
ISO 14001: 2015

White Paper on the Changes to the ISO Standard on
Environmental Management Systems



JULY 2015



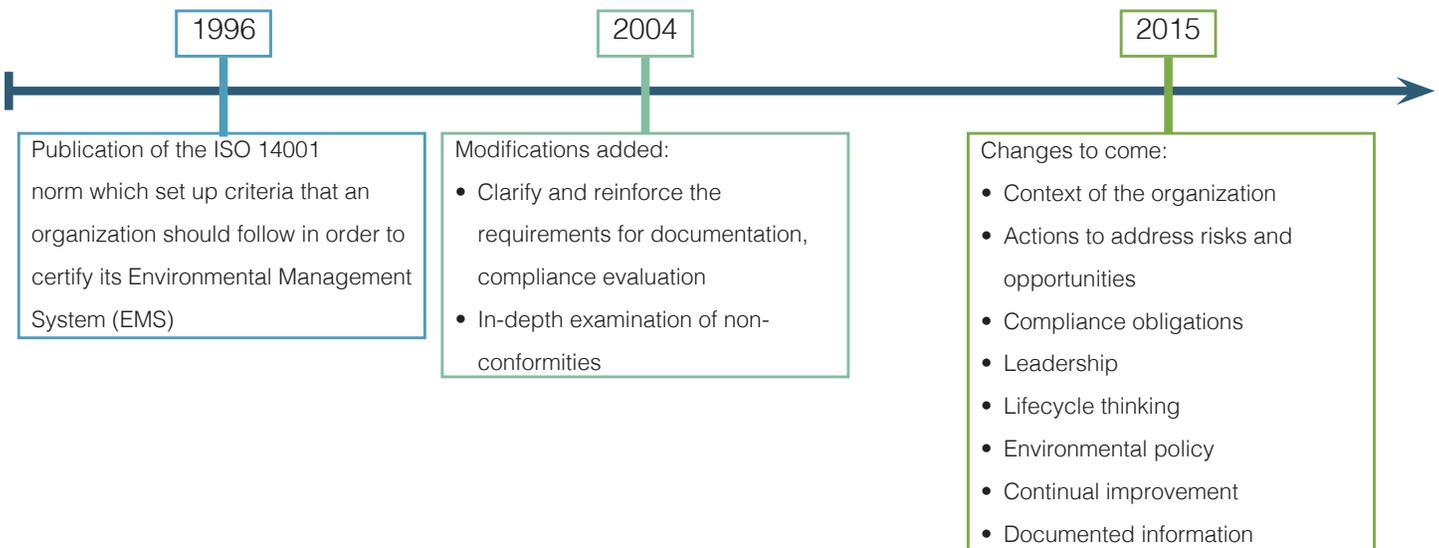


EVOLUTION OF THE ISO 14001 STANDARD

Nearly 20 years after it was first published, ISO 14001 has become the world's most widely recognized environmental standard. A new version of the standard will be published in September 2015. The Final Draft International Standard (FDIS) ISO 14001: 2015 was published on July 2, and no further technical changes will be made to this version.

ISO 14001: 2015 is designed to help organizations develop sustainable business practices that will revitalize, restructure and improve their environmental management practices while pushing corporate environmental performance to a higher level. As markets and mentalities have evolved in the last decade, the standard needed updating to stay in line with today's thinking about environmental issues and to better integrate sustainable development concepts. With the new version, any type of organization wishing to prepare for the environmental challenges and business opportunities of the future will have a stable framework of requirements for the next 10 years or more.

Assuming that the reader has prior exposure to the ISO 14001 standard, this White Paper provides more details on the key changes from the 2004 version. We also make some recommendations for upgrading an EMS to ISO 14001: 2015.



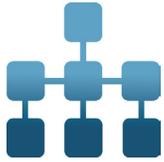
OVERVIEW OF CHANGES

The 2015 version features a new numbering structure. The ISO technical committee based the revision on Annex SL, which sets out a standard High-Level Structure as well as core text, common terms and definitions for the next-generation management system. A common platform ensures uniformity among management system standards, enabling them to be integrated more easily and efficiently within an organization. Due to this new platform, ISO 14001: 2015 has more requirements than ISO 14001: 2004. Readers will remember that the previous standard contained all of the management system requirements in one main clause (Clause 4) that had six sub-clauses. By contrast, the new standard contains seven main clauses (Clauses 4 to 10) and 21 sub-clauses.

In terms of requirements, the 2015 version bears some resemblance to the 2004 version, but there has been a shift in emphasis to certain key considerations. These are detailed below.



CONTEXT OF THE ORGANIZATION (Clause 4)



This is a new clause requiring organizations to demonstrate understanding of the context in which they operate. For example, they must show an understanding of the conditions and factors that could affect their environmental management, such as climate change, natural resource availability and constraints, the quality of water and air, the social context and the regulatory framework.

The organization's social context, particularly the needs and expectations of interested parties (which can include, for example, governments, investors, employees, communities, aboriginal groups, customers, etc.) must be taken into account. The organization must identify the interested parties that are relevant to its EMS and determine which of their needs and expectations become obligations. In the 2004 version, stakeholder views had to be taken into account only in the development of objectives and targets.

Lastly, the information on context and interested parties will now be used to determine the scope of the EMS, which was not required in ISO 14001: 2004. Once defined, the EMS scope will determine the range of activities, products and services to be included and the authority of the organization to exercise control or influence over the related environmental aspects.

For example, if a company operates in northern Canada and relies on winter roads over permafrost and frozen watercourses for seasonal delivery of supplies, it may be vulnerable to warming trends. The same company, being off the power grid, has to generate its own power with diesel-fired generators, which constitute a major source of greenhouse gas emissions. Climate change is therefore a strategic issue for that company.

ACTIONS TO ADDRESS RISKS AND OPPORTUNITIES

(Sub-clause 6.1)



The new standard calls for an integrated approach to risk management. In addition to the aspects and impacts of its activities, products and services, the organization must assess the threats and opportunities that it faces. These stem from the organization's context (as described earlier and its compliance obligations.

Risks may be strictly environmental (e.g., risk of spills) or may stem from stakeholder concerns (e.g., perceived health risk from operations) or from a market requirement (e.g., conditions stipulated by a client).

COMPLIANCE OBLIGATIONS (Sub-clause 6.1.3)



Formerly under the heading "Legal and other requirements" in the 2004 version, compliance obligations will be considered as possible sources of risks and opportunities to organizations. Organizations will be required to maintain documentation of their obligations and action plans to address them. Obligations can include applicable laws and regulations, industry standards and codes of practice, as well as requirements arising from agreements with interested parties.



LEADERSHIP (Clause 5)



Specific responsibilities are assigned to top management in this version of the standard. The organization's decision makers will be required to ensure alignment of the environmental policy and objectives with the strategic direction of the organization, and integration of EMS requirements into key business processes. Top management is also required to ensure that the EMS achieves its intended outcomes, which include enhanced environmental performance.

LIFECYCLE THINKING (Sub-clauses 6.1.2 and 8.1)



Organizations will have to go further than previously required when identifying environmental management system requirements by including impacts arising from the use of products and their treatment or disposal at the end of their useful lives. While this does not mean conducting a lifecycle analysis (LCA) of their products, it does entail the establishment of controls in the design and development process of products or services, considering each stage of the life cycle. Sub-clause 8.1 also explicitly requires that environmental requirements be established for procurement of products and services and that outsourced processes be controlled or influenced.

ENVIRONMENTAL POLICY (Sub-clause 5.2)



Beyond limiting, preventing or mitigating environmental damage, the new ISO 14001 requires organizations to be proactive in protecting the environment in their own context. This may include pollution prevention, sustainable resource use, climate change mitigation and adaptation, and protection of biodiversity and ecosystems.

CONTINUAL IMPROVEMENT (Sub-clause 10.3)



The notion of continual improvement of the EMS has now been directed toward enhancement of environmental performance. Objectives must be linked to measurable results in order to show tangible enhancement of performance. Under the new standard, the organization will have to be more critical about the level of results and benefits achieved through its efforts. In some cases, interested party needs and expectations could have a significant impact on performance targets.

DOCUMENTED INFORMATION (Sub-clause 7.5)



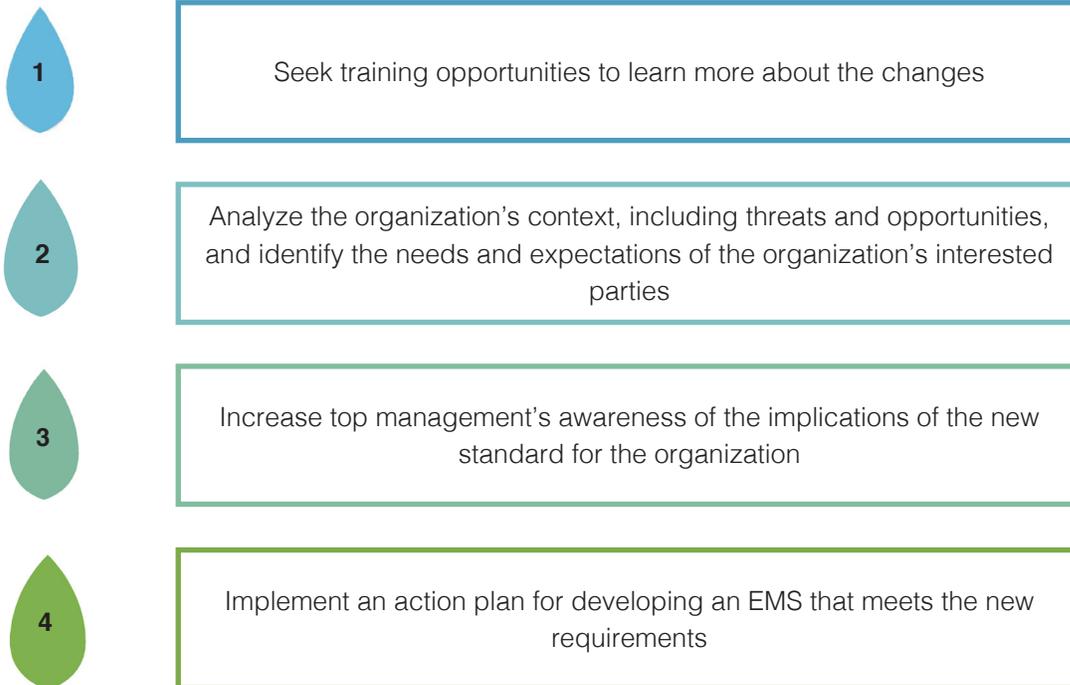
The standard now refers to documented information (instead of documentation, procedures, records, etc.) and takes a less procedure-centered approach to document management. Information on the EMS may be integrated with other management systems in the organization. Storage can be paper or electronic media.



TRANSITION

Organizations currently certified will have up to three years, starting from the date of official publication of ISO 14001: 2015 in its final form, to meet the new requirements. This timeframe may be shorter, depending on the organization's certification schedule.

Some suggested steps for a successful transition include:



Current users of ISO 14001 who have structured their system documentation along the lines of the 2004 version of the standard will not be required to change to the new structure, as long as all requirements of ISO 14001: 2015 are met. The same principle applies to organizations that have their own management system design. However, there may be advantages in conforming to the new structure for organizations with an EMS that follows the ISO standard structure, as it could facilitate integration with other ISO standards.



FOR AUDITORS

Internal and external auditors should anticipate important changes to the way they conduct audits. These changes may include:

An audit objective of determining top management thinking on an array of topics such as integration of EMS requirements into business processes, the management of interested party concerns, compliance obligations and ensuing organizational risks and opportunities

Auditing a wider range of departments (e.g., procurement, finance, production, public relations)



An evaluation of the choices an organization makes for appropriate communication of its environmental requirements along its supply chain

Interviews with some external interested parties to validate their concerns and expectations



The determination of the extent to which organizations can show adequate documented information of management system processes

A more diversified audit approach to auditing operational controls linked to significant aspects, as these are no longer necessarily documented procedures

SUSTAINABLE DEVELOPMENT

To implement an efficient EMS, it is important to know the context in which the organization operates and not just its direct activities. By knowing the impacts of its operations on the environment, society and the economy, the organization can better structure its EMS to improve performance and adopt an approach more compatible with sustainable development.

Because ISO 14001: 2015 is in line with the concepts of sustainable development, it should be helpful to organizations that wish to manage environment and sustainable development more closely. The EMS is the logical place for documenting and managing the many risks, opportunities and compliance obligations in terms of sustainable development, such as corporate leadership, governance, social responsibility, consumption issues, climate change, natural resource management, community participation, and human rights.

