

II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION RECOMMENDATION

of 7 September 2001

on guidance for the implementation of Regulation (EC) No 761/2001 of the European Parliament and of the Council allowing voluntary participation by organisations in a Community eco-management and audit scheme (EMAS)

(notified under document number C(2001) 2503)

(Text with EEA relevance)

(2001/680/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community, and in particular Article 211, second indent, thereof,

(1) Whereas Regulation (EC) No 761/2001 of the European Parliament and of the Council of 19 March 2001 allowing voluntary participation by organisations in a Community eco-management and audit scheme (EMAS)⁽¹⁾ defines the essential requirements for participation by organisations in a Community eco-management and audit scheme (EMAS).

(2) Whereas Regulation (EC) No 761/2001 calls on the Commission to promote consistency in the application of EMAS, in particular in the field of verification as referred to in Article 4(7).

(3) Whereas consistency in the verification field can be ensured by clarifying provisions for organisations and by guiding directly environmental verifiers in performing their activities.

(4) Whereas it is appropriate to give practical guidance on implementing Regulation (EC) No 761/2001 to offer organisations effective support and to contribute to a harmonised development of EMAS in all the Member States. That guidance should cover in particular employee involvement as referred to in Annex I(B)(4) to that Regulation and the drafting of environmental statements as referred to in Annex III(3)(1) thereto.

(5) Whereas the guidance provided for in the recommendation is in accordance with the opinion of the Committee established pursuant to Article 14 of Regulation (EC) No 761/2001,

HEREBY RECOMMENDS:

1. EMAS environmental statements as referred to in Article 3(2)(c) of Regulation (EC) No 761/2001 should be prepared in accordance with the guidance set out in Annex I to this recommendation.

2. Organisations implementing EMAS should take account of the guidance on employee participation set out in Annex II.

⁽¹⁾ OJ L 114, 24.4.2001, p. 1.

3. Organisations and environmental verifiers should take account of the guidance on the identification of environmental aspects and assessment of their significance set out in Annex III.
4. Small and medium-sized organisations and environmental verifiers should take account of the guidance of the verification of SMEs set out in Annex IV.

5. This recommendation is addressed to the Member States.
Done at Brussels, 7 September 2001.

For the Commission
Margot WALLSTRÖM
Member of the Commission

ANNEX I

GUIDANCE ON THE EMAS ENVIRONMENT STATEMENT

(All references to annexes are the Annexes to Regulation (EC) No 761/2001, except where otherwise provided)

1. INTRODUCTION

EMAS is designed to help an organisation to manage and improve its environmental performance. This guidance is intended to assist the organisation in producing the environmental statement required by the scheme under Regulation (EC) No 761/2001 and identifies issues to be considered in preparing the statement in accordance with Annex III.

In preparing this guidance consideration has been given to the information needs of interested parties and how organisations can meet those needs. Openness, transparency and periodic provision of environmental information are key factors in differentiating EMAS from other schemes. Those factors are also important for the organisation in building confidence with interested parties.

1.1. *Planning*

Thorough preparation of the environmental statement will increase its usefulness and add considerable value for communicating the results and continuous improvement of an organisation's environmental performance. In particular it provides an opportunity to market a positive image of the organisation's performance to customers, suppliers, neighbourhood, contractors and employees.

Interested parties require different kinds of information. Early consideration of their needs is important in deciding what to include in the statement, what form it should take and how it should be communicated.

EMAS provides flexibility to allow organisations to target relevant information to specific audiences while ensuring that all information is available to those who require it. Consideration should be given to how best to target information, whether in one single report or as extracts from a body of validated information. Information to be used in the environmental statement should be readily available from the environmental management system and, as such, should not prove difficult to generate.

Although Regulation (EC) No 761/2001 requires environmental information to be made available in printed form for those who have no other means of obtaining it (Annex III(3)(1)), organisations are encouraged to use all methods available for making the environmental statement publicly available (Annex III(3)(6)). Documents in electronic format, such as web pages, provide a cost-effective way of making information available to a large number of people and can easily be printed out for those who do not have access to such facilities. In this way, organisation can avoid the cost of producing large numbers of expensive glossy reports. To give an overall picture of the organisation's environmental performance, Regulation (EC) No 761/2001 states that the information must be available in a consolidated printed version at the organisation's first registration and then every three years. In addition the organisation must update any changes in this information yearly (except under circumstances defined in the verification, validation and audit frequency guidance set out in Annex II to Commission Decision 2001/681/EC⁽¹⁾).

⁽¹⁾ See p. 24 of this Official Journal.

1.2. Structure and content

As a public document, the environmental statement should be clearly and concisely written. EMAS statements do not need to be long, elaborate documents. A short, well-presented statement can convey all the appropriate information to the reader. This is particularly applicable to small companies.

Regulation (EC) No 761/2001 does not specify a structure for the environmental statement or the order in which items should be presented, that is a matter for the organisation to determine provided that the requirements of Annex III(3)(2) are met. If the organisation produces a corporate environmental statement covering a number of geographic locations, it should consider how to structure the statement to ensure that the significant environmental impacts of each site are clearly identified and reported in the corporate statement (Annex III(3)(7)).

Readers of the environmental statement may want to compare the results of an organisation's environmental performance over time in order to identify significant trends. It is therefore important to include the same type of information as reported in previous years as well as to repeat any statements made to help improve comparability for the reader and make the information understandable. It might be advisable to appoint an outside person to review and comment on the document when it is complete.

2. GUIDANCE

This section gives guidance on the requirements specified in Annex III(3)(2).

Requirement:

Point (a) 'a clear and unambiguous description of the organisation registering under EMAS and a summary of its activities, products and services and its relationship to any parent organisations as appropriate'.

I n t e n t: To give a clear understanding of the organisation and its activities, products and services.

H o w: Give the organisation's location and outline its activities, products and services. Annotated maps, photographs and diagrams are effective in providing this information and may also be used to illustrate the organisation's management structure and relationship to other parts of the organisation.

The presentation should clearly state if only part of the organisation is registered under EMAS so that there is no confusion with regard to closely related parts of the organisation, both from a geographical and managerial point of view.

If the organisation produces a large range of products, these may be combined into product groups. Goods produced and services provided could be included as well as the number of employees at the organisation and its basic economic data.

If the company has partially owned subsidiaries, joint ventures or out-sourced production, this should be accounted for. The same applies for acquisitions, mergers and divestments during the year.

Good practice:

- maps and diagrams
- annotated aerial photographs

- flow diagrams
- classification (i.e. the NACE code) of the organisation
- name of contact person (if applicable).

Requirement:

Point (b) 'the environmental policy and a brief description of the environmental management system of the organisation'.

Intent: To present the organisation's policy commitments and outline how these are implemented throughout the organisation.

How: Include the environmental policy in the environmental statement. Briefly outline the organisation's management framework for implementing the policy. An organisational chart showing responsibility for environmental issues may demonstrate how the environmental management system (EMS) is implemented. A simple flow chart or diagram may also show links between the policy, identification and evaluation of aspects, targets and objectives and auditing.

Good ideas:

- include the environmental policy, and possibly an introduction letter, signed by the Chief Executive Officer (CEO)
- include an organisational chart with contacts for the environmental representative
- include a diagram showing the EMS structure
- comment on any major changes in environmental policy or management system.

Requirement:

Point (c) 'a description of all the significant direct and indirect environmental aspects which result in significant environmental impacts of the organisation and an explanation of the nature of the impacts as related to these aspects (Annex VI)'.

Intent: To give an overall picture of the organisation's significant environmental aspects and to explain the environmental consequences of its activities, products and services. The key issue is that the reader understands the link between what the organisation does and the significant environmental impact that can be caused.

How: The organisation may describe how each of its significant environmental aspects impact on the environment. Alternatively, the organisation may show different environmental media (such as air, water, flora and fauna) and describe which of its significant aspects impact on each. Input/output diagrams, matrices and annotated pictograms are all useful ways of showing this information in a concise form. See also the guidance on environmental aspects and impacts set out in Annex III to this recommendation.

Comment also on impacts due to accidents and environmental liabilities. Impacts associated with past activities that may be translated into future liabilities might also be of importance.

Example — Environmental aspects and environmental impacts

It is important that the EMAS statement clearly describes the relation between the environmental programme with its various activities and the potential nature of their environmental impacts. One way to describe this may be done in a matrix showing the relationship between the activities in the programme and the associated nature of the environmental impacts.

| ACTIVITIES | | NATURE OF ENVIRONMENTAL IMPACTS |
|--|--|---|
| BUSINESS LIFE-CYCLE STAGES | | |
| PROCUREMENT | | |
| <i>Purchase of materials for manufacturing, distribution and marketing</i> | | |
| Purchase of plastic materials for manufacturing | | Depletion of non-renewable resources |
| Purchase of paper, card and printed material | | Depletion of biodiversity, global warming and water pollution |
| MANUFACTURING | | |
| <i>(Add facts and numbers on products and services manufactures)</i> | | |
| <i>Manufacturing of product</i> | | |
| Product pressing | | Global warming and acidification |
| Product pressing and printing | | Local air pollution. Aluminium, lacquer, ink and solvent wastes |
| MARKETING AND ADMINISTRATION | | |
| <i>Developing, promotion and marketing of products and services</i> | | |
| Origination of graphics for product packaging and merchandising | | Waste creation through use and disposal of photographic materials and chemicals containing metals and acids |
| Office operations using energy, paper and office equipment | | Global warming and creation of waste |
| DISTRIBUTION | | |
| <i>Transportation of products by road and air from manufacturing sites to distribution centres and to wholesale and retail customers</i> | | |
| Use of card and shrink-wrap in transit packaging | | Use of resources and creation of waste |
| Road and air transport | | Global warming and local air pollution. Depletion of oil reserves. Congestion and noise pollution |
| DISPOSAL | | |
| <i>Waste disposal by customers, overstocks and deletions via reuse, recycling, landfill or incineration</i> | | |
| Disposal of product packaging by consumers | | Increased domestic waste streams |

Another way is to relate the environmental impacts of the organisation's activities to the inputs and outputs of its operations in an 'environmental balance sheet':

| Input | Output | Environmental impacts |
|---------------|--|--|
| Aviation fuel | Emissions to air in form of: | |
| | — carbon dioxide | global warming |
| | — water vapour | global warming |
| | — hydrocarbons | global warming, ground level ozone creation |
| | — nitrogen oxides | global warming, acidification, ground level ozone creation, depletion of the stratospheric ozone layer, over-fertilisation |
| | | consumption of non-renewable resources |
| | Fuel vapour (emissions mainly to air): | |
| | — carbon dioxide | global warming |
| | — hydrocarbons | global warming, ground level ozone creation |

Good ideas:

- include the criteria for identifying significant environmental impacts to fulfil the requirement in Annex VI(6)(1)
- use tables, diagrams or flow charts.

Requirement:

Point (d) 'a description of the environmental objectives and targets in relation to the significant environmental aspects and impacts'.

I n t e n t: To show what the organisation intends to do to improve its environmental performance. The organisation's environmental programme with its objectives and targets will help the reader to understand the organisation's activities to improve its environmental performance. The organisation should be able to demonstrate a clear link between the aspects that it considers most significant and the plans it has for improvement.

H o w: Relate objectives and targets to significant environmental aspects and impacts. This can be presented in a table which includes the time period by which the targets and objectives should be achieved. This may be combined with the information required under point (c). Present targets and objectives so that they are specific, adequate and relevant, and wherever possible, measurable.

Example — Environmental programme, objectives and targets

| Issues | Objectives/targets | Activities | Time-frame |
|--|--|---|------------|
| Materials — use of materials | Reduction of the environmental impact through the use of materials by 20 % | Incorporate environmental guidelines into purchasing policy | end 200X |
| Solvents and volatile organic Compounds (VOCs) | Reduction of solvent emission to annual average levels below: | Installation of new paintshop for waterborne topcoats | mid 200X |
| Emissions of solvents and VOCs | — 53 g/m ² (solids) — 56 g/m ² (metallics) | Introduction of new paintshop operations | mid 200X |

Good ideas:

- outline the rationale for setting objectives and targets with reference to precautionary methods, if applicable
- report on the designation of responsibility for reaching objectives and targets
- indicate the costs of meeting the objectives and targets
- relate to targets and objectives from previous reporting periods.

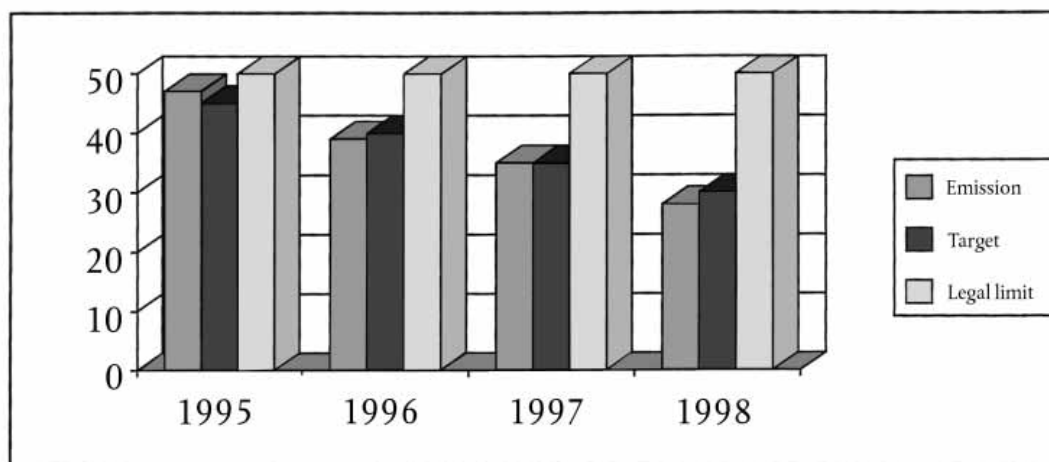
Requirement:

Point (e) 'a summary of the data available on the performance of the organisation against its environmental objectives and targets with respect to its significant environmental impacts. The summary may include figures on pollutant emissions, waste generation, consumption of raw material, energy and water, noise as well as other aspects indicated in Annex VI. The data should allow for year-by-year comparison to assess the development of the environmental performance of the organisation'.

Intent: To present data on the environmental performance of the organisation and its progress in achieving its objectives and targets. Also to show how the organisation's environmental performance is changing over time.

How: Report data on environmental performance against objectives and targets for the significant environmental aspects identified in accordance with Annex VI. Performance can be shown in a number of ways, such as graphs, charts and tables. Absolute figures on performance might be combined with performance indicators and thus relate performance to product output, to annual turnover and so forth. When reporting data, care needs to be taken that the correct units of measurement are used. Where data are aggregated from a number of sources in the EMS, the organisation will also need to ensure that the method of aggregation is accurate and can be checked and replicated by the verifier. Data should be reported in a consistent format to allow for comparison on a year-by-year basis.

Objectives and targets may not all be achieved within the intended time-frame, particularly if the organisation sets itself challenging goals. If objectives and targets are not met, it is good practice to include a note in the environmental statement explaining the reason why.

Example — Emission of CO₂ in relation to targets and legal provisions**Good ideas:**

- use of performance indicators helps to increase clarity, transparency and comparability of the information provided by an organisation
- explain what action has been taken to achieve current performance levels

- show performance against objectives and targets as well as against legal requirements and national or sector environmental targets
- explain the way the data has been acquired and processed
- reproduce degree of fulfilment against targets and objectives from earlier environmental statements to give a full picture of the organisation's environmental performance
- comment on why targets have not been achieved
- comment if data are not available (no measurements carried out, no environmental permits or limiting values to fulfil, etc.).

Requirement:

Point (f) 'other factors regarding environmental performance including performance against legal provisions with respect to their significant environmental impacts'.

Inten t: Where the organisation reports data on its environmental performance relating to significant environmental impacts which are regulated, performance against the legal level needs to be reported. The organisation may also include other information relating to its environmental performance in the statement.

How: When reporting the data referred to in point (d), the organisation can also include information on legal limits to show that compliance is being achieved. Other information that the organisation may provide includes details of investments to improve environmental performance, support to local environmental groups and actions to promote dialogue with interested parties. Organisations may wish to consider reporting on existing safety plans.

Good ideas:

- product information
- procurement policies
- important decisions and investments
- precautionary actions/environmental protection activities/preventive measures
- complaints, public or community concerns
- research and development
- incidents and breaches
- budget.

Requirement:

Point (g) 'the name and accreditation number of the environmental verifier and the date of validation'.

Inten t: To provide information on who has verified the environmental statement and when.

How: This may be done using a formalised statement that explains what the verifier has done to validate the statement.

3. CRITERIA FOR ENVIRONMENTAL PERFORMANCE REPORTING

The use of environmental performance indicators helps to increase clarity, transparency and comparability of the information provided by an organisation. The selection of these indicators is important and they must fulfil the requirements in Annex III(3)(3). The Commission will develop guidance on the selection and use of environmental performance indicators in due course.

4. INFORMATION TO SPECIFIC TARGET GROUPS

Organisations might wish to publish information specifically designed for individual interested parties. Below you will find some ideas of the concerns of different groups of interested parties. See also Annex III(3)(6).

Interested parties and information needs

4.1. *Local community*

Specific interest can be expected for

- the environmental and health aspects of substances produced and emitted
- external risks and how the organisation prevents or deals with these
- information about the nature and number of complaints and the way complainants are treated and the settlement of complaints
- information about non-compliance with permitted emissions and what measures have been taken to prevent recurrence.

4.2. *Customers*

The relations between an organisation and its suppliers and customers are often long term. Customers are an especially influential target group. They can express specific environmental demands to their suppliers (procurement policies), relating to products, processes, services or management.

What specific information customers are interested in and what environmental improvements are desired can probably be best fixed in close mutual contact and cooperation.

4.3. *Employees*

Many organisations regard their own employees as an important user group of the environmental statement. If relevant the organisation can present the environmental report for discussion at the works council. Specific interest can be expected in the following issues:

- the relationship between the environmental situation and working conditions, including accidents and incidents and the way these are dealt with,
- the plans and possibilities for internal training in the environmental field,
- implementing the environmental management system.

4.4. *Financial institutions/investors*

A growing group of investors, banks and insurance companies are showing interest in the environmental strategy and performance of organisations. Specific interest is to be expected in:

- the environmental strategy and performance of an organisation at corporate level,
- the relationship between environmental and financial information,
- the compliance behaviour of the organisation and the quality of its environmental management,
- soil pollution and the presence of high risk substances like asbestos in buildings, possible environmental risks related to (new) production processes, products or services.

4.5. *Other social parties*

Consumers and their organisations, as well as environmental NGOs are often interested in:

- the environmental policies and performance of organisations, related to processes, products and services,
 - topical issues in the political realm or in the media, for example the recycling efforts in used products in the electronics industry, the elimination of toxic substances in the paints and glues sector, the origin of wood in the timber and furniture industry, etc. An organisation should realise that it is wise to clarify its position, efforts and results on these issues,
 - the development of environmental performance over time at individual locations as well as on the corporate level, especially in a clear context, so that comparisons can be made with the legal requirements, best available technologies and the performance of other, comparable organisations,
 - information on concrete targets and objectives for the shorter and longer term, not only with regard to emissions, but also indirect environmental impacts such as raw materials use, products and services, end-of-life products and transport,
 - how the precautionary principle has been adopted for making environmental decisions.
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ANNEX II

GUIDANCE ON EMPLOYEE PARTICIPATION WITHIN THE FRAMEWORK OF EMAS

(All references to annexes are the Annexes to Regulation (EC) No 761/2001, except where otherwise provided)

1. INTRODUCTION

The guidance on employee participation within the framework of EMAS is based on the following:

Article 1(2) of Regulation (EC) No 761/2001 which states:

'The objective of EMAS shall be to promote continual improvements in the environmental performance of organisations by:

...

(d) the active involvement of employees in the organisation and appropriate initial and advanced training that makes active participation in the tasks referred to under (a) possible. Where they so request, any employee representatives shall also be involved.'

Annex I to Regulation (EC) No 761/2001 which states:

'The organisation shall identify training needs. It shall require that all personnel whose work may create a significant impact upon the environment, have received appropriate training.

It shall establish and maintain procedures to make its employees or members at each relevant function and level aware of:

- (a) the importance of conformance with the environmental policy and procedures and with the requirements of the environmental management system;
- (b) the significant environmental impacts, actual or potential, of their work activities and the environmental benefits of improved personal performance;
- (c) their roles and responsibilities in achieving conformance with the environmental policy and procedures and with the requirements of the environmental management system, including emergency preparedness and response requirements;
- (d) the potential consequences of departure from specified operating procedures.

Personnel performing the tasks which can cause significant environmental impacts shall be competent on the basis of appropriate education, training and/or experience. (Annex I-A(4)(2).'

'In addition to the requirements in Annex I — Section A employees shall be involved in the process aimed at continually improving the organisations' environmental performance. Appropriate forms of participation like the suggestion-book system or project-based group works on environmental committees should be used for this purpose. Organisations shall take note of Commission guidance on best practice in this field. Where they so request, any employee representatives shall also be involved. (Annex I-B(4).'

Involvement of all in the environmental work is a chance and an opportunity to work in a more effective way and is the prerequisite for success. The active involvement of employees in the process of continual improvement of the organisations' environmental performance should not be seen as a burden. This guidance tries to emphasise the opposite.

This guidance shows ways and means of actively involving employees that will make the work more effective, that will put less burden on both management and employees and that will assure the good implementation of EMAS.

The work with the environmental issues must be continuous. Without the active involvement and participation of everybody (management and employees) in an organisation this will not happen.

To have everyone in the organisation involved in the work is also the right way to keep a management system alive and fresh. Experience has shown that management systems that do not actively involve everyone tend to become bureaucratic and do not function well.

It is important to make the employees see the environmental work, not as a threat but, as an opportunity to, among other things, improve working conditions and create pride for working in an environmentally good organisation.

Research, auditing of EMAS organisations and experience on the issue of change of organisation of work in general, have shown that when all employees are continuously actively involved, and in particular when their representatives are taking an active part in the work, the outcome is better.

Experience has also shown that fatigue that can occur after a period of work with systems like EMAS and EN ISO 14001 can be avoided by the active involvement of employees.

2. PROVISIONS

2.1. General

The organisation should acknowledge that active employee involvement is a driving force and a prerequisite for continuous and successful environmental improvements as well as being a key resource in the improvement of environmental performance. The organisation should acknowledge that the active involvement of the employees in an active manner is the right method to anchor the environmental management and audit system in the organisation in a successful way.

The organisation should acknowledge that the term 'employee participation' includes both participation of, and information to the individual employee and his representatives, according to national systems. Therefore, there should be an employee participation scheme at all levels.

Means should be introduced for active employee involvement.

Evidence that this happens should be available to verifiers. Such evidence could, for example, be:

minutes from meetings with unions, works councils or other organisations representing the employees or other meetings within the organisation

availability of appropriate education, training and information

facilities for employees to make suggestions (suggestion-book system)

availability of environmental committees

meetings between management and workers' representatives on environmental performance

creation of environmental teams or working groups or project-based groups

regularity of information given to employees and existing representatives

contacts between verifiers and employees and their representatives

active involvement, information and participation between environmental officer/management representative and employees and their representatives

The organisation should acknowledge that commitment, responsiveness and active support from the side of the management is a prerequisite for the success of those processes. In this context the necessity of feedback from the management to the employees must be stressed.

2.2. *Education and training*

The organisation should acknowledge the need for continuous staff information and training on environmental issues. Basic information and training should be given to all employees. Training of management is also an essential part in managing changes.

Employees who are more directly involved in the environmental management of the organisation through for example participation in joint working groups, should be given a more extensive upgrading of their qualifications. Such upgrading should consist of, but not be limited to, EMAS, environmental policies, best practices and communication.

2.3. *Levels of involvement*

The organisation should acknowledge that employee participation is important and necessary on all levels and in all stages from day one of the environmental management work. Therefore organisations should involve employees actively in:

- the formulation of environmental policies of the organisation,
- the initial environmental review and in the analysis of the state of art and in collecting and verifying information,
- the establishment and implementation of an environmental management and audit system improving environmental performance,
- environmental committees to gather information and to ensure the participation of environmental officer/management representatives and employees and their representatives,
- joint working groups for the environmental action programme and environmental auditing,
- the elaboration of the environmental statements.

2.4. *Employee suggestions and reward systems*

The organisation should see that there exists simple ways for employees to make suggestions improving the environment. This should, for example, be done by installing suggestion-boxes.

When actions taken by employees lead to improved economic and/or environmental performance of the organisation employees should be rewarded. Both financial and other types of reward systems can be used.

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ANNEX III

GUIDANCE ON THE IDENTIFICATION OF ENVIRONMENTAL ASPECTS AND ASSESSMENT OF THEIR SIGNIFICANCE

(All references to annexes are the Annexes to Regulation (EC) No 761/2001, except where otherwise provided)

1. OBJECTIVE OF THE GUIDANCE

The purpose of this document is to give guidance for the identification of significant environmental aspects arising from activities, products and services over which an organisation applying EMAS has management control or influence according to Annex VI. Under EMAS, significant environmental aspects are at the centre of attention of an organisation's environmental management system and of the evaluation and improvement of its environmental performance by setting objectives and targets as well as of the ongoing review process. Significant environmental aspects and impacts are also relevant within the environmental statement according to Annex III.

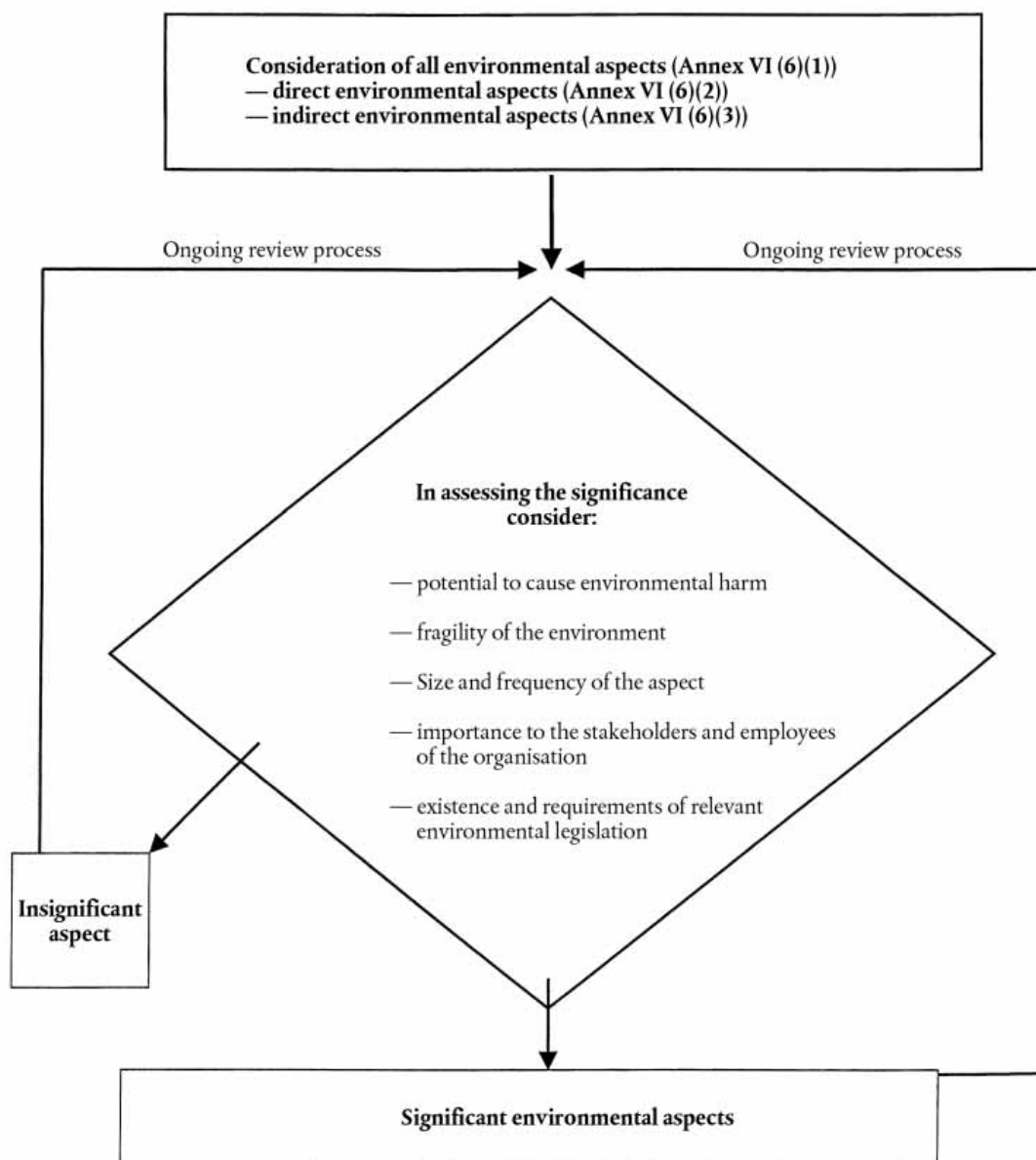
2. RELATIONSHIP BETWEEN ENVIRONMENTAL ASPECTS, SIGNIFICANT ENVIRONMENTAL ASPECTS AND SIGNIFICANT ENVIRONMENTAL IMPACTS

The principle in EMAS is that the environmental aspects (Article 2(f) of Regulation (EC) No 761/2001) of organisations' operations result in environmental impacts (Article 2(g)). If an environmental aspect of the organisation gives rise to a significant environmental impact then that aspect must be considered significant and be incorporated into the environmental management system.

3. STEP-BY-STEP PROCEDURE TO IDENTIFY SIGNIFICANT ENVIRONMENTAL ASPECTS

In Annex VI examples of 'direct' and 'indirect' environmental aspects are given. This list is non-comprehensive. In the initial environmental review and the following ongoing review process it is essential for an organisation to look in an open-minded, unbiased and comprehensive way at the specific environmental aspects of its activities, products and services. There may be cases where it may be difficult to classify an identified environmental aspect as 'direct' or 'indirect'. In this case it should be borne in mind that the main concern of the identification of environmental aspects is to get a complete overview of the environmental relevance of the organisations' activities, products and services and to address all existing environmental aspects. The important issue is not to categorise an issue as direct or indirect but to make sure that all aspects are identified so that they can be managed by the management system. The procedure of identifying significant environmental aspects can be summarised as follows:

| | |
|---------------|---|
| Step 1 | Identification of all environmental aspects |
| Step 2 | Definition of the significant criteria by the organisation, taking into account Community legislation |
| Step 3 | Identification of the significant environmental aspects on the basis of the significant criteria referred to under step 2 |



4. HOW TO IDENTIFY DIRECT ENVIRONMENTAL ASPECTS

Direct environmental aspects are associated with activities, products and services of the organisation itself over which it has direct management control. All organisations have to consider the direct aspects of their operations. However, for non-industrial organisations the focus will often be on indirect environmental aspects of their activities, products and services.

How to box:

- talk to employees
- walk the site and its neighbourhood
- talk to stakeholders
- review documents (e.g. safety data sheets, licences)

- look at legislation (e.g. substantive law, technical requirements such as mandatory monitoring of pollutants)
- look at eco-label criteria
- check information from chambers of commerce etc.
- talk to other EMAS companies
- look at material flows
- look at existing performance indicators
- look at all parts and infrastructure of the organisation (e.g. pipelines, power lines, rail tracks)

Think box:

- purchasing policy
- emissions to water and air
- waste
- resource use
- energy
- local issues
- land use and contamination
- historical issues
- transport

5. INDIRECT ENVIRONMENTAL ASPECTS AND HOW TO INFLUENCE THEM [ANNEX VI (6)(3)]

Annex VI (6)(3) places indirect environmental aspects on an equal footing with direct environmental aspects pursuant to Annex VI (6)(2). Indirect environmental aspects can result from the interaction of an organisation with third parties which can to a reasonable degree be influenced by the organisation seeking EMAS-registration. For non-industrial organisations, such as local authorities or financial institutions, it is essential that they also consider the environmental aspects associated with their core business. An inventory limited to the environmental aspects of an organisation's site and facilities is insufficient.

How to box:

- talk to (sub)contractors and suppliers (e.g. service companies, landlords)
- talk to customers
- look at use and disposal of products
- look at activities of (sub)contractors
- look at eco-label criteria
- check information from chambers of commerce, etc.
- talk to other EMAS companies
- talk to NGOs and other stakeholders
- look at information on supplied products and services

Think box:

- product issues
- contracts
- transport
- new markets for existing products
- financial products
- product range
- tourism
- services

Direct environmental aspects can be controlled by internal management decisions. Whereas indirect environmental aspects require an organisation to use its influence on (sub-)contractors, suppliers, customers and users of their products and services to gain environmental benefits. This will require an organisation to be creative in how it uses its influence. On the basis of Annex VI 6(3)(a) to (g) the management of indirect environmental aspects may include, but is not limited to:

- (a) *product related issues (design, development, packaging, transportation, use and waste recovery/disposal)*

Organisations may wish to consider:

- available results of lifecycle assessment of their products
- results of the development and use of environmental performance indicators
- environmental aspects of supplied products, of the processing of their products
- effects of a foreseeable misuse, an inadmissible recovery or disposal of their products
- customer/consumer and supplier information needs and additional customer education (e.g. on use and disposal of products)
- durability and reparability of products, compatibility of existing products with new product series and replacement parts

- (b) *capital investments, granting loans and insurance services*

Organisations may wish to consider:

- the admission policy and insurance premiums (e.g. preferential treatment for 'green' companies, EMAS organisations)
- investment policy (green investments)
- assessment procedures (environmental risk reduction)
- loaning policy (e.g. preferential treatment for 'green' companies, EMAS organisations)
- product range (e.g. green funds)

- (c) *new markets*

The introduction of existing products into new markets may well give rise to new environmental aspects. With respect to that organisations may for example look at:

- the existing infrastructure, e.g. for recycling or handling of hazardous wastes, transport and handling of problematic substances, treatment of waste water, for cases of emergency
- technological and educational standards
- awareness of environmental issues in the new market

(d) *choice and composition of services (e.g. transport or the catering trade)*

Organisations may for example look at the environmental management of service providers, such as:

- accommodation services (hotels, conference centres)
- transfer or hauling services (environmentally friendly modes of transport, efficient organisation of transport, technological standards and fuel consumption of vehicles)
- product range, green purchasing policy, use of reusable and compostable dishes, waste management of catering services

e) *administrative and planning decisions*

Organisations may for example look at:

- aspects arising from the execution of planning decisions in the future
- results of experimental games or computerised modelling
- experience gained from the implementation of similar projects

(f) *product range compositions*

This is relevant to organisations selling or distributing products supplied by third parties, they may for example:

- develop a 'green' procurement policy with respect to contractors and products
- give preference to products sold under a product take-back scheme
- look for products bearing commonly accepted eco-labels within their product range

(g) *the environmental performance and practices of contractors, subcontractors and suppliers*

Organisations may for example:

- inquire of (sub)contractors and suppliers about the environmental performance of their activities and products
- analyse safety data sheets, product line analyses or relevant excerpts therefrom provided by contractors
- train (sub)contractors and suppliers (e.g. provide advice to decrease environmental hazards)
- incorporate 'green clauses' into their contracts

Think box:

- customer education (e.g. on use and disposal of products, advice in order to decrease environmental hazards)
- 'green' procurement policy
- preferential treatment for 'green' companies, e.g. EMAS companies (loans, insurance)
- 'green' investments
- products take-back schemes
- 'green' clauses in contracts

6. HOW TO CARRY OUT THE SIGNIFICANCE ASSESSMENT

In order to decide whether they are significant all environmental aspects identified need to be examined and evaluated. Environmental aspects which have been identified as significant must be incorporated into the environmental management system and the ongoing review process. Those identified as not significant should also be reviewed to take into account changing circumstances. To assess the significance of the environmental aspects in question, the organisation defines its own individual set of criteria. According to Regulation (EC) No 761/2001, the criteria 'shall be comprehensive, reproducible and capable of independent checking' (Annex VI (6)(4) and shall take account of Community legislation (Annex VI (6)(1). Annex 6(4) to (g) gives some of the criteria an organisation may consider when deciding on the significance of its environmental aspects.

Basically an organisation should consider the following issues in assessing the significance of an environmental aspect:

- potential to cause environmental harm
- fragility of the local, regional or global environment
- size, number, frequency and reversibility of the aspect or impact
- existence and requirements of relevant environmental legislation
- importance to the stakeholders and employees of the organisation

These issues and the criteria selected can be taken as questions to be answered with 'yes' or 'no', or they can be used in a more differentiated way in order to assess the significance of the organisation's environmental aspects in a first step and to create a priority list for action in a second step (e.g. by classifying in 'high', 'medium', 'low' or 'very important', less important, 'not important').

In undertaking the assessment the organisation shall also look at start-up and shutdown conditions and at reasonably foreseeable emergency conditions. Furthermore past, present and planned activities shall be taken into account.

Useful sources of information for performing the assessment may be permits, relevant regulations (e.g. on quantified limits or monitoring of pollutants), national action plans, local agendas, monitoring records or scientific studies. Regulatory agencies, customers and suppliers, environmental groups, trade or craft associations, industrial associations, chambers of commerce and scientific institutions might also provide useful information to support the assessment.

Think box:

- accumulated pollutants
- climate change (greenhouse gases, depletion of the ozone layer)
- acidification of water and soil
- eutrophication of water and nitrogen saturation of soil
- bio diversity, pressures on areas of special conservation interests (e.g. cutting up habitats)
- introduction and spread of alien organisms
- effect of metals
- photochemical oxidants and ground level ozone
- effects of (hazardous) chemicals including persistent organic pollutants
- inappropriate use of land and water resources
- urban air pollution and noise
- non-cyclic material flows, wastes and environmental residues

ANNEX IV

GUIDANCE TO VERIFIERS ON THE VERIFICATION OF SMALL AND MEDIUM-SIZED ENTERPRISES (SMEs) PARTICULARLY SMALL AND MICRO-BUSINESSES

(All references to annexes are the Annexes to Regulation (EC) No 761/2001, except where otherwise provided)

1. INTRODUCTION

There is a perceived problem that SMEs have difficulty in implementing management systems such as ISO 9001, ISO 14001 and EMAS. The systems are seen as too bureaucratic and time consuming. The problem is not in understanding the requirements of these management systems but in being able to provide the physical and financial resources to implement and maintain them. Of particular difficulty is the traditional reliance on controlled documentation as the only means of demonstrating that a management system is performing in accordance with the requirements of the management systems defined in standards and regulations. The maintenance and control of such systems is time consuming and often contrary to the working practices of small companies.

Small companies are characterised by short reporting lines, multifunctional staff, on-the-job training and the ability to adapt rapidly to change. The task of the verifier is to recognise the strengths and weaknesses of such organisations and to conduct the verification in such a way as not to impose unnecessary burdens on small organisations. This guidance is designed to apply to small organisations and in some instances will only apply to micro-businesses. The verifier should use his experience to ascertain the applicability of this guidance to the organisation being verified in relation to the resources available to the organisation.

2. DOCUMENTATION

The purpose of documentation in a management system is to ensure that an organisation can consistently carry out its operations in accordance with the way it wishes to manage. Thus written procedures may be employed to ensure that any operation is performed consistently irrespective of the operator. Documentation is also used to provide evidence that particular operations or procedures have been carried out correctly e.g. data from monitoring to show legal compliance.

When performing verifications at SMEs, verifiers should remember the following:

— **Not all procedures need to be documented**

Verbal procedures and on-the-job training are often used in small organisations. The task of the verifier is to find evidence that the procedure works.

Example: A site may have a procedure to segregate different types of waste. The evidence required would be twofold

- does the operator understand what he is doing
- waste segregation is working at a practical level

— **Procedures should be proportional**

The size and complexity of the operation, the nature of the associated environmental impacts and the competence of the operators should be taken into account when deciding on the adequacy of procedures. Simple flow charts, pictograms, notices and matrices may be the most effective.

3. DOCUMENT CONTROL

The essence of document control is to ensure that the appropriate documents are in the possession of those who need them. In its simplest form all this requires is a list of the documents and who should have them. The verification that the system works would simply be to see if the people had the documents they should.

Example

Procedure

| Employee | Purchasing | Report writing | Data collection | Emission monitoring | Travel arrangement |
|------------|------------|----------------|-----------------|---------------------|--------------------|
| | Rev. 1 | Rev. 2 | Rev. 1 | Rev. 2 | Rev. 3 |
| Employee 1 | X | | | X | |
| Employee 2 | | | | | X |
| Employee 3 | | | X | | |
| Employee 4 | | X | | | |
| Employee 5 | | | | | X |

To verify that this is in place the verifier would need to see for example that employee 3 had and was using revision 1 of the procedure for data collection.

4. PROOF

At all times a verifier should be looking for objective evidence that a system works not excessive amounts of paperwork thus in small organisations it is often easier to check the effectiveness of procedures by the outcome.

Examples

— temperature control:

a verifier would not have to check written procedures to see that control of temperature was effective provided that the records were complete and showed that the control was within effective limits. The verifier would also need to ensure the understanding of the employee responsible for this process. If non-conformances with the control requirements were shown by the records then the organisation should be able to demonstrate effective corrective action,

— recycling:

an organisation with a policy of recycling paper would need to demonstrate that the appropriate facilities were in place (recycling bins, etc.) and that employees knew how to use them. The effectiveness of a policy of using only recycled paper could be demonstrated through the labelling on the packaging of the paper used.

5. REPORTS

The requirement for a public statement under EMAS should not be interpreted as a requirement to produce and have printed a glossy report. The requirement is intended to ensure that stakeholders are informed of the performance of an organisation. In the case of small organisations this major audience will usually be those in close proximity to the site and an organisation may choose to respond by the provision of photocopied information or similar. EMAS should not be seen as providing unnecessary burdens on small companies.

6. AUDITS AND REVIEW

In most small businesses it will be possible to find someone within the organisation sufficiently independent to carry out the audit function. In very small organisations (micro-businesses) however this may not be possible. In order to avoid the necessity of employing an outside company to carry out the audit the verifier may wish to accept some alternatives.

- audits from the local chambers of craft/trade, organisations of SMEs or other similar organisations
 - partnerships between two or more micro-businesses in one location sharing resources and expertise in the performing of audits
 - the combining of audit and management review in one exercise thus saving time and resources.
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