ARKANSAS NStEP

Natural State Environmental Program

HANDBOOK

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ENTERPRISE SERVICES
Environmental Compliance Assistance

I. PURPOSE

The Natural State Environmental Program (NStEP) is a voluntary environmental stewardship program that recognizes and rewards entities that are committed to environmental leadership—those that go beyond environmental compliance and move toward the goal of sustainability. It is open to all Arkansas organizations with a minimum of twenty full-time employees, including industries, colleges, municipalities, government agencies, and non-profit organizations. The program has four membership levels: Bronze, Silver, Gold, and Platinum. The program also offers two supporting levels: Advisor and Advocate.

The purpose of the NStEP Handbook is to provide a central reference for policies and procedures associated with the NStEP. The Handbook summarizes information on current aspects of program implementation, including eligibility requirements and member incentives. To further clarify and interpret program criteria, guidance information is also provided and clearly marked as "guidance." The Handbook is a perennial "working document" that will be maintained in electronic form so that program updates can be incorporated into it easily.

II. DEFINITIONS

As used in this document, unless otherwise specified or the context otherwise requires, the following definitions are provided:

1. **ADVISOR:** Any entity that, at a minimum, complies with the mandatory elements included in this document and operates in an advisory capacity to the NStEP.

2. **ADVOCATE:** Any entity, that at a minimum, complies with the mandatory elements included in this document and promotes and supports the program and its members.

3. **AGENCY:** Arkansas Department of Energy and Environment (E&E)

4. **APPLICABLE ENVIRONMENTAL REQUIREMENTS**: The federal and state environmental statutes, regulations, rules, and policies applicable to the entity.

5. **ASPECTS:** Those processes, products, and activities over which an entity has control and that can or has the potential to interact positively or negatively with the environment.

6. **AUDITOR:** A person who has received auditor training in Environmental Management System (EMS) criteria for ISO 14001, or a similar EMS, and can provide proof of their training upon request. Auditors can be internal or external. An internal auditor is a person employed at the facility being audited and has received auditor training in EMS 14001 criteria to conduct an EMS audit at the facility; an external auditor is a person not employed at the facility being audited and is trained to audit for conformance of the EMS according to the criteria set forth in this document in Appendix A, Environmental Management System Requirements.

7. **BRONZE TIER:** The first membership level of NStEP.

8. **CHIEF ADMINISTRATOR:** The Chief Administrator of the Environment of E&E.

9 **ENTITY:** Any facility of a corporation, partnership, sole proprietorship, municipality, county, city, city and county, special district, educational institution, nonprofit, or state or federal department or agency, separate from E&E, located and doing business in Arkansas.

10 **ENVIRONMENTAL IMPROVEMENT PROJECT:** A project that goes beyond regulatory compliance and improves the environment, such as improvements in air or water quality, energy reductions, etc.

11 **ENVIRONMENTAL MANAGEMENT SYSTEM (EMS):** Part of an overall management system that identifies and addresses environmental concerns through the allocation of resources, assignment of responsibilities, and ongoing evaluation of practices, processes, and procedures to achieve sound environmental performance.

12 **ENVIRONMENTAL MANAGEMENT SYSTEM AUDIT:** A systematic, independent, and documented verification process, conducted by an EMS auditor, which objectively obtains and evaluates evidence to determine whether an entity's EMS conforms to the requirements of an EMS as defined in this document.

13 **FACILITY:** All contiguous property, land, and structures under the control of the owner or operator and used for a designated purpose.

14 **GOLD TIER:** The third membership level of NStEP.

15 **IMPACTS:** Positive or negative changes that occur in the environment as a result of the aspects.

16 **NATURAL STATE ENVIRONMENTAL PROGRAM (NSTEP):** A voluntary environmental stewardship program through E&E that recognizes and rewards businesses that are committed to environmental leadership.

17 **OBJECTIVES:** Overall environmental goals set by the entity to mitigate impacts and lead to improved environmental performance.

18 **PLATINUM TIER:** The top (fourth) membership level of NStEP.

19 **POLLUTION PREVENTION:** Eliminating or minimizing the initial generation of waste at the source or using environmentally sound on-site and off-site reuse. Waste treatment, recycling, or disposal is not considered pollution prevention.

20 **PROGRAM TIERS:** The Bronze, Silver, Gold, and Platinum membership levels of NStEP.

21 **RESPONSIBLE OFFICIAL:** means one of the following:

a) For a corporation: A president, secretary, treasurer, or vice president of the corporation in charge of a principal business function, or any other person who performs similar policy or decision-making functions for the corporation, or a duly authorized representative or such person if the representative is responsible for the overall operation of one or more manufacturing, production, or operating facilities.

b) For partnership or sole proprietorship: A general partner or the proprietor, respectively.

c) For a municipality, State, Federal, or other public agency: Either a principal executive officer or ranking elected official. For the purposes of this program, a principal executive officer of a federal agency includes the chief executive officer having responsibility for the overall operations of a principal geographic unit of the agency (e.g., a Regional Administrator of EPA).

22 **SERIOUS VIOLATION:** A violation that is prone to cause a significant impact to human health or to the environment, which may include, but is not limited to: violation of a consent order; failure to obtain a permit or license; a knowing violation; failure to respond to an official request for information; or multiple (environmental) violations; a conviction for criminal violations or under investigation for criminal violations of applicable environmental laws; or out-of-court settlements of formal charges, including falsely certifying compliance and knowing violations; or an ongoing Environmental Protection Agency (EPA) or state-initiated litigation.

23 **SIGNIFICANT ENVIRONMENTAL ACHIEVEMENT:** A meaningful improvement to the environment by implementing an operational change, product replacement, new technology, business practice, or other innovative measure that results in an improvement to air quality, water quality, a reduction in water use, solid or hazardous waste generated, energy usage, pollution prevention, an Energy Star certification, etc.

24 **SIGNIFICANT IMPACTS:** The impacts as determined by an entity that could cause significant detrimental changes to the environment and/or cause harm to public health.

25 **SILVER TIER:** The second membership level of NStEP.

26 **SUBSTANTIAL COMPLIANCE:** An entity demonstrates a commitment, as evidenced by its compliance history and prior working relationship with the department, to meeting applicable state and federal environmental rules and regulations, as necessary, to qualify for NStEP.

27 **SUPPORTING ROLE:** Participation in the NStEP either as an Advisor or an Advocate.

28 **TARGETS:** Specific goals that are set to meet the objectives.

29 **WASTE:** Any material or other resource that is not incorporated into a product, such as surplus, obsolete, off-specification, contaminated or unused material and includes any of the following: air emissions, water discharges, hazardous waste, and solid waste.

III. ELIGIBILITY REQUIREMENTS

REQUIREMENTS FOR PROGRAM TIER STATUS

Those entities that operate in Arkansas and voluntarily seek a designation in one of the program tiers must meet the compliance and beyond-compliance eligibility requirements below.

A **COMPLIANCE-RELATED REQUIREMENTS**
Compliance-related eligibility requirements for an entity that voluntarily seeks a designation in one of the program tiers of NStEP can be found in the table below.

REQUIREMENT	PERIOD OF TIME			
	BRONZE	SILVER	GOLD	PLATINUM
An entity may not be eligible to participate in the program if there has been a pattern of regulatory or permit violations, notices of violation, civil penalties and/or criminal penalties and significant compliance advisories (or informal enforcement actions) that indicate a lack of commitment to environmental leadership.	*	*	*	*
Evidence of no serious violations of applicable local, state, and federal environmental laws and permits for a period of time immediately prior to the date of submission of the application for participation in the program.	1 year	1 year	1 year	3 years
No conviction of environmental laws or out-of-court settlements of formal charges of criminal violations within a period of time before filing the application unless under a new ownership not associated with the act.	5 years	5 years	5 years	5 years
If the applicant entered into a settlement agreement or Consent Administrative Order for serious violations of environmental laws and permits, the business entity must be monitored and in good standing with an agreed-upon compliance schedule prior to the date of submitting an application to the program.	1 year	1 year	1 year	3 years
Any entity that applies for the program and is part of a corporation, partnership, sole proprietorship, municipality, county, state, federal agency or a department that operates in multiple locations under the same parent company will have the choice of applying for membership based on a single location or include multiple locations in a single membership, as long as the organizations are located within the state of Arkansas. This may affect large parent companies that maintain offices with less than twenty people statewide or entities that only have twenty total employees by combining all locations. Each facility location must be in compliance with applicable local, state, and federal environmental laws and regulations. Compliance with the terms of a consent administrative order or other settlement agreement may be considered in this determination.	*	*	*	*

*Compliance history and the evaluation of commitment to the environment will be determined on a case-by-case basis by agency environmental staff and management.

Note: The voluntary disclosure of environmental violations through E&E's Self-Disclosure Incentive Policy will not impact an organization's membership status in NStEP provided the finding(s) does not have a significant impact on health and the environment, of which the determination will be at the discretion of the Chief Administrator.

B **BEYOND-COMPLIANCE REQUIREMENTS**
In addition to the compliance-related requirements, there are beyond-compliance requirements for each of the program tiers. These requirements are described below.

1. BRONZE MEMBER

An entity applying to the Bronze tier of NStEP is committing to make achievement(s) in improving the environment of Arkansas. Bronze members must commit to **one environmental project improvement**, and complete the project within two years of being accepted into the program. An annual progress report will be due by January 1 of each year after an entity's admission into the program. The report must be submitted through E&E's ePortal system: **https://eportal.adeq.state.ar.us/app/#/formversion/257f51a5-37f1-46b4-a700-ed40d6d0ef05**. The areas of achievement, which must be beyond compliance, may include one or more of the following:

- Improvement in air quality.

- Improvement in water quality.

- Reducing water usage.

- Reducing energy use (e.g. an Energy Star achievement).

- Solid and/or hazardous waste reductions.

- Implementing pollution prevention actions.

- Land use improvements or protection.

- Other innovative measures which benefit the environment.

2. SILVER MEMBER

The requirements for Silver members are the same as those for Bronze members, except Silver members go a step beyond the Bronze members by committing to complete **two environmental improvement projects** within three years of being accepted into the program.

An annual progress report will be due by January 1 of each year after an entity's admission into the program. The report must be submitted through E&E's ePortal system: **https://eportal.adeq.state.ar.us/app/#/formversion/257f51a5-37f1-46b4-a700-ed40d6d0ef05**.

3. GOLD MEMBER

The requirements for Gold members are the same as those for Silver members, except Gold members must commit to develop and implement an environmental management system (EMS) within three years, in addition to meeting the requirements for "beyond-compliance" activities and programs. Gold members must also commit to completing **two environmental improvement projects**. The development of an EMS can count as one of the two projects.

Certain minimum milestones must be met to remain in the program. A Gold level business may apply to the Platinum level before the end of its three-year timeline, if it meets the Platinum requirements:

- By the end of year one, the entity must, at a minimum, demonstrate EMS implementation steps beyond that of the time of applying to the program.

- By the end of year two, the entity must, at a minimum, have additional portions of an EMS beyond that of the first year.

- By the end of year three, the entity must have a fully functional EMS, conducted a third-party audit, and complied with all the requirements listed in Appendix A. At such time, an entity may apply for the Platinum tier.

An annual progress report will be due by January 1 of each year after an entity's admission into the program. The report must be submitted through E&E's ePortal system: **https://eportal. adeq.state.ar.us/app/#/formversion/257f51a5-37f1-46b4-a700-ed40d6d0ef05**.

4. PLATINUM MEMBER

To qualify for designation as a Platinum member, an entity must:

- Have in place a fully operational, facility-specific EMS.

- Have completed at least one full cycle of an EMS that conforms to the criteria set forth in Appendix A (a full cycle includes planning, implementation, operation, checking, and management review).

- Have completed an EMS, and an internal compliance audit.

- Have completed a third-party assessment of the EMS (Third-party assessments may be performed by a lead auditor in your parent company or by an independent auditor, but not by individuals who played a substantive role in developing the EMS for the facility).

- Provide a summary, on-site review or some other documentation of an entity's EMS that demonstrates achievement of the criteria set forth in Appendix A.

- Demonstrate past achievements in order to show commitment to improving environmental performance.

- Set continual or future environmental improvement goals as a means to achieve environmental excellence (Environmental improvement projects should be based on a sound systematic approach to environmental decision-making and goal setting, supported by measurable results).

Commit to complete **three environmental improvement projects** within a three-year time period—two of the projects can be a community environmental project and/or serving as an environmental mentor for another business.

An annual progress report will be due by January 1 of each year after an entity's admission into the program. The report must be submitted through E&E's ePortal system: **https://eportal. adeq.state.ar.us/app/#/formversion/257f51a5-37f1-46b4-a700-ed40d6d0ef05**.

Guidance: Continual environmental improvement goals should promote the following: (1) the elimination or reduction of waste at the source of generation; (2) redirection of waste streams for reuse or for substitution of commercial products; (3) environmentally sound on-site and off-site recycling programs; and, (4) beyond compliance activities and programs. Other goals may include attending or sponsoring environmental workshops, developing case studies, establishing pollution prevention networks with suppliers, or providing the agency with pollution prevention information for possible publication or dissemination. Aspects are chosen by the facility. Commitment for improvement should relate to the significant environmental aspects identified in the EMS and should take into account local environmental priorities and pollution prevention opportunities.

NSTEP LEVEL	ENVIRONMENTAL PROJECTS
BRONZE	1
SILVER	2
GOLD	2
PLATINUM	3

C **Optional activities or programs** that qualify for continual environmental improvement can include participating in mentoring opportunities with other companies or organizations, such as providing technical assistance and exchanging innovative technologies, developing case studies that can be shared with the public, or sponsoring an environmentally-focused workshop.

Q&A REGARDING QUALIFIED ENVIRONMENTAL IMPROVEMENT PROJECTS
Examples of qualified environmental improvement projects:

- implementing a new recycling regimen

- transitioning to LED lights

- installing energy efficient windows

- utilizing a more eco-friendly energy source

- hosting Earth Day activities or community trash clean-ups

- partnering with local schools to promote environmental education

IV. REQUIREMENTS FOR SUPPORTING ROLE

The supporting role in the NStEP is designed to enhance and complement the overall program. Those entities that operate in Arkansas and agree to participate in a supplementary role as an Advocate or Advisor must submit an annual report by January 1st every year after the entity's admission into the program. This report will be an overview of the achievements of the year in operation of an entity's supporting role and should be submitted through E&E's ePortal system: **https://eportal.adeq.state.ar.us/app/#/formversion/257f51a5-37f1-46b4-a700-ed40d6d0ef05**. NStEP members in this capacity must also meet the requirements outlined below.

A **ADVISOR**

This section applies to an individual or group that acts in an advisory capacity and assists in shaping the future of the NStEP. Examples of existing advisory capacities follow:

- Power to assist in incentive recommendations

- Recommend programmatic changes

- Provide input on projects to NStEP members and coordinators

- Can assist NStEP members with EMS development and implementation

B **ADVOCATE**

An Advocate can be an individual or a group that promotes and supports the NStEP in a variety of ways. For example, an Advocate may be a consulting firm that provides a free training seminar to our members, a trade association that promotes and encourages nominations and applications to the program, or even a company that provides in-kind or financial contributions for the annual recognition event.

V. APPLICATION PROCESS TO THE NSTEP

The program tiers are open to all Arkansas organizations with a minimum of twenty full-time employees, including industries, higher education institutions, municipalities, government agencies, non-profit, and other organizations. An entity wishing to apply for designation in the NStEP should follow the procedures set forth in this document.

A **APPLICATION FORM SUBMISSION INFORMATION**

There are currently four tiers of the NStEP for which entities may apply: Bronze, Silver, Gold, and Platinum, as well as two supporting roles: Advisor and Advocate. To determine which of the existing program tiers is the best fit for an organization, see Section III. Applicants should submit application forms electronically through E&E's ePortal system: **https://eportal.adeq.state.ar.us/app/#/formversion/257f51a5-37f1-46b4-a700-ed40d6d0ef05**.

B **APPLICATION PROCESS**

The schedule for application form submittal and the review process for acceptance into NStEP is discussed below. The timelines outlined in this document are subject to change due to timeliness of expected responses, availability of agency resources, and other unforeseen circumstances. A person operating an entity in Arkansas that has been denied acceptance into NStEP may reapply for consideration into the program at any time.

1. APPLICATION SUBMITTAL

Applications may be submitted at any time during the year. Applications must be submitted electronically.

2. APPLICATION INTERNAL PROCESSING

- The agency will contact the applicant of receiving an application to acknowledge receipt and to provide a timeline for processing the application.

- The agency will complete an initial review of the application to ensure the completeness of application. The agency will contact the applicant to request additional information if necessary.

- The agency will schedule a site visit, if necessary, upon receipt of a complete application.

Guidance: During the application review process, the agency will conduct a compliance review of each applicant using all available databases and enforcement records including those held by the U.S. Environmental Protection Agency. Prior to applying to NStEP, applicants are encouraged to assess their own compliance record to ensure eligibility.

3. **ADMISSION DETERMINATION**
   After reviewing the application, the agency will make a determination of acceptance or denial and notify the applicant.

C **INCENTIVE REWARDS FOR MEMBERS**
Recipients are eligible for the incentives listed in Appendix B (NStEP Incentives Table), for two to three years, depending on their NStEP designation level.

D **APPROVAL OR DENIAL**
The NStEP Coordinator will provide a recommendation for approval or denial of the application to the agency Chief Administrator. Within ninety days of receipt of a complete application, the agency will notify the applicant in writing of membership approval or denial into NStEP. There is no formal appeal of the Chief Administrator's final eligibility decision.

VI. RETENTION AND RENEWAL OF PROGRAM TIER DESIGNATION AND BENEFITS

A **REQUIREMENTS FOR PROGRAM TIER STATUS**
The requirements to retain a program tier status in NStEP are described below. If requirements are not met, probation or termination of a member's status and incentives may result. (Refer to "VII. Probation or Termination of Program Tier Designation and Benefits").

B **TIER-SPECIFIC RETENTION AND RENEWAL REQUIREMENTS**
In addition to compliance requirements, there are also specific retention and renewal requirements for each tier of NStEP. More information is provided below.

1. BRONZE MEMBER

- A Bronze level membership is honored for a two-year period from receipt of notification from the agency.

- Bronze membership is **not** automatically renewed. Bronze members may re-apply at the end of the two-year period.

2. SILVER MEMBER

- Silver level membership is honored for a three-year period from receipt of notification from the agency.

- Silver membership is **not** automatically renewed. Silver members may re-apply at the end of the three-year period.

3. GOLD MEMBER

a) **RETENTION/ANNUAL PROGRESS REPORT**
Gold status is limited to three years (see provision for a request of extension below). To retain status as a Gold member, an entity must continue to progress in the implementation of an EMS as required by the Eligibility Requirements in Section III. of this Handbook.

b) **COMPLETION OF THE GOLD MEMBERSHIP REQUIREMENTS**
Once all Gold membership requirements are met within the three-year period, Gold members may submit an NStEP application for Platinum level status to the agency.

c) **NON-COMPLETION OF THE GOLD MEMBERSHIP REQUIREMENTS**
If status requirements are not met by the end of the three year term limit, the entity is subject to a demotion of their NStEP designation status to Silver tier.

d) **EXTENSION OF THREE-YEAR RECOGNITION**
In the event a Gold member may need an extension of the three-year maximum status, a formal request must be made to the NStEP Coordinator. Determinations of each request will be handled on a case-by-base basis. Possible requests for extension may include:

- Regulatory/Compliance three year clean compliance record concerns.

- Economic/Resource issues for implementing projects and an EMS.

4. PLATINUM MEMBER

RETENTION/ANNUAL PROGRESS REPORT
Platinum members are honored for three years and may renew their membership. Platinum membership is **not** automatically renewed. Platinum members may re-apply at the end of the three-year period. To retain status as a Platinum member, an entity must:

- Continue to maintain and implement an EMS as required by Appendix A of this document.

- Annually report metrics and goals to the NStEP Coordinator in order to track progress towards continuous improvement goals and explain any unmet goals or changes in commitments. This can be included with the annual report submission.

C **CHANGE OF OWNERSHIP**
The department should be notified within thirty days of acquisition. If the new company wishes to continue in NStEP, it must submit a new application and wait for approval. During the interim, NStEP logos, certificates, etc. may not be used by the new company. In the case of a change of ownership, the agency may consider the environmental record of the new owner in determining whether the criteria in this document are met.

VII. PROBATION OR TERMINATION OF PROGRAM TIER DESIGNATION AND BENEFITS

A **ENVIRONMENTAL COMPLIANCE**

To retain program tier status in NStEP, entities must endeavor to maintain substantial compliance with applicable environmental rules and regulations while in the program. The Chief Administrator of the agency may place a member on probation or terminate its NStEP designation for any of the following environmental compliance issues:

- The NStEP member has been convicted of a criminal violation of applicable environmental requirements.

- The NStEP member has been assessed a significant civil or administrative penalty or damages for violation(s) of environmental requirements.

- The NStEP member has been found by a court of appropriate jurisdiction to have been responsible for an illegal action that caused substantial endangerment to public health or to the environment.

- The NStEP member was found by the Chief Administrator to have failed to promptly or adequately correct and resolve a violation of applicable environmental requirements.

B **NSTEP PROGRAM COMPLIANCE**

In addition to Environmental Compliance, entities must maintain deadline dates for retention and renewal requirements. The Chief Administrator of the agency may place a member on probation or terminate NStEP designation for any of the following NStEP compliance issues:

- The NStEP member has failed to submit reports and/or applications as required by the tier level.

- The NStEP member has failed to submit a renewal request application as required by the tier level.

- The NStEP member has not completed the above mentioned requirements as appropriate.

Note: Project commitments that are not achieved within the specified timeframe will be considered on a case-by-case basis. There could be many good reasons why an organization is not able to meet an environmental project commitment, including an unexpected lack of funding or equipment needs. All good faith efforts will be considered. An environmental project that was not included in the NStEP commitments might be substituted for another.

C **PROBATION**

The Chief Administrator will advise the NStEP member of his/her intent to place the member on probation not less than thirty days before the action occurs. Length of probation and actions required will be determined on a case-by-case basis. There is no formal appeal of the Chief Administrator's probation decision. Possible actions may include:

- Member must refrain from using NStEP logo.

- Existing incentives may be restricted or terminated.

- Requested incentives may be postponed or denied.

D **TERMINATION**

NStEP status will be terminated at the written request of the entity at any time or if the member fails to renew its application. In cases other than those listed in the paragraph directly above, the Chief Administrator will advise the NStEP member of intent to terminate the NStEP designation not less than thirty days before the action occurs. Upon termination from the NStEP, the agency will terminate or restrict all benefits provided to the former NStEP member, as determined by the Chief Administrator.

VIII. NSTEP BENEFITS

Arkansas's NStEP members are recognized as entities that inspire and challenge other organizations to maintain higher levels of environmental performance. The voluntary and substantial commitments that members make with respect to environmental protection are recognized and are considered valued commitments to the state of Arkansas. In exchange, the agency provides a number of guaranteed and potential benefits as set forth in Appendix B. Entities interested in any of the listed potential incentives, or interested in proposing an alternative incentive not included on the Incentives for Participants in Appendix B, should contact the NStEP Coordinator to determine the feasibility of those suggestions and to discuss the details of finalizing an incentive(s) agreement.

APPENDIX A:

ENVIRONMENTAL MANAGEMENT SYSTEM (EMS) REQUIREMENTS

(Note: This information closely reflects the ISO 14001 requirements.)

There are many models of Environmental Management Systems (EMSs). The E&E considers an EMS to be a flexible system designed to manage and reduce an entity's environmental impact on a continual basis. An EMS can range from a simple and streamlined system for small businesses, to a complex and comprehensive system for large entities. Regardless of complexity, all EMSs must identify and rank the full spectrum of an organization's environmental impacts, and all of the applicable environmental regulatory and legal obligations. The EMS must be fully supported by and incorporated into the existing management structure of a company and must be appropriate to the nature, scale, and potential environmental impacts of a business.

A **ENVIRONMENTAL POLICY**

An **environmental policy** statement should demonstrate a high level of commitment to environmental management through the establishment of guiding principles. The environmental policy should be available to the public and be communicated to all employees who work for or on behalf of the entity. The environmental policy should be appropriate to the nature and scale of the organization or business and should include all of the following:

- A commitment to environmental excellence and continual environmental improvement.

- A commitment to pollution prevention.

- A commitment to comply with applicable environmental regulations and other requirements.

- A statement acknowledging the importance of communication with employees and the public.

Guidance: The policy statement should be kept brief, appropriate to the scope of the EMS and meaningful to management, employees and to the entity as a whole. A brief description of the business or entity may be included in the policy statement. Procedures that convey how frequently a policy will be reviewed, who is responsible for reviewing the policy, how the policy is communicated to employees, and how the policy will be made available to the public should also be developed.

B **PLANNING**

1. **Environmental Aspects:** Identification and prioritization of activities and the corresponding **aspects** that have or can have an **impact** on the environment.

   Guidance: Identifying environmental aspects and impacts can be one of the most challenging elements of an EMS. Begin by identifying activities at the facility and the corresponding environmental aspect resulting from these activities. Include day-to-day operations, infrequent operations, and activities related to potential accidents or emergencies. From this analysis the expected or likely environmental impact can then be identified. The impacts should be ranked to identify the most significant impacts. The EMS should include procedures to identify both positive and negative, actual or potential, environmental impacts and to ensure that the impacts and opportunities for environmental improvement are considered to determine significance and set environmental objectives.

   From the comprehensive list of environmental impacts, the next step is to develop the criteria that will be used to determine the significance of each impact. This step identifies the aspects of an entity's operations that have or may potentially have **significant impacts** on the environment.

   Guidance: The significant impacts will be used to develop other elements of the EMS including: setting environmental objectives and targets; developing operational procedures; training employees; and establishing monitoring and measuring programs. A consistent methodology that includes criteria such as any related legal requirements, the likelihood of occurrence, the frequency, intensity, duration and offensiveness, or concerns of interested parties or the community of potential or real environmental impacts, should be considered. Once criteria are selected, a procedure to rank or score the criteria should be developed. The ranking can be numerical or based on a rating of high, medium, or low. Regardless of the ranking or scoring system selected, it is important that each environmental impact is analyzed in a consistent way to develop a sound evaluation process.

2. **Legal and Other Requirements:** A list of **legal and other requirements** should include all applicable environmental federal, state, and local requirements related to its environmental aspects, including all applicable environmental permits and the terms and conditions contained therein. Company-specific requirements or other external requirements (e.g., community, customer, shareholders, etc.) should also be included with this list. An entity must also determine how these requirements apply to its environmental aspects.

   Guidance: Identifying and staying current with legal and other requirements is important to the implementation and continued improvement of the EMS. A procedure should be developed to describe how to identify any environmental requirements that are applicable to the scope of the EMS. Consider federal, state, and local requirements as well as all environmental permits, industrial codes of practice, agreements, and non-regulatory guidelines. Tables that list regulatory and other requirements, including record-keeping requirements and external regulatory inspections are helpful in tracking and staying up-to-date with legal and other requirements.

3. **Objectives and Targets:** The EMS should include **objectives** and **targets** to that address environmental impacts in a definitive, systematic way. The target is a detailed performance requirement that supports a specific objective. Objectives and targets are often combined together into one procedure in the environmental management program. Each objective should be realistic, quantitative, and measurable.

   Guidance: When establishing objectives, consider the following: significant aspects; the environmental policy; legal and other requirements; technological options; pollution prevention opportunities; financial, operational and business requirements; and views of interested parties and/or the surrounding community.

4. **Environmental Management Program(s):** An **environmental management program** is a systematic way of managing environmental objectives and targets. The program should focus on continual improvement and address significant impacts of an entity's activities. The program should include a list of roles and responsibilities for implementation, maintenance and control of the EMS.

   Guidance: An action plan should be developed for achieving compliance and meeting objectives and targets. The action plan should define the steps that will be taken to achieve each stated objective and target, include who is responsible for meeting the target, the timeline for achieving milestones and the target date for completion.

C IMPLEMENTATION AND OPERATION

1. **Structure and Responsibility:** An EMS must define **structure and responsibility**. This element defines and documents roles and responsibilities for your organization. These roles and responsibilities must be clearly communicated to appropriate personnel.

   Guidance: Identify all personnel responsible for activities that could have an impact on the environment. The EMS should document roles, titles, and responsibilities. The personnel responsible for serving as management for purposes of reviewing the EMS should also be included in this list.

2. **Training, Awareness, and Competence:** Successful implementation of an EMS is dependent on a program that includes employee and supply chain training and awareness. Training is needed when the EMS is first implemented; new employees are hired; employee responsibilities change; procedures change; new processes or equipment is installed; suppliers are brought on-site, or new rules, regulations or permit conditions are put in place. The EMS should include procedures that establish and maintain environmental training needs for all employees and subcontractors who have responsibility or authority over activities that have significant environmental impacts or the potential for significant environmental impacts.

    Guidance: Employees (and suppliers) should be trained on relevant elements of an EMS. Training should include information on the environmental policy, the significant environmental aspects of their activities and related work instructions, objectives and targets, their EMS roles and responsibilities, the emergency action plan, and other pertinent information related to the EMS. The EMS should identify and track the training needs of each employee (within the scope of the EMS). If questioned in the field, employees should be able to demonstrate competency about the EMS and their environmental responsibilities.

3. **Communication:** The EMS must include a communication plan for internal communication and external community outreach and communication. Both a process and procedures for communicating information on environmental issues and the EMS to employees and with the public, including the local community and interested groups, should be developed.

    Guidance: Environmental leaders should maintain a community outreach and communications plan to effectively communicate the environmental impacts, objectives and targets of your business or organization, and to address the community's perceptions and reactions to this information. Public communication and outreach activities can vary across facilities depending on the size, setting, type of operation, or other sensitivities. Public communication and outreach plans should include procedures for: (1) identifying and responding to community concerns; (2) informing the community of important matters that might or do affect it; and, (3) reporting on the facility's environmental policy, EMS, and performance commitments. Other communication efforts might include raising environmental awareness in the community, providing or assisting with training, education or incentive methods that focus on environmental improvement and excellence in the community. Active communication with employees and the community help to convey: what an EMS is, what management's commitments are with respect to environmental issues, the benefit(s) an EMS brings to the business or organization, and progress in meeting objectives and targets. Communication plans and techniques will vary for each business or organization.

4. **Environmental Management System Documentation:** The participant must maintain documents in a manner sufficient to implement the EMS. Documentation can be maintained in paper or electronic form.

| POLICY |
| EMS MANUAL |
| PROCEDURES |
| WORK INSTRUCTIONS |
| RECORDS |

Guidance: The EMS documentation requirement can be met by the development of an EMS manual. The manual should detail the overall structure of the EMS and ensure that the EMS is understood and operating as designed. EMS procedures should be either referenced, but not included in the manual, or incorporated consistently into the manual. Written procedures are not required for all elements of the EMS. A separate procedures document from the manual is a cleaner and clearer approach. The following diagram depicts a common document hierarchy.

5. **Document Control:** Controlling documents is another important element of an EMS. An established **document control** process helps to track progress and improvements. A procedure that describes how documents will be controlled and identifies personnel responsible for controlling EMS documentations should be included in the EMS.

   Guidance: Keep the document control process simple and within easy access. Creating a master EMS document list may be helpful. Documents should be periodically reviewed and revised as necessary. Original documents should be dated and identified as the most recent version. Current versions of essential documents should be available at all locations as appropriate. One way to track documents is to use headers with pertinent tracking information. Obsolete documents should be removed from the working files, but retained when necessary for legal and or historical record keeping purposes. Reasonable precautions should be taken to protect original documents from damage, loss or other accidental events, such as fire or flood. Controlled documents include: the environmental policy; related procedures; and, records and forms used to implement and track the EMS.

   Operational Control: Operation and maintenance programs for equipment and other activities that are related to legal compliance and achieving the objectives and targets in the EMS should be included as part of the EMS.

6. **Emergency Preparedness and Response:** It is important to identify the potential for and how to respond to accidents and emergency situations of environmental aspects.

   Guidance: The outcome should result in having documented procedures/instructions in place for emergency situations. They should be easy to reference and use, and all affected personnel understand how to react in emergency situations. It is important to include prevention and mitigation of environmental aspects of potential accidents and emergencies. Should an emergency situation arise, it is important to review and revise procedures as applicable after the situation is controlled to ensure they are complete and accurate.

D **CHECKING AND CORRECTIVE ACTION**

1. **Monitoring and Measurement:** Establish and maintain specific measurable metrics and/or goals to monitor progress toward achieving and obtaining goals. This data will be used to validate and support the EMS efforts within the organization, and also may be used for E&E's Natural State Environmental Program needs (i.e., publications, presentations and information dissemination).

   Guidance: The outcomes must be measurable and should be linked to the environmental policy, objectives and targets of a company or entity. Measurable goals might include: quantity of air pollution reduced or mitigated; quantity of water pollution reduced or mitigated; quantity of hazardous and solid waste reduced or mitigated; quantity of water and energy use reductions; and, reduction in risk to employees and the community. For example, environmental performance might be reported in solid waste reduction in tons per year; hazardous pollutants (air, water, or waste) in pounds per year; water use reduction in gallons per year; energy use reduction in kWh per year; and, air pollutant reductions (CO_2, PM, and VOCs) in tons or pounds per year. Other measures might include pollution prevention performance information and community involvement measures such as increased reporting to the community through public reports (i.e., sustainability or environmental reports), and community involvement in identifying goals of the facility.

   a) A program should also be in place for ensuring **equipment** used for monitoring and measuring environmental conditions is **calibrated** according to the manufacturer's recommendations.

   b) **Nonconformance and corrective and preventive action**—Establish and maintain procedures for investigating and correcting nonconformance.

   Guidance: Identify the cause of the nonconformance. Implement the necessary corrective action. Implement and/or modify controls necessary to avoid repetition of the nonconformance. Record any changes in written procedures resulting from the corrective action.

2. **Records:** Establish and maintain procedures to provide and require records to be kept.

   Guidance: Records should be identified, maintained and show disposition by determining retention times. Records should be easily retrievable, legible and traceable.

3. **Environmental Management System Audit:** Procedures to provide for regular self-initiated regulatory compliance and EMS (systems) **audits** must be included in the EMS. Both internal and external or third-party audits should be conducted on a regular basis. Effective mechanisms (procedures) should be in place to assess compliance with environmental laws, assess conformance with the procedures and systems of the EMS, assure that effective mechanisms are in place to respond promptly and adequately, and address violations of applicable environmental requirements, or nonconformance of the EMS.

Guidance: The entire EMS needs to be audited periodically to identify any inconsistencies between the EMS requirements and actual practices and measurements. An audit is an important tool to determine if the EMS is being properly maintained and implemented. Audits will help to identify and resolve EMS deficiencies and can be used to assess regulatory compliance and to update environmental and legal requirements in the EMS. As a rule of thumb, all parts of the EMS and compliance- related issues should be audited at least once each year. To be effective, the EMS should include: (1) audit procedures and protocols that are specific to your company and operations, (2) a schedule of appropriate audit frequencies, (3) auditor training, and (4) appropriate audit records. The internal and external EMS auditors should be trained in auditing techniques and management system concepts. Auditors should also be objective and knowledgeable of the applicable environmental regulations and of the facility operations.

Management Review: Establish and maintain a procedure for **management review** of the EMS.

Guidance: Reviews may include: (1) results from audits; (2) the extent to which objectives have been met; (3) the continuing suitability of the EMS in relation to changing conditions and information; (4) concerns among relevant interested parties. The reviews should be documented/recorded.

APPENDIX B:

INCENTIVES TABLE

INCENTIVES FOR PARTICIPANTS		✔ = AUTOMATIC ✱ = MUST BE REQUESTED				
INCENTIVES	**DESCRIPTION**	**BRONZE**	**SILVER**	**GOLD**	**PLATINUM**
Use of NStEP logo	A participant may use the NStEP logo on its documents and publications for promotional purposes.	✔	✔	✔	✔
Framed NStEP certificate	A participant may display the framed NStEP certificate in a prominent location at its facility.	✔	✔	✔	✔
NStEP window decal	Participants may display the NStEP window decal showcasing its program level.	✔	✔	✔	✔
Provide press release and other assistance for public/community outreach purposes	E&E will recognize participation publicly through a press release.	✔	✔	✔	✔
List business members on the NStEP web pages	Members will be listed on the NStEP web pages to recognize them for their participation in the program.	✔	✔	✔	✔
Receive notification of E&E training events	Participants will be notified by e-mail of E&E training events.	✔	✔	✔	✔
Annual NStEP members meeting[1]	An annual meeting will be held for NStEP members for knowledge transfer and networking.	✔	✔	✔	✔
Dedicated ombudsman	E&E will assign NStEP members an individual contact for regulatory questions.	✔	✔	✔	✔
Notice of rule-making initiatives	NStEP members will be included in the stakeholder process for regulatory proposals. Please note that this will not include every rulemaking, but only those rulemakings where a stakeholder process is initiated.		✔	✔	✔
Permit technical assistance and follow-up compliance and assistance	E&E will expedite NStEP member requests for technical assistance for permit renewals and new or major modifications when practicable. Once the permit is issued, E&E will conduct a follow-up compliance and assistance visit with participants to go over the permit requirements and answer any questions.		✔	✔	✔

INCENTIVES FOR PARTICIPANTS		✔ = AUTOMATIC ✱ = MUST BE REQUESTED			
INCENTIVES	**DESCRIPTION**	BRONZE	SILVER	GOLD	PLATINUM
Inspection notice	E&E will consider providing advanced notice of on-site, non-complaint based inspections for NStEP members on a case-by-case basis.			✔	✔
Expedited permits	Participants will be given priority for permit modifications to the extent possible under statutory limitations and backlog reduction requirements.			✔	✔
To the extent possible, assign the same permit writer and inspector to a facility to ensure consistent inspection, interpretation and enforcement	Assign the same permit writer and inspector for two or three years if personnel availability allows. If requested by the company, the permit writer may visit the facility.			✱ Air Water Land	✱ Air Water Land
One-stop multi-media inspections	If feasible and requested by participant, a multi-media team of inspectors will visit the facility on the same day in order to reduce disruptions to operations.			✱ Air Water Land	✱ Air Water Land
Recognition by E&E executive leadership	E&E will host a meeting between its Executive leadership and NStEP Platinum members to discuss agency priorities and initiatives. The meeting will be publicized on E&E's website and other applicable venues.				✔
Input into future incentives	Members will be invited to participate in discussions about incentives to add to the NStEP program.				✔

This table lists a variety of incentives **potentially** available to members of the Natural State Environmental Program. An asterisk (✱) indicates that the incentive must be requested.

1. An annual meeting will be held when the Natural State Environmental Program has acquired a membership of thirty organizations.

APPENDIX C:

TIPS FOR SUCCESSFUL ENVIRONMENTAL MENTORING

1 **DEFINE YOUR ROLES:** From the beginning, mentors and mentees should know their roles in the mentoring relationship. For a formal one-to-one mentoring relationship, the mentor should prepare a letter of commitment outlining the roles of both parties. The letter should include specific project objectives so that the outcome can later be measured. Any security, legal, and liability issues that might affect the relationship between the mentor and mentee must be addressed, understood, and agreed upon by all parties.

In most cases, the mentee must agree not to hold the mentor liable if a problem occurs. Nevertheless, mentors must be careful about the advice that they give their mentees. Additionally, a confidentiality agreement may be required if the mentee is concerned about trade secrets.

2 **EVALUATE BEFORE YOU ACT:** Conducting a "baseline assessment" allows the mentor to develop realistic expectations on the first visit. Before the mentoring process starts, the mentor should contact the mentee to assess his or her knowledge of the environmental issues that are the focus of the mentoring project. This should not be seen as a test or inspection. Rather, an assessment provides the mentor with some background regarding the company, facility, staff, etc. This enables the mentor to match "skill sets" with the mentee's staff; plan for a self-directed project; and develop options for the mentee. Some mentoring programs ask potential mentees to complete a questionnaire; other programs may conduct a casual phone interview.

3 **CONDUCT A NEEDS ASSESSMENT:** Mentees should conduct a needs assessment of their companies to identify the areas where they need the most help.

4 **DEFINE YOUR COMMITMENT:** Both companies in a mentoring relationship, particularly the mentor company, must have a strong commitment to seeing the process through. Uncertainty on the part of either party may yield disappointing results.

5 **IDENTIFY WHAT YOU HOPE TO ACHIEVE:** Clear, realistic goals, that include timelines and meeting schedules, are essential to a successful mentoring initiative. The mentor and mentee should prepare a written document listing their project goals at the beginning of the project.

6 **IDENTIFY THE OBSTACLES TO SUCCESS:** As in any business endeavor, success often relies on the anticipation of problems that will arise. Identify, in advance, any obstacles that would prevent the implementation of any proposed recommendations, such as limited financial resources and contractual relationships, and consider possible solutions.

7 **MAXIMIZE SUCCESS BY MATCHING BUSINESS SKILLS AND INTERESTS:** Businesses from the same industry sector, or those that use similar processes, are more likely to have a successful mentoring relationship. Matching "skill sets" between individuals from the mentor company to those in the mentee's staff is also an effective strategy.

8 **TEST YOUR NEW KNOWLEDGE WITH SELF-DIRECTED PROJECTS:** Self-directed projects provide opportunities for the mentee company to put in place what it has learned.

9 **BE WILLING TO TRY SEVERAL APPROACHES:** The strength of mentoring relationships is that they allow one company to provide individualized assistance to another. This means flexibility is the key. Mentors should be willing to adapt their mentoring approaches to the needs of the mentee.

10 **KEEP IT SIMPLE:** Mentors cannot assume that the mentee has the same level of experience, education, and understanding of environmental issues. Therefore, mentors should be able to explain complex concepts and avoid using technical jargon.

11 **FOCUS ON PRACTICAL LESSONS:** Practical information about how to set a system in place or think about doing a specific task is more useful than abstract discussions about materials flows and industrial ecology.

12 **UNDERSTAND TIME CONSTRAINTS:** Both mentor and mentee must have realistic expectations regarding the time spent in the mentoring process. Talk about time commitments before you start.

13 **ELIMINATE PRECONCEIVED NOTIONS OF WHAT THE MENTEE NEEDS:** Mentors will be more successful if they listen to the needs of the mentee. Allow the mentee to tell you about the company's expectations and needs.

14 **USE BUSINESS LANGUAGE:** Frame advantages in terms of cost savings, efficiency, and profits. This makes it easier for the mentee to justify potential changes and demonstrates that environmental success can align with business success.