

# ISO 14004 revision will promote use of environmental management systems by the SME

While the ongoing revision of ISO 14004 is intended to provide improved guidance for the implementation of environmental management systems to all types and sizes of organization, the standard has a particular aim of making it easier for small and medium-sized enterprises to understand, set up and benefit from such systems. The revision is expected to be finalized in early 2004.





BY PHIL STAPLETON

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**T**he importance of small and medium-sized enterprises (SME's) to economies around the world is beyond dispute. Surveys have shown that, on a global basis, more than 90 % of all businesses are SME's.

Recent studies in the United Kingdom indicate that small enterprises contribute roughly 40 % of the country's Gross National Product and account for nearly 50 % of the private sector workforce. In addition, larger businesses are often interested in SME's for the ideas and technologies that they generate. It is little wonder that SME's are viewed as growth generators for economies around the world.

While SME's might have certain advantages over some larger organizations, smaller organizations also can face a variety of hurdles, such as lack of environmental (or other specialist) expertise. One often-mentioned challenge for SME's is the availability and effective use of strategic information. While a variety of governmental and other organizations have instituted programmes to assist SME's in complying with environmental laws and regulations, the scale of the task can be daunting.

The environmental impacts associated with smaller enterprises have been documented. At the same time, many SME's are faced with the need to demonstrate responsible environmental management to their customers and other stakeholders. Experience in both the United States and elsewhere shows that SME's can implement an effective EMS and can realize a variety of benefits from doing so. However, EMS implementation in smaller enterprises can present significant challenges.

ISO technical committee ISO/TC 207, *Environmental management*, recognized these challenges in planning its work for the revisions of its environmental management system (EMS) standards:

- ISO 14001:1996, which gives the specifications of an EMS and guidance for its use, and is also the standard against which an EMS can be audited and certified, and
- ISO 14004:1996, the supporting standard which gives general guidelines on EMS principles, systems and supporting technologies. It is not intended for EMS certification.

In particular, the scope of ISO TC 207/SC 1/WG 2, the working group responsible for the revision of ISO 14004, specifically addresses the needs of SME's, as indicated in the current draft of the revised standard:

"The purpose of this guideline is to provide appropriate assistance to organizations of all sizes

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and in all sectors and countries, considering, implementing or improving an environmental management system, and thereby improve environmental performance. The guideline also **promotes the use of environmental management systems by Small and Medium Enterprises** [author's emphasis]. It is consistent with the concepts of sustainable development. It is compatible with diverse cultural, social and organizational frameworks and both formal and informal systems of management. It is not intended for certification or registration purposes."

The ISO 14004 revision process began in 1999. Over the past three years, experts from more than 40 countries have worked diligently to prepare a revised standard that will provide practical guidance, while retaining the flexibility that is critical in allowing this EMS guidance standard to be used by organizations of all types and sizes.



## Help is on the way

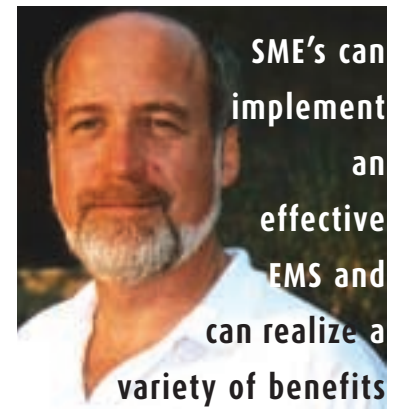
How can ISO 14004 promote and support EMS implementation among SME's? One hurdle to EMS adoption by SME's has been the perception that an EMS provides limited business benefits. For this reason, one focus of WG 2's work has been to demonstrate how the use of an EMS can help an organization to succeed and grow.

Evidence from organizations that have implemented an EMS shows that such systems can help in managing costs, enhancing public image, demonstrating environmental commitment to customers, and improving relationships with regulatory agencies, among other potential benefits. ISO 14004

Examples from real organizations are used throughout the standard. Furthermore, ISO 14004 employs a number of examples that "carry through" the various EMS elements (from environmental policy commitments to identification of environmental aspects to objectives and targets, to operational control needs, etc.) in order to help organizations understand the key interrelationships among these system elements.

## Expanded guidance

Early in the revision process, WG 2 identified a number of areas where SME's (as well as larger organiza-



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tries to illustrate how an effective EMS can help an organization in achieving its overall mission and goals.

A frequent dilemma for SME's has been ready access to practical information. To address this problem, the standard uses "practical help boxes" in various sections and "how to" advice on certain EMS elements that have posed implementation challenges.

tions) could benefit from additional guidance. As a result, the working group has developed additional guidance on the concepts of Prevention of Pollution and Continual Improvement, the value of and possible methods for external communication, and techniques for identifying and keeping up-to-date on legal requirements, among other topics. The expanded guidance in ISO 14004 is designed to

help SME's and other organizations answer questions such as the following:



### EMS implementation in smaller enterprises can present significant challenges

- How should our organization establish and maintain its environmental objectives and targets?
- How should our organization communicate with external interested parties and why should we be interested in doing so?
- How does our organization know what legal requirements apply to it? How should we use such information once we have it?
- How should our organization measure its environmental performance and how should the resulting information be used?
- How should our organization determine its needs for operational controls and how should we assess the effectiveness of such controls?

Another area of expanded guidance that should be helpful to SME's is the section on Initial Environmental Reviews. Conducting such reviews can be extremely helpful for organizations that have no formal EMS in place. Such a review can also be useful for an organization that has an EMS but want to improve it.

Providing practical guidance to SME's (and other organizations) is not without its challenges. Since organizations come in all types and sizes, WG 2 needs to avoid the "one

size fits all" mentality. We need to present a variety of EMS approaches that might work equally well. In revising ISO 14004, WG 2 needs to find the proper balance that provides useful advice and suggests practical approaches, but which does not imply that this reflects the best possible approach for all organizations.

### Biggest challenge

In the ISO 14004 revision process, the biggest challenge for WG 2 to date has been the section of the standard on the identification of environ-



mental aspects and impacts. Many EMS experts believe that this element is the most challenging part of EMS implementation for most organizations (including SME's). Identification and evaluation of environmental aspects is critical to the overall effectiveness of an EMS.

WG 2 has been working for nearly two years to develop practical, flexible guidance on identifying and characterizing environmental aspects that recognizes the breadth of approaches which exist. While there is still more work to be done, WG 2 has made some progress on this issue. WG 2 experts have agreed that the determination of significance can include consideration of environmental concerns, legal concerns, as well as the concerns of interested parties (which might include interested parties within the organization).

While retaining the text that has been developed describing a "five-step" approach to environmental





aspects identification and characterization, WG2 also decided to present in the Committee Draft for comment of the future standard a figure describing an alternative approach in order to solicit comments on approaches for identifying and characterizing environmental aspects.

### Where we are now

WG 2 met most recently in Billund, Denmark in November 2001. At the conclusion of that meeting, WG 2 issued a Committee Draft (CD). Comments on this draft from the national standards institutes participating in the development of the revised ISO 14004 were being accepted until the end of March 2002 for compilation and distribution by the end of April 2002. The CD and associated comments received from member countries will be the primary subjects of discussions at the WG 2 meetings to be held in South Africa in June 2002. Our current plan is to have the revision of ISO 14004 finalized in early 2004.

At the Billund meeting, WG 2 also agreed to establish a User Feedback Group in order to solicit additional comments on the value of the ISO 14004 revision to the user community, and especially to small and medi-



um-sized organizations. Participating national delegations were asked to distribute the CD for comment to potential users of the guidance and to provide feedback from them to WG 2. This feedback will be considered, along with the comments of the national delegations, during the meeting in South Africa.

As Convener, I have been pleased with the hard work of the WG 2 experts during the revision process. I believe that they have worked

diligently to prepare a document that will be useful to *all* types and sizes of organizations, but that recognizes *the special needs of SME's*. We know that there is more work to be done and we welcome inputs that will help us make the standard more useful to all parties concerned. ■

**Examples from  
real organizations  
are used throughout  
the standard**



**Environmental  
systems can help  
in managing costs,  
enhancing public  
image,  
demonstrating  
environmental  
commitment to  
customers, and  
improving  
relationships  
with regulatory  
agencies**