ISO 14001:2015 Whitepaper
Understanding the proposed changes
Approaching change

...making excellence a habit™
ISO 14001 is currently undergoing revision as part of the normal review process associated with all international standards. In this instance, the standard is not only seeking to incorporate user feedback, but structural changes to ISO’s entire suite of management system standards to make integration of systems easier.

The first publicly available version of the proposed changes to ISO 14001 has been on sale since 2 July 2014. You can purchase a copy of ISO DIS 14001:2014 directly from BSI at www.shop.bsigroup.com. If you are based in the UK and would like to comment on this standard, visit the BSI review site at http://drafts.bsigroup.com. Here you can sign in and read ISO 14001 for free and make comments on each section. The deadline to make comments is 31 October 2015.

An alternative route for your thoughts and comments on the document is to add them to those being compiled by professional bodies, trade associations and environmental business clubs. All the comments are reviewed at a national level with relevant issues raised at international level by the UK representatives. Following due process, any changes deemed necessary by the international technical committee are released as a Final Draft International Standard (FDIS). This represents the final contents of the proposed standard, and usually only minor changes are made at this stage. Current ISO forecasts indicate that the ISO FDIS 14001 will be released in March/April 2015 and the final standard in the Autumn of 2015.

**What do I do in the meantime?**

**Submitting comments**

If you do decide to submit comments and suggested changes on the text in the standard, please make it clear whether the difficulty can be addressed by a change of text or other consideration. It is perfectly permissible to make general or overall comments on the structure as well as the content of the standard.

You may note that the text in the DIS is rendered in two colours, black and blue. The basic common structure of management system standards is indicated by black text and the discipline or subject specific text is marked in blue. You can comment on any part of the standard irrespective of this distinction, but given the drive in ISO to establish a common structure for all management system standards, it is likely that only substantial problems (i.e. something in the core clauses that precluded legal compliance for example) would prompt any major structural change associated with the black text.

**Carry out your own gap analysis**

Whether you are a new user or an old hand, a structured gap analysis relating to the new requirements in the DIS will help clarify how many changes to working practices you might need to make, how long it might take and the resources necessary to implement a system to the requirements of the new standard.

**Action plans**

At this stage, it’s not worth making too many changes unless the organization can see the direct benefit of doing so. There is always a possibility that the requirements of the DIS may change again prior to the publication of the final standard. However, you might find it valuable to draw up an outline implementation plan based on what you know, while your examination of the standard is still fresh. The plan will help to identify a critical path, timescales and important dependencies. Once created, you can refer back to this as the timeline to final publication of the standard in 2015 becomes clearer. If you already hold an ISO 14001 certificate, it’s likely that the period allowed for transition will be three years (see below).

**Join a Social Media group focussing on the ISO 14001 revision**

These groups are set up solely to discuss best practice, seek and gain advice on implementation and generally discuss matters arising from the revision. They are easy to find on the Web by entering the term ‘ISO 14001 revision’ in the search engine or search function of the social network of your choice.
For all organizations this is an opportunity to review your approach, encourage meaningful engagement between strategic and operational management functions and deliver a system that is aligned to and supports the achievement of your overall business, sustainability and corporate social responsibility objectives.

The new version has a greater emphasis on risk and opportunity management embedded in its approach and is thus in line with the current thinking of many senior managers.

It also has a greater emphasis on:
- Establishing the unique context for your organization
- Integrating environmental aspects and impacts into strategic risk management
- Leadership and the role of top management
- Defining relationships with interested parties

You can find more details about these points below.

Organizations new to ISO 14001

Many of our clients acknowledge that environmental initiatives perform better when they are aligned to the business strategies of an organization and therefore the role of top management in their deployment is key. Underpinning this is the first major change in the new standard.

Greater emphasis on establishing the basis for objective and goal setting ensures the new standard puts Leadership at the centre of its thinking.

Secondly, one of the key objectives of the revision was to enable organizations using multiple management system standards to develop an integrated business management system. From now on, all management system standards will have an identical structure to ISO DIS 14001 enabling easier integration and improved management.

Thirdly, it’s about managing change in your business, understanding the evolving opportunities and challenges which may impact on your organization’s ability to service the market while the market’s own environment is changing. It’s very structure and use gets beyond the mere prevention of downside risks to encourage aspirational performance improvement.

Organizations already certified to ISO 14001

In addition to the points made for those new to ISO 14001 above, if your organization is already certified, your first concern will be establishing the length of the transition period you will be allowed to move from the existing standard to the new one. Although this period has not yet been agreed officially, the current indications are that organizations will be allowed between two and three years from the date of the new standard’s final publication.

In the short term, the emphasis over the next few months will be for you to undertake an in-depth gap analysis and using the results to analyse how some of the more subtle changes in the standard will affect your existing system.

For example, many certified organizations will quickly appreciate that the standard now focuses on processes rather than procedures. In this way, the DIS can be said to have fewer prescriptive requirements than previous editions. However, the DIS still asks an organization to be able to demonstrate control. You need to demonstrate that you have identified the risks associated with environmental factors that your organization affects and by which it is affected as well as being able to control environmental outcomes. The risks can be classed as positive (opportunities) or negative (threats). How you do that, is up to you.

The standard’s new structure may feel unfamiliar at first; the short term frustration it may cause can be offset with the realization of its longer term gains. It’s been introduced to ensure that differing management system standards support each other, that future systems designed around them will be more structurally consistent and that as a result, they will be better aligned to ISO 14001.

This in turn gives greater opportunity for linked processes and activities that deliver greater value and efficiency. Inherent in this process is a deeper embedding of environmental management in an organization’s strategic development. Not only does this mean an end to arguing a business case on an issue by issue basis but also the chance to develop a seamless, deliverable and dynamic corporate responsibility and sustainability programme.

Continued over

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Continued over
Leadership and the role of top management

The link to the organizational context and the broader definition of risk have a further knock-on effect; those who control the organization at the highest level (top management) have an entire clause of requirements devoted to them, designed to ensure that the quality of their leadership is demonstrable.

Not only do they need to be able to demonstrate an understanding of the wider business context, they also need to have a grasp of the organization’s internal strengths and weaknesses and how these could impact on the ability to deliver their goals and commitments. This will strengthen the integration of the environmental perspective with business process management; senior management will need now to allocate specific responsibilities for processes, and demonstrate an understanding of the key risks associated with each process and the approach taken to manage, reduce or transfer the risk.

Given the cyclical nature of all planning (and the Plan Do Check Act model which still underpins all management system standards) this also means that the senior management team will have to be able to demonstrate a similarly meaningful level of engagement with the process of Management Review.

Defining relationships with interested parties

Understanding the needs and expectations of interested parties (4.2) is now a clause in its own right: previously ISO 14001 only directly mentioned interested parties in relation to taking their views into consideration when setting objectives and targets.

The move reinforces the link between interested parties and the dynamic fluidity of the organization’s strategic context. As internal and external issues emerge and change, so will the views of interested parties. The high level process required in the DIS involves establishing which interested parties are relevant, what their needs and expectations are and then which of those are going to be adopted by the organization as ‘compliance obligations’.

Given the onward link to the requirement for organizations to evaluate conformity against its compliance obligations, this could potentially significantly strengthen the role of interested parties in helping to define the organization’s desirable environmental performance characteristics. As always, the extent to which this happens is in the control of the organization itself, by choosing whether to adopt the needs and expectations as a compliance obligation in the first instance.

In the same way, the clauses relating to Communication (7.4.1, 7.4.2 and 7.4.3) are not only more detailed, but also make explicit the link between external communications and the organization’s interested parties by way of its compliance obligations.

Integrating environmental aspects and impacts into strategic risk management

In the new structure, the identification and evaluation of environmental aspects and impacts still focuses on activities, products and services associated with the operations of an organization. Many existing users of ISO 14001:2004 use risk assessment techniques to support their evaluative approach.

However, the incorporation of the current tightly focussed exercise into a wider risk management model means that, although still important, the assessment of significant aspects will need to be related back or upward to the organization’s main strategic and operational context (see above) and to the assessment of other identified risks.

To facilitate this link, the new standard talks about the identifying and assessing risks that give rise to negative environmental aspects/impacts (threats) and risks arising from positive environmental aspects/impacts (opportunities).

It’s worth noting that the DIS indicates that risks are not solely generated by aspects and impacts, but can also be associated with legal and other requirements (now referred to under the umbrella heading of ‘compliance obligations’) as well as arising from the general context (see above).

The risks from all these various sources need to be addressed in an action plan that the management system will deliver against. An effective risk management process will thus be critical for successful certification to the new version.

As you may already have worked out, all ISO 14001 users may have to get used to a more inclusive definition of the term ‘risk’, which has changed from the one commonly held to be negative (the effect of damage or loss etc) to a wider, more neutral definition (the effect of uncertainty on objectives). Being able to ensure others can distinguish between common usage and the technical definition may also be a future challenge.

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What else can I consider?

Now would be a good time to start talking about the revision in your business and educating those who need to be aware or involved in the transition – you may want to start thinking about who may require training – for example, anyone involved in the implementation process or internal auditing. BSI will be offering various training courses following publication of the FDIS in March/April 2015. These will include both ‘requirements’ training and lead auditor transition training. Also, with such an emphasis on leadership in the new standard, we are looking to offer senior management workshops to help businesses understand the role of leadership in the new revision and what they need to do to prepare.

Please remember to talk to your BSI Client Manager - we are increasing our client manager’s training by 25% this year to ensure they have all the knowledge to support you through the transition. We will be working closely with clients to track how they are progressing and to analyse the need for training and supporting materials. Remember too, something that is unique to BSI – when the time comes for you to make the transition, you will have access to our Client Portal which will give you much better visibility of any Non-Conformance information and better communication with your Client Manager. It will also give you more functionality to manage non-conformance actions effectively throughout your organization. All this will be very useful during the transition process in particular and it comes at no extra cost; it’s part of your existing certification services.

At the same time, we are currently in the process of enhancing a number of applications in our Business Improvement Software which will support clients in their transition activities. This will give you tools to support audit management, corrective action management, document control and risk management.

New structure detail

Loosely based on the PDCA approach, the clauses in ISO DIS 14001:2014 follows this structure:

<table>
<thead>
<tr>
<th>0: Introduction</th>
<th>6: Planning</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: Scope</td>
<td>7: Support</td>
</tr>
<tr>
<td>2: Normative references</td>
<td>8: Operation</td>
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<tr>
<td>3: Terms and definitions</td>
<td>9: Performance evaluation</td>
</tr>
<tr>
<td>4: Context of the organization</td>
<td>10: Improvement</td>
</tr>
<tr>
<td>5: Leadership</td>
<td></td>
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For those who are used to the earlier version (ISO 14001:2004), there are a couple of useful correspondence tables in the back of the standard which enable users to make cross references backwards and forwards between the two structures. It’s worth noting though, that the tables are not saying that the requirements in both standards are similar, even when clauses cover identical subject matter.

The 10 Second Version

1. **For holders of current ISO 14001 certificates** - transition period from old to new version likely to be 2-3 years
2. **Identification and Evaluation** of Aspects and Impacts still central but plugged into wider risk management practice
3. **Legal and other requirements** now renamed ‘Compliance Obligations’ but also linked to Interested Parties
4. **New standard additionally needs organizations to have/establish:**
   - Context
   - Leadership
   - Processes rather than procedures
   - Broad concept of risk which can be negative (threats) or positive (opportunities)
   - Understanding of the needs and expectations of Interested Parties

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