

US EPA ARCHIVE DOCUMENT

## Proposal for Ecology Sustainability Reporting Pilot under the Global Reporting Initiative's G3 Guidelines

### Summary

Ecology's sustainability reporting to the Office of Financial Management is based upon executive orders 02-03, 05-01 and additional climate-related reporting requirements to be included by June 2010 from legislation enacted in 2009. The Global Reporting Initiative (GRI) based in Amsterdam, has been developing a comprehensive sustainability reporting framework since 1997. Their G3 Guidelines & publications are the most widely used sustainability reporting tools in the world and have become a de facto international reporting standard. We propose to evaluate GRI's Guidelines and the rapidly evolving XBRL data sharing technology, by producing an Ecology sustainability report conforming to G3 Application Level C with a version in XBRL. The project will provide many benefits to both Ecology and GRI including improving Ecology's sustainability reporting and providing feedback to GRI on their guidelines and XBRL taxonomy. We propose to use existing staff time to complete the project work and minimal funds for the purchase of basic XBRL software.

### Problem Statement & Purpose

- Ecology's current sustainability *planning* approach is not comprehensive. It does not integrate metrics with most plan objectives and does not address the need to integrate sustainability policy & practices with Ecology's long-term organizational strategy and governance.
- Ecology's sustainability *reporting* is limited to a relatively small number of environmental performance measurements. There isn't much correspondence between Ecology's sustainability plan objectives and the annual progress report measurements. The designs of the plan and report are unique to Ecology and not based upon any established reporting framework or standard. GRI's comprehensive G3 Guidelines emphasize responsibility at all organizational levels, standardized performance reporting, and comparability of annual achievements. Using them will help address current weaknesses in Ecology's approach.
- HWTR is poised to reinvest substantial FTEs and capital to continue administration of its successful pollution prevention planning program, at a time when many businesses and other organizations are seeking to operate more 'sustainably' by applying more holistic and comprehensive approaches to environmental and organizational management. Applying the GRI Guidelines to Ecology's sustainability reporting will help inform HWTR's efforts and future development of business reporting tools.
- The Hazardous Waste & Toxics Reduction Program has seen the value of becoming a GRI stakeholder but Ecology has not yet taken the important step of completing a GRI report. Doing so will increase our credibility with our clients and other stakeholders by demonstrating commitment to sustainability and making our organization more transparent to the public.
- GRI needs our experience & support to continue development of their G3 Guidelines towards a future G4 version. They also need our help to test version 1.0 of their XBRL taxonomy. As a GRI

stakeholder organization, it is our responsibility to actively promote and demonstrate sustainable behavior.

### Project description

- Goals
  - Improve the quality of Ecology's sustainability planning and reporting
  - Make Ecology a more sustainable and transparent organization
  - Support GRI's continuing development
  - Promote sustainability and sustainability reporting in Washington
- Objectives
  - Redevelop Ecology's sustainability report as a GRI report that satisfies Washington State requirements
  - Publish the report in several versions including XBRL and HTML
  - Report project findings & recommendations to Ecology & GRI
  - Publish Ecology's GRI report on our Sustainability internet site
- Work Task List:
  - **Review the two comparisons** that have already been done between Ecology's existing sustainability plan, 2008 progress report, future requirements, and the G3 guidelines
  - **Identify discrepancies** (gaps) between Ecology's 2008 sustainability report and the G3 Guidelines for Application Level C; create gap listings with time estimates.
  - **Select at least ten (10)** GRI performance indicators to include in the report.
  - **Seek input & participation from Ecology staff to fill the disclosure gaps**; they must be addressed in order to achieve GRI Application Level C conformance. Assign work on absent disclosures; many of these might require staff time other than principals (manager statements, for example).
  - **Complete the missing disclosures** for the Profile and Performance Indicators categories.
  - **Index the complete GRI report** and have it reviewed.
  - **Select & purchase XBRL editing software** to apply GRI's XBRL taxonomy to Ecology's report.
  - **Create necessary versions of the report** (WORD, PDF, HTML, XBRL, XLS?)
  - **Submit the report to GRI and publish** on Ecology's Sustainability website ("Ecology in Action" page)
  - **Write short report on findings and recommendations**

### Workload Estimates

**Project Staff** - Mark Benedict (.15 FTE), Karin Kraft (.05FTE), others .05FTE

**Additional Staff Hours**

- Complete Profile Disclosures for Application Level C: **90+ hours**
- Complete 10+ Performance Indicators: (**estimate depends on selected indicators and scope**)

**Implementation Plan with Timeline** – (To be developed, nine months to one year duration)**Benefits**

1. The project will achieve several objectives of Ecology's existing sustainability plan:
  - Supporting sustainable community development by participating in international relations opportunities on sustainability and sustainable development (Goal 3 : Obj. C2)
  - Developing a set of sustainable indicators that provide feedback to Ecology, showing the effectiveness of current programs (Goal 4: Obj. A1)
  - Providing information to Ecology staff and management on progress made towards meeting sustainability plan goals (Goal 5: Obj. C2)
2. This is an opportunity to learn about the inner workings of the GRI framework and how it "fits" current Washington agency sustainability reporting. This helps Ecology staff to understand the value of comprehensive reporting and instructs GRI on needed improvements developing their framework from G3 to G4.
3. Opportunity to explore XBRL markup language using the 1<sup>st</sup> generation GRI taxonomy. This helps GRI develop their taxonomy and helps Ecology understand the possibilities for using advanced data sharing technology.
4. Opportunity to use this exercise to help scope HWTR's "P3 Software" project by comparing Pollution Prevention planning requirements to the GRI guidelines.
5. Publishing Ecology's plan opens it (and us) up for critical international evaluation. This is an opportunity for Ecology to show what we are doing and can do. It is an opportunity to improve ourselves and collaborate on sustainability strategies with national and international partners
6. Puts Ecology out in front (setting a leadership example) as a USA environmental agency and Washington organization planning future sustainability. We can be the first American environmental agency reporting.
7. Provides the opportunity to add accountability and comparability to our approach by using metrics. This increases the value of our sustainability planning as a management tool for continuous improvement.
8. Excellent public relations value when we document our successes as an agency, providing increasing value for our stakeholders.
9. Allows us to learn about sustainability reporting in depth, become 'experts', and be an *authority* so we can guide other Washington organizations.
10. Increases agency transparency; this promotes accountability to all stakeholders

**Partners:** EPA (funding), GRI, Stakeholders

**Media Exposure:** Before Ecology publishes GRI report, design promotion by C&E staff

**Budget**

- Staff Funding - Sustainable Washington FY07-2010 State Innovations Grant will provide financial support
- Software, printing - **\$1500** (options below)
  - Rivet software “Dragon Tag” is \$1300.
  - ( other options )

**Deliverables**

Project Report (<10 pages)

Ecology GRI Report - 3 or more versions (WORD, HTML, XBRL, PDF, XLS?)

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