessment Tools

- **Environmental and Social Screening Forms**
- **Process Mapping Tool**
- **Risk Identification Worksheet**
- Physical Mapping Tool
- Risk assessment Tool

Sample Environmental & Social Screening Form

ENVIRONMENT

Are there any program activities likely to affect the biodiversity of any of the target zones?		
Are the program activities likely to contribute to any of the climate change factors?		
Will the projects release pollutants or any, hazardous, toxic or noxious materials into the atmosphere?		
Will the projects implementation and operation cause noise and vibration?		
Will there be risks of accidents during implementation or operation of the project which could affect human health or the environment?		
Will the proposed project activity involve use, transport, storage or handling of substances or materials that could be harmful to human health or the environment or raise concerns about actual or perceived risks to human health?		
Are there any areas or features of historical or cultural importance or areas protected under international, national or local legislation for their ecological, landscape, cultural or other value on or around the location which could be affected by the proposed		

Sample Environmental & Social Screening Form

SOCIAL

Screening questions on factors to be considered for further guidance.	Answer; Yes/No.	Is this likely to result in a significant effect? briefly describe
Is the activity likely to breach any of the local, federal, and international laws? Or any other law to consider?		
Will there be inclusivity in the distribution of the public goods during proposed activity implementation?		
Is there a specific criterion put in place to ensure that there is fair access to the project assets.		
Is there a possibility of social exclusion (both the marginalized and vulnerable) within the target groups during proposed activity implementation?		
Will the activity promote equality and freedom from discrimination?		
Is the proposed activity promoting and enhancing gender equality and equity and women's empowerment?		

Process Mapping Tool

- A process map is a flowchart that visually illustrates the flow of activities of any given process from beginning to end.
- Process maps are particularly useful in identifying environmental risks, occupational health and safety hazards, and areas of process improvement.
- They can help you pinpoint inefficiencies within your workflow so that you can streamline processes and maximise productivity, which can benefit your business and your workers.

In order to develop a process map, you:

- Identify all your company's processes;
- Identify the inputs (what is needed to carry out that activity - e.g. water, energy, raw materials or chemicals); and
- Identify outputs (what is left from that activity – e.g. waste, emissions or by-products) for each process step.

After you complete the process map, consider each step and identify the following:

- Occupational health and safety hazards;
- Risks to the environment and communities; and
- Opportunities for waste reduction and resource efficiency

It is essential to include people from all levels of your company in this process. Supervisors and workers, especially, can offer valuable insight into the way things are actually done in your facility since they are doing the day-to-day work. If you can’t bring everyone together to complete the process map, you should ask supervisors to consult with the workers they oversee in order to obtain their input, and then incorporate that information into the process map.

Process Map Sample

Inputs	Process steps	Outputs	OHS hazards and potential negative impacts on workers	Risk and potential negative Impacts on the environment and community	Opportunity for waste reduction/energy and water savings
Water, energy, raw materials, labour	Operational activity	Waste, emissions, byproducts	Injuries, long-term illness	Environmental pollution, shortage of resources	Improved process, re-use and recycling
What inputs are required to carryout the activity?	*What is the activity (one step in the operational process)?*	*What waste does the activity produce?*	*What type of negative impact could this activity have on workers?*	*What type of negative impact could this activity have on the environment and surrounding community?*	*How could the activity be improved to prevent negative impacts from occurring?*

Risk Identification Worksheet

- RI worksheet helps you identify the key risk areas for your company so that you can focus your efforts on the most important issues.
- RIW does not tell you whether or not the risk has led to a negative impact for your company; rather, it calls attention to the specific risk areas that are most likely to become problems. You can then use that information to focus your attention on those risks and decide what further actions are necessary to prevent or respond to any potential negative impacts.
- Consult with people inside and outside of your company who are knowledgeable about these issues as you complete the worksheet.
- For each box, circle the appropriate answer.

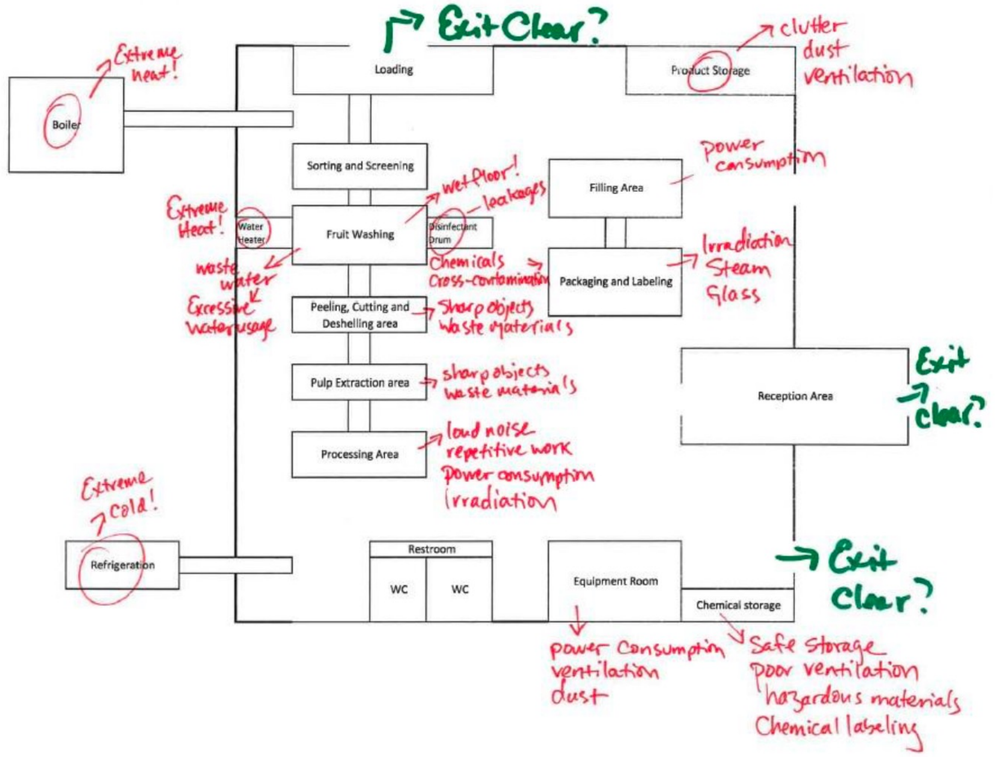
ENVIRONMENTAL RISKS		
RISK FACTORS	**My company has the following conditions**	**Potential negative impact (A "yes" response means that there is a potential negative impact)**
Our operations require large quantities of fresh water.	Yes/No	Water resources depletion in the region. Contamination of ground or surface water sources in the region due to discharge of surface runoffs.
Our operations have high requirements for power supply.	Yes/No	High energy consumption.
We require large quantities of fuel (gas/diesel/etc.) for our operations.	Yes/No	Air emissions.
We have various processes and utility equipment, which may generate air emissions (e.g. boiler, diesel generator set, incinerator, grinder, etc.).	Yes/No	Air emissions. Solid waste (e.g. waste from equipment maintenance, fly and bottom ash from coal-based boilers). Hazardous waste (e.g. waste oil, oil-soaked filters and rags). Liquid waste (e.g. boiler blow-down, waste oil). Noise generation.
We generate large (or significant) quantities of solid or liquid waste from our manufacturing or production processes.	Yes/No	Solid waste. Liquid waste. Contamination of land, groundwater and/or surface water due to improper disposal of solid and liquid waste.
We dispose of our solid waste in our landfill or city's landfill facility.	Yes/No	Contamination of land, groundwater (due to leachate) and/or surface water (due to run-off).
We generate hazardous or toxic solid or liquid waste such as chemical residues and sludge from wastewater treatment plants.	Yes/No	Contamination of land, groundwater and/or surface water (due to run-off) if disposed improperly.

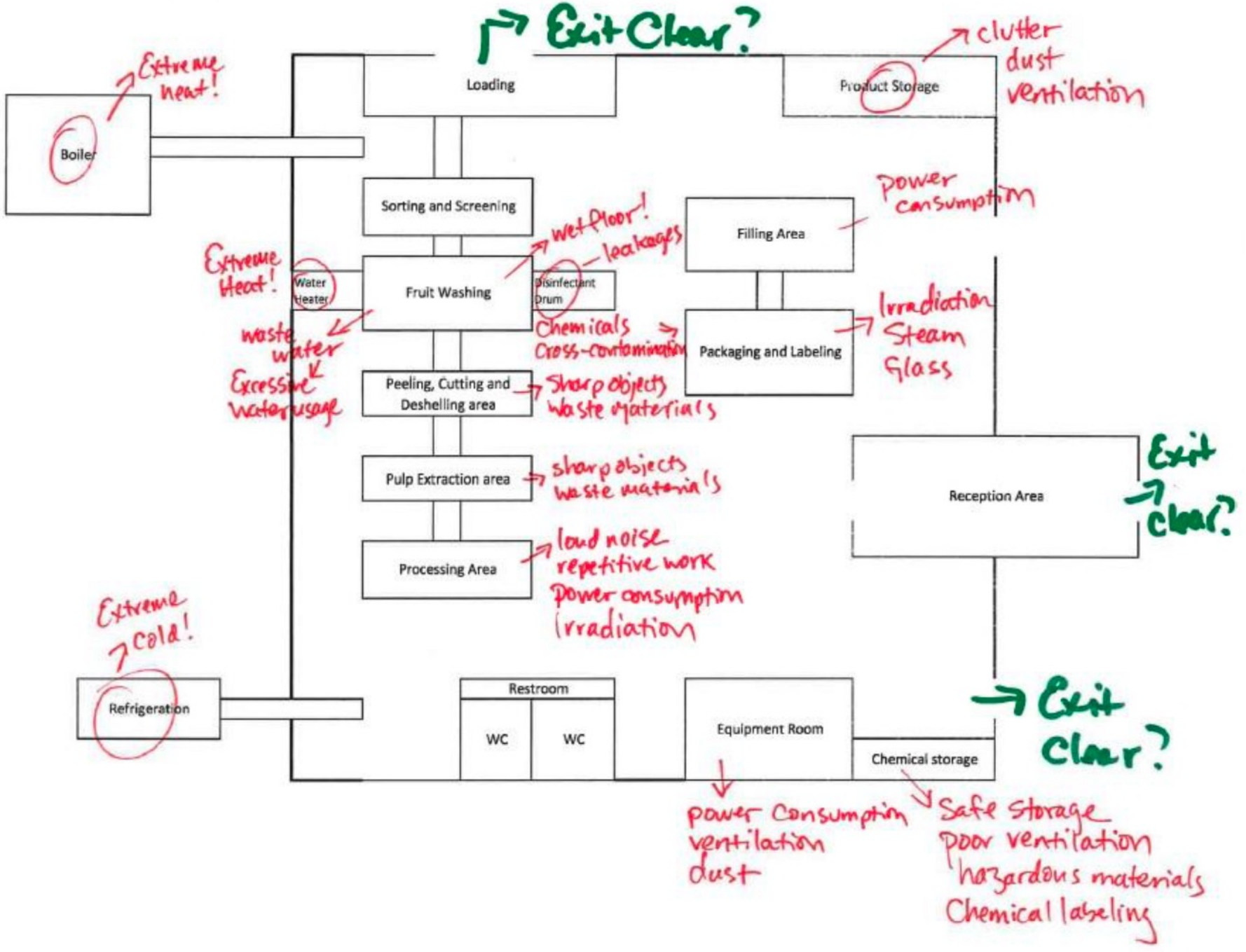
Physical Mapping Tool

Optional

A physical map is another helpful tool to identify risks in your company.

- Prepare a map of the layout of your facility (on the right is an example for a fruit processing facility). The map should include all the areas where production activities and various business operations take place, and illustrate how they are connected to one another.
- You can also use this map when you develop your emergency preparedness plan. Once you have the physical map, you should do a **walk-through of the facility to identify existing or potential problems.**
- You should conduct the walk-through during working hours with a team that includes supervisors and workers, since they often know what the problems are and have ideas about necessary improvements.
- Whenever you observe a problem or potential problem, write it down and mark it on the map.



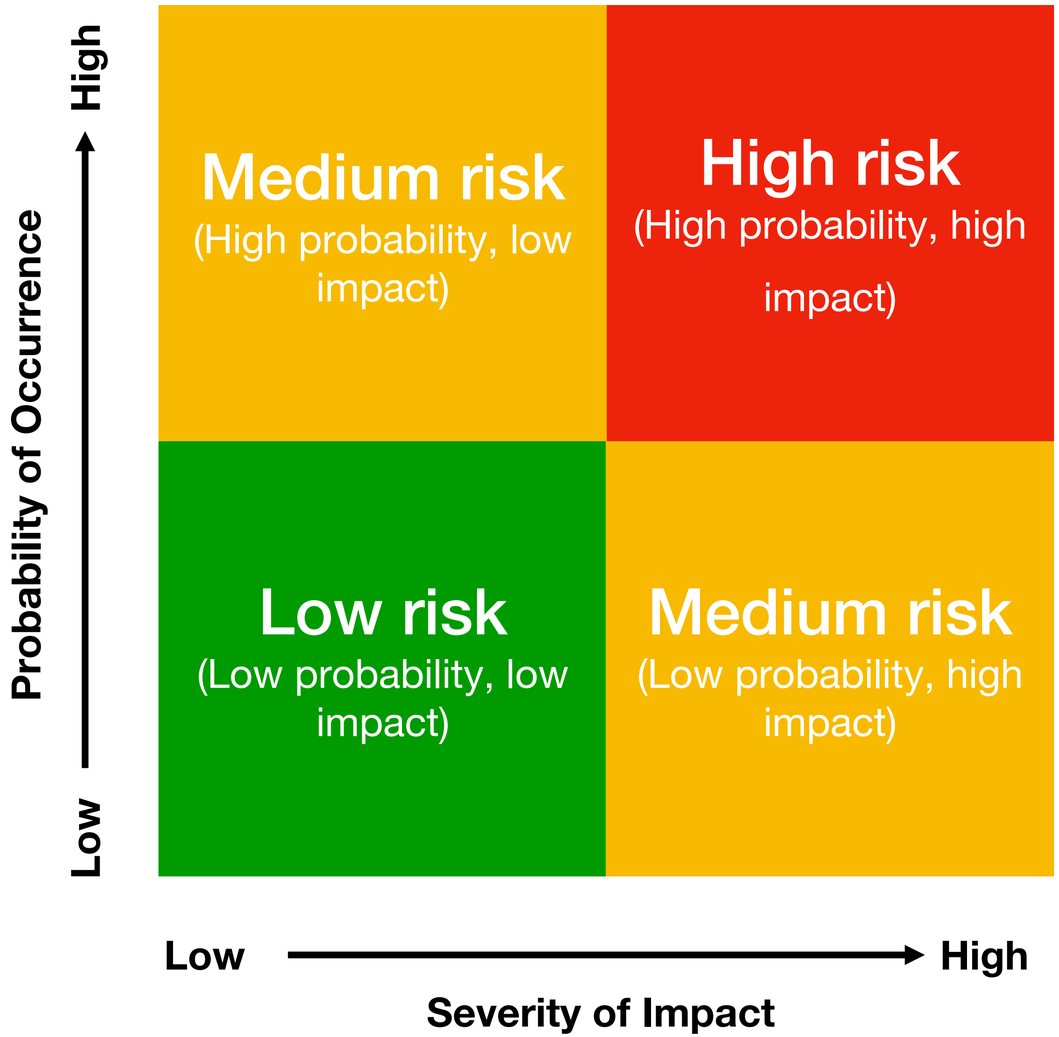

Exit Clear?
Loading
Product Storage
clutter
dust
ventilation
Extreme heat!
Boiler
Sorting and Screening
power consumption
Filling Area
wet floor!
leakages
Extreme Heat!
Water Heater
Fruit Washing
Disinfectant Drum
Chemicals
Cross-contamination
Packaging and Labeling
Irradiation
Steam
Glass
waste water
Excessive water usage
Peeling, Cutting and Deshelling area
Sharp objects
Waste materials
Pulp Extraction area
sharp objects
waste materials
Reception Area
Exit
Clear?
Processing Area
loud noise
repetitive work
power consumption
irradiation
Extreme cold!
Refrigeration
Restroom
WC
WC
Equipment Room
Chemical storage
Exit
Clear?
power consumption
ventilation
dust
Safe Storage
poor ventilation
hazardous materials
Chemical labeling

Walk-through Guide

Optional

- Where are people most likely to become injured? Identify trip, slip and fall hazards (from falling objects or a fall from an elevated area), as well as areas where someone could become injured by vehicles.
- Are equipment, tools, and machinery designed and maintained efficiently to reduce worker strain? Can they be operated safely?
- Where are workers exposed to hazardous chemicals, pathogens, excessive dust, noise, sun, and extreme temperatures? Do workers have appropriate personal protective equipment (PPE)? Is it being used correctly?
- Is the work area lighting sufficient?
- Are chemicals labeled and safely stored with compatible materials? Are there any existing or potential leakages from containers?
- Where could fires, explosions, or the accidental release of hazardous materials occur? Is there adequate and appropriate response equipment close to those areas?
- Are exit doors unobstructed and well-marked? Are they unchained and equipped with panic bars?

Risk Assessment Tool



RISK	PROBABILITY OF OCCURRING (low=1, medium=2, high=3)	SEVERITY IF OCCURRED (low=1, medium=2, high=3)	RISK PRIORITISATION (low, medium, high)	NOTES
What is the risk that has been identified? (Use previous tools to identify risks)	*What is the likelihood that this risk will occur and create negative impacts?*	*How severe would the potential impacts be, if the risk should occur?*	*What are the highest priority risks based on the likelihood of occurring and the severity of the impact?*	*Any additional notes.*

Project/Activity Categorization

Low Risk

Category II: No high-risk activities expected

Medium Risk

High Risk

Category I: High risk sites such as those in sensitive habitats, with potential physical and/or economic displacement, substantive number of migrant workers stationed in communities

EARF Borrower Categorization

Low Risk

Category I3 or C. Activities with minimal or no adverse environmental or social risks and/or impacts.

Medium Risk

Category I2 or B. Activities with potential limited adverse environmental or social risks and/or impacts that, individually or cumulatively, are few, generally site-specific, largely reversible, and readily addressed through mitigation measures

High Risk

Category I1 or A. Activities with potential significant adverse environmental or social risks and/or impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented

Poll – What risk identification tool works for your business?

1. Environmental and social screen form
2. Process mapping tool
3. Risk identification worksheet
4. Physical mapping tool
5. All the above

Impact Mitigation & Management

Management Programmes

Action Plans and procedures to address identified and prioritised risks:

- Seek to avoid any potential negative impacts of the risks;
- Take steps to minimise the impact of the risks;
- Can offset or compensate for negative impacts after they have occurred.

Impact mitigation and management tools:

- Root Cause Analysis
- Action Plan Chart (ESMP)
- Outline of Procedure

The Mitigation Hierarchy (AMRO)

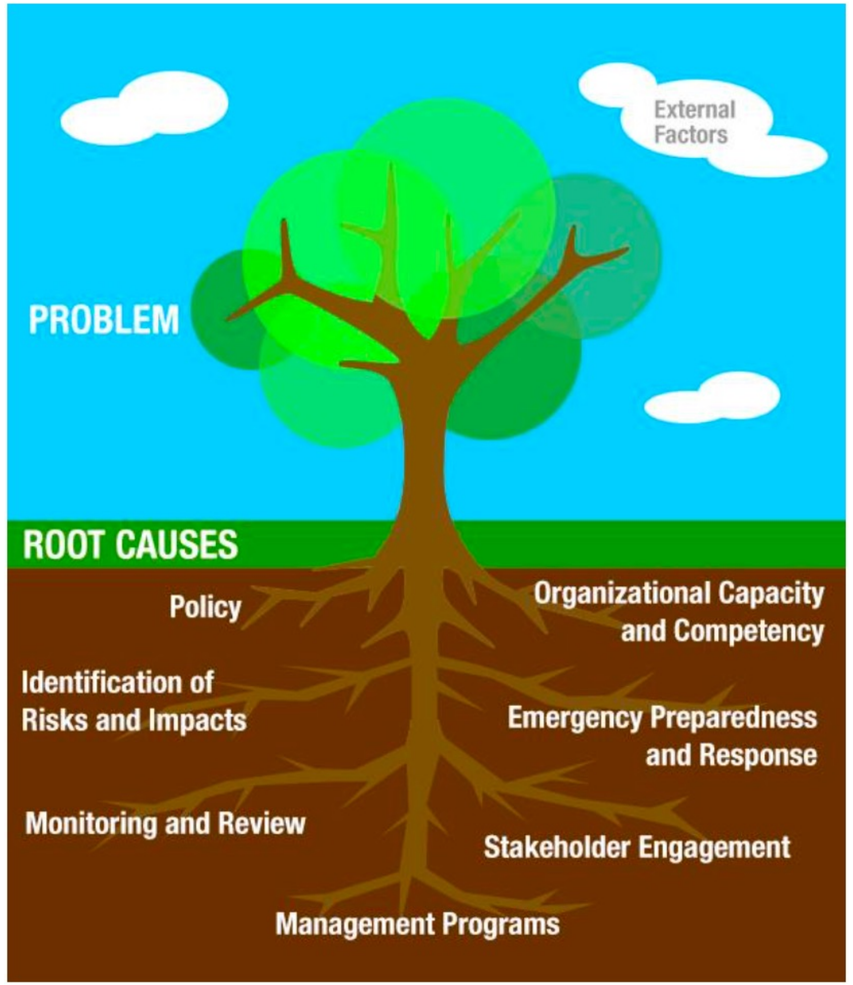
Avoid	Anticipate and prevent adverse impacts – site selection, design and scheduling ***Preventive***
Minimize	Reduce the duration, intensity, significance and/or extent of impacts – physical, operational and abatement controls ***Preventive***
Restore	Re-establishing habitat types, biodiversity values and ecosystem services ***Remediative***
Offset	Compensate for adverse project impacts in order to achieve no net loss or a net gain of biodiversity. ***Remediative***

Mitigation Hierarchy Implementation

Mitigation hierarchy is
Implemented sequentially
Throughout project cycle

Root Cause Analysis

- Identify underlying root causes.
- Root causes are often deficiencies in your management system, such as inadequate procedures or improper training.
- Root cause tree diagram to brainstorm and map the underlying factors that can lead to negative impacts for each prioritised risk.



You can also use the **"5 Whys”** technique to facilitate a robust conversation about root causes.

Example: There is a chemical spill in your facility. (The Problem)

1. *Why?* – The container holding the chemical leaked. (First why)
2. *Why?* – There was a hole in the container. (Second why)
3. *Why?* – The container is old and has not been replaced. (Third why)
4. *Why?* – The workers did not know that it had to be replaced. (Fourth why)
5. *Why?* – The worker was not trained in the chemical handling procedures. (Fifth why - identified root cause is a gap in Organisational Capacity and Competency.)

Action Plan Chart

- Identifies actions to be taken to address prioritized risks
- Determine how to manage those actions.
- Example – ESMPs prepared for each sub-project/activity after screening.

Risk: **For example, worker exposure to high concentrations of dust.**

Objective: **What do you want to achieve broadly? What are your performance targets? For example, reduce workers' exposure to dust.**

Outline of procedure

- Procedures clearly systematize actions – become routine, daily processes and practices.
- Procedures and work instructions can be communicated in different formats, such as text, flowcharts, or pictograms.
- Use format that is most effective for your company staff.
- Right – outline includes the important components of a well-defined written procedure.

Title: Procedure X

Procedure identification number:

Number of pages:

1.0 Purpose: *What is the objective of the procedure?*
For example: This procedure is intended to address risk X identified during the risk assessment process.

2.0 Scope: *What is the reach of this procedure for the company? What/who is included in the procedure and what/who is not?*
For example: This procedure encompasses all of our company's operations and business processes, as well as our contractors.

3.0 Definitions: *How does the company understand the terms used in this procedure?*

4.0 Responsibilities: *Who will regularly review and update this procedure? Who will inform and train personnel on their responsibilities under this procedure? Who is responsible for following the work instructions described in this procedure?*

5.0 Work instructions: *What are the specific steps to take in order to implement this procedure?*

6.0 Reference documents: *What documents support this procedure? What is this procedure based on? Where can you learn more?*
For example: This may include related company polices, relevant national or local laws, and industry standards.

7.0 Records: *Where are the outcomes of the procedures documented?*
For example: Worker injuries may be recorded in an accidents log and worker issues may be recorded in personnel files.

8.0 Approving authority: *Who is responsible for approving these procedures?*
For example: The General Manager is responsible for approving this procedure.

9.0 Issue date: *When was the procedure issued?*

10.0 Revision date: *When was the procedure reviewed and revised? (Procedures should be continually updated and improved).*

Organisational Capacity and Competency

A well-implemented ESMS is ultimately about trained, committed people. How do you make that happen?

- Senior management commitment
- Dedicated ESMS team (well balanced and multi-functional team – environmental, health and safety, operations or production, contracts and purchasing, human resources, etc.)
  - Human resources manages training needs related to labor aspects;
  - Production focuses on more efficient use of resources and reduction of waste;
  - Procurement manages qualifications and performance of suppliers and contractors; and
  - Maintenance ensures equipment runs efficiently and that spills, leaks and other emergency situations are minimized.

Team Leader

- Communicator;
- Problem-solver;
- Project manager;
- Pragmatic; and
- Respectful to all.

Communication and training

They need to be aware of the ESMS

- What is it?
- What are its goals?
- What do I need to do?

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They need to understand that the ESMS is necessary and will improve the company.

- How does this help our company?
- How does it help my department?
- What will change?
- What is in it for me?

They need to obtain the skills and knowledge to be effective in their roles.

- What are the new policies and procedures?
- What exactly do I need to do?
- How do I do that?
- What will happen if I don’t do it?

Emergency Preparedness & Response

- All risks have been considered
- Appropriate management programmes have been put in place
- Business is a dynamic operation – people, materials, suppliers, facilities and equipment
- ESMS maintains continuity and consistency but momentary lapse or gaps (not following procedures, machine breakdown, external force (Covid-19), etc.) –> **Accidents and emergency situations.**
- Prepare to respond effectively to prevent and minimise any harm to workers, community and environment.

Steps to effective preparation & response

1. Identify the areas where accidents and emergency situations may occur, and communities and individuals that may be impacted.
2. Develop detailed response procedures for each identified emergency situation that clearly explain what actions need to be taken.
3. Provide the necessary equipment and resources to effectively implement the response plans.
4. Assign responsibilities so that each activity has people responsible for carrying it out.
5. Communicate so that everyone in your company understands the importance of the emergency preparedness and response system and is encouraged to help monitor and improve its effectiveness.
6. Provide periodic training so that everyone in your company has an overview of the system, and knows the response plans.
7. Work with government agencies and community groups to identify areas where you can collaborate to respond effectively to internal and external situations.
8. Conduct periodic checks and drills to test how well the system is working and to re-assess the risks to reflect changing conditions. Incorporate your findings to continually improve your system.

Emergency Preparedness & Response Plan Contents

Optional

- identification of potential emergencies based on hazard assessment;
- procedures to respond to the identified emergency situations;
- procedures to shut down equipment;
- procedures for rescue and evacuation;
- list and location of alarms and schedule of maintenance;
- list and location of emergency response equipment (fire- fighting, spill response, first aid kits, personal protection equipment for emergency response teams);
- protocols for the use of the emergency equipment and facilities;
- schedule for periodic inspection, testing and maintenance of emergency equipment;
- clear identification of evacuation routes and meeting points;
- schedule of trainings and drills, including with local emergency response services (fire fighters);
- procedures for emergency drills;
- emergency contacts and communication protocols, including with communities when necessary, and procedures for interaction with the government authorities;
- procedures for periodic review and update of emergency response plans.

Stakeholder Engagement

- Stakeholder – Any person or organisation that has an interest in or is affected by your company
- Affected communities – People or communities who are subject to company-related adverse impacts on their environment, infrastructure, way of life, personal safety, health or livelihood.
- Map stakeholders
- Develop a stakeholder engagement plan
- Undertake effective stakeholder engagement

External Communications and Grievance Mechanisms

- Always establish and maintain a publicly available and easily accessible channel for stakeholders to contact you (e.g., phone number, website, email address, etc.).
- External stakeholders can provide valuable information, such as suggestions on product improvement, advance warning in critical situations, feedback on interactions with your employees, and/or comments from regulators, NGOs and individuals regarding your company’s environmental and social performance.
- The procedure for external communication should include methods to:
  - receive, register and validate external communications and requests for information from the public;
  - screen and assess the importance of the issue raised and determine how to address it;
  - provide, track, document and publish responses; and
  - adjust your management program when appropriate.

Grievance Mechanism is:

- UNDERSTANDABLE AND TRUSTED when:
  - affected communities understand the procedure to handle a complaint;
  - people are aware of the expected response time;
  - confidentiality of the person raising the complaint is protected.
- CULTURALLY APPROPRIATE AND ACCESSIBLE when:
  - claims can be presented in the local language;
  - technology required to present a claim is commonly used (e.g., paper, text messaging, internet);
  - illiterate persons can present verbal complaints.
- AT NO COST when:
  - people don’t need to travel long distances to present a claim;
  - the company covers the costs of third party facilitation.

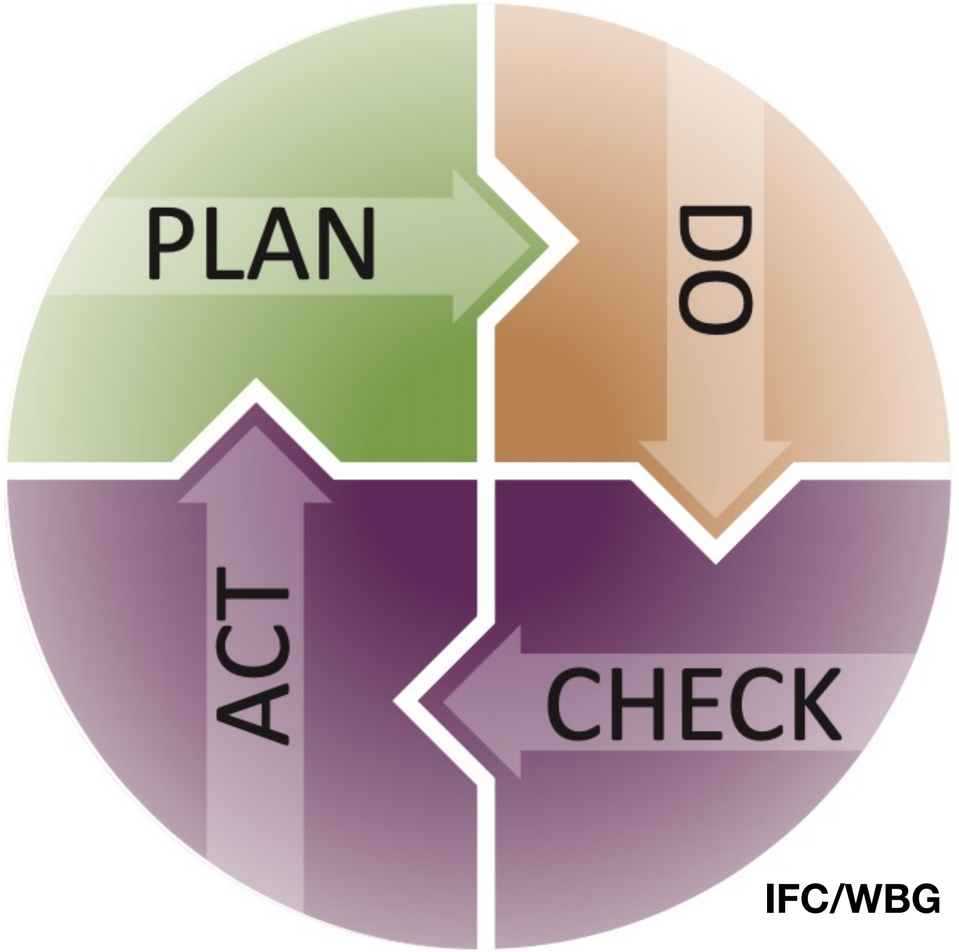
Ongoing Reporting to Affected Communities

Optional

- Provide an immediate update if new environmental or social risks emerge.
- Report progress on implementation of your commitments.
- Report monitoring results on issues that interest the community.
- Use the opportunity to communicate the benefits generated by your company.
- Translate information into local languages and easily understandable formats.
- Try to maintain continuity in who deals with the community.
- Involve your employees as communication links to the community.
- Consider conducting a stakeholder survey to learn how your company is perceived.

Monitoring & Review

- Relationship between ESMS and Plan-Do-Check-Act (PDCA) cycle of continual improvement.
- Monitoring and review are critical, because this is how you check and adjust the system.
  - Formed or assigned a team to lead the effort.
  - Developed and started to implement your action plans and procedures in response to the risks and impacts you identified.
  - Started to train people.
- The next step is to **monitor your ESMS** and **make the necessary adjustments**.



IFC/WBG

- Monitoring is the **CHECK** step of the PDCA cycle
- Review is the **ACT** step of the PDCA cycle
- Monitoring measures intent, implementation and effectiveness

Intent:

1. Are the nine core elements of the ESMS in place?

Implementation:

2. Are the action plans being carried out?
3. Are procedures being followed?

Effectiveness:

4. Are you in compliance with laws and regulations?
5. Are you making progress toward your overall objectives and targets?
6. How is the environmental and social performance of the company in general?

Monitoring Indicators

A key aspect of monitoring is defining relevant indicators. These are quantitative or qualitative measures of progress against set goals. Some indicators might focus on performance, evaluated against the criteria defined in your environmental and social policy.

Some examples of key **performance indicators** could be:

- energy consumption;
- water consumption;
- volume of solid waste disposal;
- liquid effluents discharge;
- emissions to air;
- accidents (injuries, ill-health, property damage) and near misses;
- emergency response incidents; and
- average working hours and wages paid.

Other indicators can look at the **processes or inputs** that you use to try to achieve performance.

Some examples of **process indicators** include:

- procedures in place for chemical, fuel and hazardous waste handling, storage, and disposal;
- processes analyzing water and energy efficiency;
- percentage of workers who can explain the grievance mechanism;
- percentage of workers who can explain the health and safety procedures;
- percentage of workers trained on labor standards requirements; and
- communications from stakeholders.

Basics of Monitoring

Optional

Visual observation

physical walk-throughs of your facility and surrounding land.
Examples of what you might observe: fire detection, alarm and fighting equipment, use of PPE, warning signs, storage of hazardous materials, drinking water and sanitation facilities, information displayed on notice boards (e.g. policies and regulations, salary scales, wages), worker and manager body language and interactions.

Interviews

consultations with workers, managers and external stakeholders.
Examples of topics you might discuss: Do workers and managers understand the policies and procedures? How are they impacted? Are there ideas for improvement? Do workers feel comfortable filing complaints? How are external stakeholders impacted by the company? Are there ideas for improvement? Do external stakeholders feel comfortable filing complaints?

Measuring and testing

checking using equipment that is properly calibrated.
Examples of what you might check: water and energy consumption, emissions to air, effluents, noise decibel levels, dust levels, ambient temperature, light levels.

Document review

looking through documents and records.
Examples of what you might review: water and energy bills, waste disposal records, chemical use and discharges records, inspection records, OHS records, complaints logs, wage slips, time cards, policies and procedures, training records.

Effective Management Review

- Management review purpose is to routinely involve senior management in evaluating the development and implementation of the ESMS.
- The management review is led by the ESMS Team – to keep senior management involved. Remember, the sustainability of the program requires ongoing commitment from senior management.
- Management review – three to six months. Once the ESMS is well-established, once a year.
- Keep a written record (called minutes) during the meeting of the key topics discussed and the decisions made. The minutes should be kept in a central log.

Typical Agenda for a Management Review Meeting:

- Review progress on ESMS Improvement Plan
- Review progress on Action Plans
- Review compliance with environmental and labor laws and regulations
- Review progress on environmental and social performance
- Discuss possible adjustments in risk assessment
- Prioritize activities for next three, six and 12 months
- Review and approve needed resources by senior management.

The End | Q&As

Launch of Legal Frameworks Tool

Environmental & Social Management