

## Summary of the report 'Making confidence concrete'

9 October 2008

The title 'Making confidence concrete' summarizes what SCCM aims to achieve with an ISO 14001-certified environmental management system. The main idea is that interested parties, in particular the government, can trust the certified organization's guarantee of its environmental performance and compliance with legislation and regulations. Various actions are being undertaken to increase the usefulness of the ISO 14001 certificate. This is an English summary of the report originally titled 'Vertrouwen tastbaar maken' (14 September 2008) and the plans it contains. The complete report (in Dutch) can be downloaded from [www.sccm.nl](http://www.sccm.nl).

### Background

In 2007 SCCM began a project, 'New opportunities for and through ISO 14001 in the government/business relationship'. It was sparked by SCCM's discovery that, although this has been precisely one of SCCM's objectives since its inception, having an ISO 14001 certificate has negligible influence for a company on the degree and intensity of government supervision, or general confidence in that company. The plan was that the authorities would take a different approach to licensing and supervising companies having certification, with advantages for both the authority and the company involved.

The project accordingly has as a goal to develop a vision (shared by both government and business) of the optimum interaction between certification of the environmental management system, licensing and supervision. The study looked at whether adding to and/or modifying the process of ISO 14001 certification is necessary to realise this vision. The project is intended to result in a more effective and efficient pursuit of environmental policy, from both the government and industry sides.

### What has been done?

SCCM organized and participated in about 30 meetings in which experiences and ideas were inventoried from representatives of ISO 14001-certified companies, licensing authorities and supervisory agencies of various government authorities. In some of these meetings, representatives from business and government exchanged their experiences and ideas.

All suggestions for improvement and ideas were worked out and submitted again to companies and supervisors. The government programme for innovation in supervision ('Vernieuwing toezicht') was also used. The objective of this programme is to make supervision by the various inspection offices more efficient and to lighten the burden that inspection puts on companies. Using the companies' management systems is seen as one of its improvements.

In the final phase of the project, three companies were looked at in detail, to determine if the level that supervisors expect also fits within the scope for interpretation of the ISO 14001 standard. We also examined the certification audit reports, and the possibility of linking this information with the information needed by the government. Ultimately, the certification body's report is 'tangible' confidence.

### The conclusions

The main conclusion is that there are prime opportunities for organizing environmental licensing and government supervision more efficiently by making use of a company's certified environmental management system:

- A certified environmental management system plays an essential role in the ideal picture of licensing and supervision envisaged by both business and government representatives. The ISO 14001 certified environmental management system is *the* foundation for the sustainable pursuit of its environmental policy and communication about it with the government.
- The modification necessary for this role of the quality of the environmental management system and the certification process is feasible. The enhancement of the environmental management system is covered under the ISO 14001 standard.
- The environmental management system can be used in both 'traditional' and 'modern' licences

for guaranteeing and demonstrating compliance with legislation and regulations. The utility of the certificate is increased by a different form of audit report. This report goes further than required by standards which must be met by certification bodies and is intended for companies which make agreements with the government about the management system and coordination with its supervision (supervision arrangement).

- The use of a certified environmental management system has benefits for both licence issuing and supervision. In the first instance attention will be focussed on the use of the environmental management system in supervision, based on the idea that a good experience with a company's environmental management system is a good basis for modernising the licence thereafter.
- The advantages of using the environmental management system are in the first place oriented to performing regular supervision with companies that are also willing to enter into an open and transparent relationship with the government.

The following preconditions, necessary for realizing a modern relationship between government and industry, emerged from the report:

#### Preconditions

- 1 The **quality of elements of the environmental management system** must have sufficient detail, in particular its inventory of legislation and regulations, monitoring and 'management of change'.
- 2 The **depth of detail of the certification audit and audit report** must give sufficient confidence that the requirements of the ISO 14001 standard are being met and that the system is capable of compliance.
- 3 The **licensing authorities and supervisory bodies must be very familiar with ISO 14001** and the certification process.
- 4 Within the **supervision and renewal policy there must be room** to lighten regulatory and supervisory pressure on companies having a demonstrably healthy management system.
- 5 Interpretation of legislation with regard to **reporting changes and incidents** must offer more flexibility (and its acceptance by the Public Prosecutor's office).

#### What's to come

The follow-up activities that SCCM intends to undertake are linked to conclusions and preconditions. SCCM is focussed mainly on preconditions 1 and 2, involving the quality of the environmental management system and the depth of the certification audit and report. For condition 3 (government familiarity with ISO 14001) SCCM will play a facilitating role by providing information to supervisory and licensing bodies and encouraging them to accompany audits. We expect that the government innovation programme will be an incentive for also making use of this information, since the results of the programme should lay the foundation for realising the other preconditions.

In total twenty follow-up actions have been formulated. They are summarized in the table below.

|   | Precondition                               | Follow-up actions  |
|---|--|--|
| 1 | Quality of environmental management system | Elements of the ISO 14001 standard will be specified in greater detail, including the way legislation and regulations are to be identified and the company's own evaluation of compliance is done. Ultimately, all companies with an ISO 14001 certificate must meet these stricter requirements. The requirements will be further tested in pilots (see annex 5 of report). Action is focussed on providing information to certification bodies, companies and consultants. |
| 2 | Detail level of certification audit        | A format has been developed for the certification audit report (see annex 6 of report) which will steer the depth of detail of the audit. The audit report must also contain the information relevant for supervision. Its use is intended for the companies which have made agreements with the government about the details of their supervision. This format will be tested in pilot studies.   |

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| 3   | Government familiarity with ISO 14001  | SCCM facilitates the building up of knowledge of the standard among supervisory bodies and licensing authorities by making information available and organizing visits to audits.   |
| 4-5 | Room within supervision and enforcement policy and flexibility in notification | Pilot studies as part of the government innovation project ('Vernieuwing toezicht', in which SCCM is participating) will provide experience with new working procedures in system supervision. Ultimately this experience must be reflected in the policy of the various authorities. |

For more information go to [www.sccm.nl](http://www.sccm.nl).