



14001 Certification Doesn't Cost – It Pays

Organisations are looking for more from Environmental Management Systems than just compliance. Increasingly, businesses are re-evaluating their systems and looking to improve and protect their current and future performance. The role of independent, third-parties and their assessment methodologies is growing in importance. In conjunction with their assurance providers, businesses are seeking to: take into account the concerns of stakeholders; address the organisation's most significant risks; and identify potential areas of improvement.

The process involves the creation of an environmental policy that incorporates a number of key features such as planning, implementation, checking, measuring, corrective measures and the identification of opportunities for continual improvement

Environmental issues pose a greater risk now than ever before, as consumers increasingly look for green and ethical products. However, consumers are not the only driving force behind environmental initiatives. Investors, staff, suppliers, partners and communities all apply pressure to organisations to improve environmental performance. Marketing departments have been quick to identify the power of the green consumer and many organisations have invested in the green aspects of their Brand. There are many environmental initiatives illustrating the drive to green; for example, the 10:10 campaign to reduce carbon emissions by 10% in 2010 currently boasts over 3,400 businesses and over 89,000 individuals.

In addition, recent large fluctuations in the cost of energy have helped to focus attention on carbon efficiency and legislation such as the recent Carbon Reduction Commitment is forcing larger organisations to measure and control their energy usage.

Many companies now produce a Corporate Responsibility Report, sometimes referred to as a Sustainability Report, which outlines objectives and current performance. The need to include valid performance data in these reports is an important consideration and this is also driving organisations to assess their environmental performance and seek ways to improve. However, some of these reports have been criticised because either they claim undue environmental merit or they claim merit for the green credentials of one part of the organisation when the remainder is performing poorly. This misleading PR activity is known as 'Greenwash' and needs to be avoided.

Clearly, environmental management needs to be holistic, involving every part of an organisation in a transparent manner. It needs to follow accepted best practice and create business systems that ensure continuous improvement. However, third party verification and approval is necessary in order to build trust in the results of environmental reports.

Introduction

One of the ways in which organisations can apply Business Assurance to environmental risk is through the creation of an Environmental Management System (EMS) in line with an internationally recognised standard.



ISO 14001 is a standard that specifies a process for controlling and improving an organisation's environmental performance. The process involves the creation of an environmental policy that incorporates a number of key features such as planning, implementation, checking, measuring, corrective measures and the identification of opportunities for continual improvement. Overall, the process involves a complete assessment of the environmental impacts of the organisation, coupled with an examination of all relevant environmental legislation. Importantly, the process is checked and verified by a reputable, independent third party that can certify a location or organisation to ISO 14001.



Dave Doherty

Case Study

Lloyd's Register Quality Assurance (LRQA) has been engaged by ALcontrol, the environment and food testing company, for the last seven years to develop an EMS that impacts upon every aspect of the business and delivers continuous environmental improvements.

David Doherty, Health Safety and Environment Manager at ALcontrol Laboratories, has been responsible for the implementation of ISO 14001. He says that the process has delivered 'a ten-fold payback'. As a provider of environmental services, it is vitally important for them to be able to demonstrate that it operates an effective EMS.

ALcontrol provides testing and analytical services for soil, water, food, oil, asbestos and air to help clients demonstrate compliance with regulations and achieve their health, safety and environmental goals.

Why ISO 14001?

Certification to internationally accepted standards enables providers of analytical services to deliver confidence in their results, particularly when certification is provided by an independent reputable third party.

The process of achieving certification to ISO 14001 helps: to meet stakeholder needs; to comply with regulations; to improve environmental management; to improve efficiency and reduce costs.

Beyond the Certificate

Certification by an organisation with a worldwide reputation can add brand value and provide customers with even greater levels of confidence. However, looking back at the partnership that developed with LRQA, Neil Whitfield, ALcontrol Environment Officer, said: "We have been able to improve the operational performance of the whole business. The knowledge and experience of the

Author Details:

Steve Williams
LRQA Deputy Technical Director
LRQA Centre
Lloyd's Register Quality Assurance Ltd.
Hiramford, Middlemarch Office Village
Siskin Drive. Coventry CV3 4FJ
England
T +44 (0) 24 7688 2382
Web www.lrqqa.com
steve.williams@lrqa.com

assessors, coupled with an understanding of our business and the markets that we serve, has helped to ensure that environmental improvements are in line with the needs of the business."

ISO 14001 in action

Within ISO14001 ALcontrol has sought to reduce waste volumes through packaging minimisation. For example, when possible, deliveries are received on pallets rather than individual boxes and every effort is made to reuse or recycle materials; empty chemical bottles are treated in a furnace and reused, and laboratory consumables are cleaned for re-use. In addition, the deployment of compactors and balers has resulted in up to 50% of waste being diverted from landfill on some sites, with an associated reduction in waste costs.



A number of initiatives have been introduced to reduce energy. For example; a traffic light system enables staff to identify which electrical equipment can be turned off; extraction systems are only operated when needed and storage has been reorganised so that some walk-in cold stores could be de-commissioned. These measures, combined with good servicing schedules and staff awareness of energy usage, saw a reduction in ALcontrol's energy consumption by 17% for 2009 in comparison with 2007. This equates to over 1.5 million kWh saved over the past 2 years which is a cost saving of over £100,000.

During the process of working towards ISO14001, it is important for participants to remember that the goal is continual, measurable environmental improvement. The certificate is merely recognition that an effective process has been established. Business Assurance is



about looking at the most relevant issues and risks for an organisation and creating business processes that address them and deliver real value to the business. No two businesses are the same, so the business processes that are created as part of an EMS, will vary from one organisation to another.



The benefits of ISO 14001

The processes that have been established at ALcontrol have generated benefits in seven key areas:

1. Regulations
In 2003 ALcontrol had identified around 25 different regulations. However, ALcontrol is now working with almost 200 regulations and guidelines that apply to different parts of the business.
2. Less wastage/cost savings
Recycling and waste reduction have become key elements of the EMS and David Doherty estimates that cost savings from reduced waste disposal amount to over £50k per year. The Hawarden site has demonstrated a 40% reduction in liquid waste for incineration and the Rotherham site has seen a 30% increase in recycling (comparing 2009 with 2008).
3. Stakeholder approval
A staff survey has demonstrated approval for the company's environmental credentials. As a provider of environmental testing services, staff would not be content if their employer's environmental performance did not meet or exceed their own.
4. Risk reduction
Business Assurance methodology specifically addresses areas of existing and potential risk throughout the assessment process. It also identifies areas of vulnerability to future legislation and helps the business to adapt accordingly. This vigilance is ongoing because of the dynamic nature of the business and the regulatory framework within which the company operates.
5. Business growth
ISO 14001 certification provides commercial benefits in two distinct ways. Firstly, it provides competitive advantage and is a specific requirement in many of

the bids that are made to local authorities, waste contractors, environmental consultancies and engineering contractors. Furthermore, as part of the supply chain, the ISO 14001 certificate enables customers to demonstrate compliance with some of their own environmental objectives. The second benefit of ISO 14001 stems from improved efficiency - process driven cost reduction in areas such as energy and waste help the business to remain as competitive as possible, which is particularly important in the current economic climate.

6. Business resilience

ISO 14001 provides stakeholders with confidence that every environmental aspect of the business is being managed effectively.

7. Environmental compliance

An effective EMS ensures that an organisation complies with environmental regulations such as discharge consents and avoids the bad publicity, brand damage and costs that would be associated with failure.

Summary

ALcontrol is now in the process of furthering its original goal of one comprehensive EMS certificate. Working towards certification at each individual site, the company believes that this will deliver additional significant savings and efficiencies at each location, as well as for the organisation as a whole.

In order to build continuous improvement into an EMS it is important to partner with an organisation that is able to go beyond the certification process; to identify risk, exploit new opportunities and reduce costs through efficiency improvements. However, to achieve this, the business assurance provider must have a deep understanding of the sector.

Clearly, it is necessary to allocate resources in order to develop an effective EMS and many look upon certification as a cost, but ALcontrol has clearly demonstrated that the right level of commitment coupled with the right partner, can generate significant bottom line benefits.

About the author

Steve Williams is the LRQA Deputy Technical Director for LRQA. He is responsible for defining and monitoring the service delivery process requirements for the global certification products of LRQA, helping to assure the integrity of the services delivered. He has represented LRQA externally at UK Government and European Commission meetings.



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