

“The European Union's Eco-Management and Audit Scheme (EMAS)”

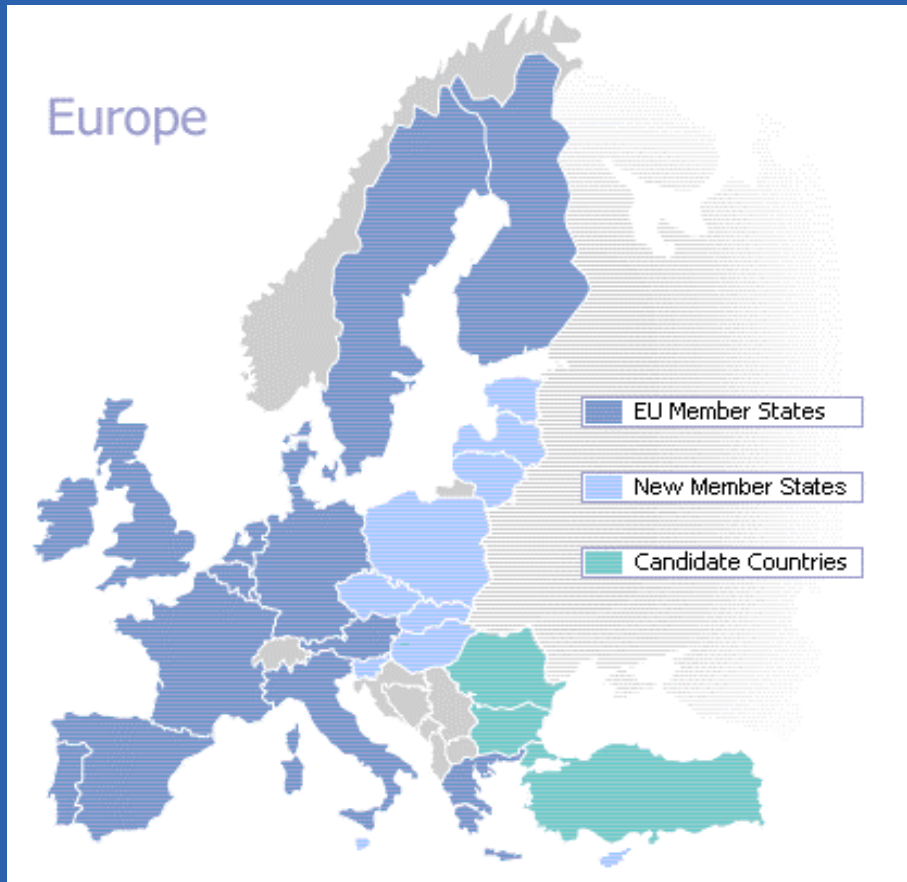


Michael S. Wenk, M.S.
Manager of Regulatory Affairs
Eka Chemicals Inc.
An Akzo Nobel Company

Overview

- **European Union (EU) Overview**
- **What is “EMAS”?**
- **Why EMAS?**
- **Registration Process**
- **Concerns / Amendments / Pros and Cons v. ISO 14001**
- **“EMAS II”**
- **Trends and Future Directions**

The Member States of the European Union (March 2004)



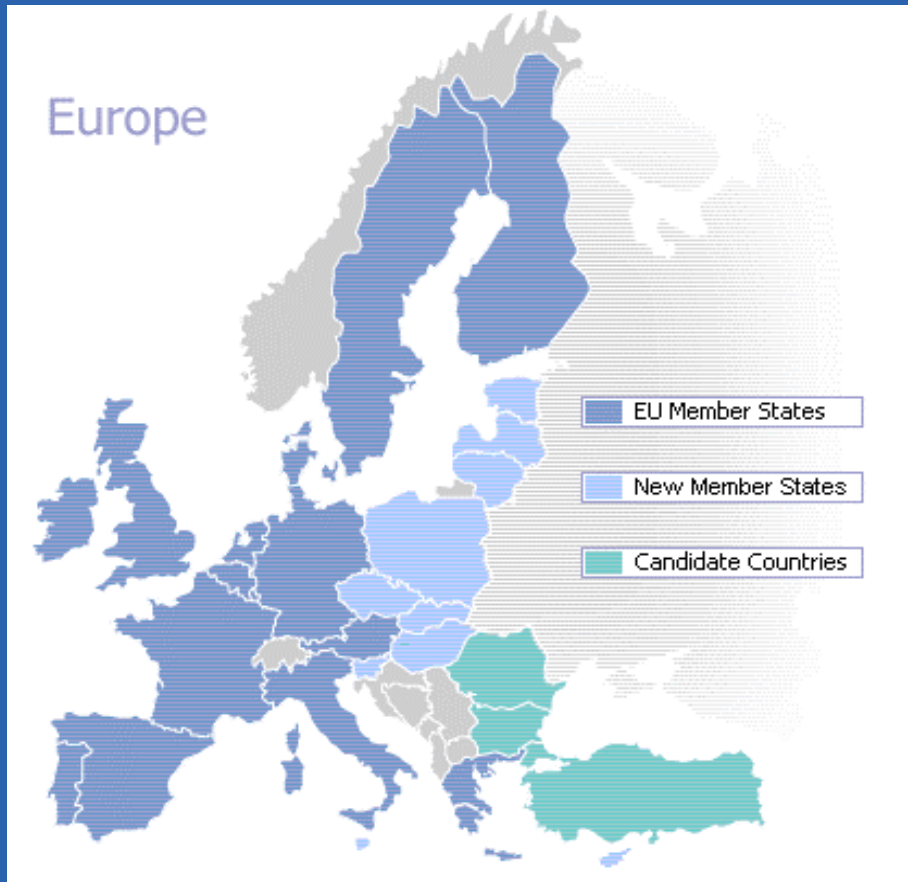
- Austria
- Belgium
- Denmark
- Finland
- France
- Germany
- Greece
- Ireland
- Italy
- Luxembourg
- The Netherlands
- Portugal
- Spain
- Sweden
- United Kingdom

- 15 Member countries
- 10 “Candidate countries”
(01-May-2004)



AKZO NOBEL

The New Member States of the European Union (June 2004)



- Cyprus
- Czech Republic
- Estonia
- Hungary
- Republic of Latvia
- Lithuania
- Malta
- Poland
- Slovak Republic
- Slovenia



AKZO NOBEL



European Union (EU) structure



The EU is run by five institutions, each playing a specific role:

- European Parliament (elected by the peoples of the Member States);
U.S. House and Senate
- Council of the Union (composed of the governments of the Member States);
U.S. State Governors
- European Commission (driving force and executive body);
President
- Court of Justice (compliance with the law);
U.S. Court system
- Court of Auditors (sound and lawful management of the EU budget).
IRS



AKZO NOBEL

What is “EMAS”?

- The “Eco-Management and Audit Scheme” (EMAS) is a voluntary initiative designed to improve companies’ environmental performance *EUROPEAN UNION ONLY*.
- Aim is to go *beyond minimum legal compliance and continuously improve the environmental performance* of a registered firm.
- EMAS requires that participating organizations regularly produce a public environmental statement that reports on their environmental performance (KEY).



AKZO NOBEL

Legislative History

- EMAS adopted by the European Commission (EC) June 29, 1993
- Goal of “uniting” various EU environmental programs (Spain, Ireland, UK, etc.): take “advantage” of EU commonality
- Originally restricted EMAS to industrial companies
- Caveat: EMAS had to be implemented by April 13, 1995
- 16 months from conception to adoption; Implement 22 months after that



AKZO NOBEL



EMAS Registration Requirements: 8 elements



- 1) Develop a corporate environmental policy;
- 2) Carry out an environmental review of the site;
- 3) Introduce an action program and an environmental management system;
- 4) Carry out regular environmental audits to evaluate how the system is working;





EMAS Registration Requirements *(continued)*



- 5) Set responsible objectives based on the results of the audit;
- 6) Prepare an environmental statement concerning the audited site;
- 7) Submit all of the above data for independent verification; and
- 8) Send the above to its national authority



AKZO NOBEL



Develop a Corporate Environmental Policy



- The Environmental Policy is a document which describes the company's overall aims and principles of action with respect to the environment:
 - Policy should address all “significant” environmental issues
 - Contain a commitment to comply with environmental legislation (attempts are not enough)
 - Contain a commitment to achieve continuous improvements in environmental performance





Develop a Corporate Environmental Policy



ENVIRONMENTAL POLICY

Akzo Nobel Chemicals Ltd, Site Gillingham has established and will maintain an environmental management system to fulfill the requirements of ISO 14001, 1996, as a minimum standard. This system, covering all the activities on Site, **will ensure compliance** with current UK environmental legislation, best available practices and achieve a balance between economic, social and environmental responsibilities. We are committed to avoiding damage to the environment by any of our actions or operations.

Site Gillingham is dedicated to continual improvement of environmental performance and efficient use of resources, which will be achieved by setting and ensuring successful implementation of environmental objectives. This policy and environmental objectives **will be made publicly available** through the Site annual Environmental Report and will be understood, implemented and maintained by all levels in the organisation.



AKZO NOBEL




Carry Out an Environmental Review of the Site




- Environmental review: a comprehensive analysis of the environmental impacts caused by the organization's activities.
- Purpose is to identify the “significant environmental impacts” and set a benchmark to measure future success in reducing these impacts.
- Gives a picture of the organizations' current environmental performance (“snapshot” in time).





Introduce an Action Program and an Environmental Management System (EMS)



- The Action Program translates the general objectives established in the Environmental Policy into specific targets, determines concrete measures, time-frames, responsibilities and resources necessary to meet them.
- An EMAS-registered Environmental Management System must include the indirect environmental impacts of an organization's activities, products or services (i.e., capital investments, loans and insurance).





Carry Out Regular Environmental Audits to Evaluate the System



- The Environmental Audit evaluates the performance of a company based on the objectives spelled out in the program. EMAS specifies 3 year audit cycle.
- The outcome of the Environmental Audit is a report in which possible corrective actions are suggested to **guarantee continuous improvement** of the company's environmental performance





Set Objectives Based on the Results of the Audit



- **Continual improvement**



AKZO NOBEL



Prepare an Environmental Statement



- The Environmental Statement is addressed to the organization's stakeholders.
- The organization describes its efforts and achievements, as well as the requirements for continuous environmental performance.
- **Communicate** the results of the work to the public and other interested parties.





Submit for Independent Verification / Send to National Authority



- An independent verifier certifies that the environmental policy, the EMS and the environmental statement comply with the rules of the EMAS regulation
- After the validated statement is sent to the Competent Body, it must be publicly available
- “Competent Body” is the national agency of the Member State who officially certifies EMAS programs





EMAS: Why bother?



Pros

- 1) Program had force of national law
- 2) German government implied regulatory relief
- 3) Remember the HPV program?

Cons

- 1) ISO 14001 already existed – widely accepted
- 2) EMAS was EU-specific
- 3) Other national legislation existed as well (i.e. BS 7750)





Hmmm....



Sounds a lot like...

ISO 14001!!



AKZO NOBEL



EMAS v. ISO 14001



- **EMAS only applies to EU**
- EMAS is site-specific
- **Stronger emphasis on public communication**
- More prescriptive in certain areas
- EMAS requires submission to competent authority (government)
- ISO 14001 - global
- Stronger focus on products, services, and operating procedures: can apply to organizations as well
- Identifies “AOC”: company determines how best to manage

“EMAS centers around *performance* while ISO 14001 centers on *conformance*” (von Zahren, 1996).



AKZO NOBEL

“EMAS II”

- EC 761/2001 (Feb 13, 1999, in place 2001); replaced EC1836/93
- Designed specifically to address concerns of Member States
- Recognized the influence of ISO 14001:
- “Organisations implementing... international standards...and certified...as complying with those standards shall be considered as meeting the corresponding requirements of this Regulation...” (L114/7).



AKZO NOBEL



“EMAS II”



- Made it easier for companies to transition from ISO 14001 to EMAS
- EMAS logo created
- Greater participation of employees in implementation of EMAS
- Greater emphasis given to environmental reporting
- More consideration of “indirect” environmental impacts (i.e. investment policies, procurement, planning, etc.)



AKZO NOBEL

EMAS Registered Firms (as of 09 Feb 2004)

- Austria: 286
- Belgium: 25
- Denmark: 124
- Finland: 39
- France: 23
- **Germany: 2104**
- Greece: 10
- Ireland: 7
- Italy: 172
- Luxembourg: 1
- The Netherlands: 29
- Norway: 42
- Portugal: 13
- Spain: 314
- Sweden: 115
- United Kingdom: 76

Candidate countries (5 most progressive):

Czech Republic: 10

Slovak Republic: 1

Malta: 1

Romania: 1

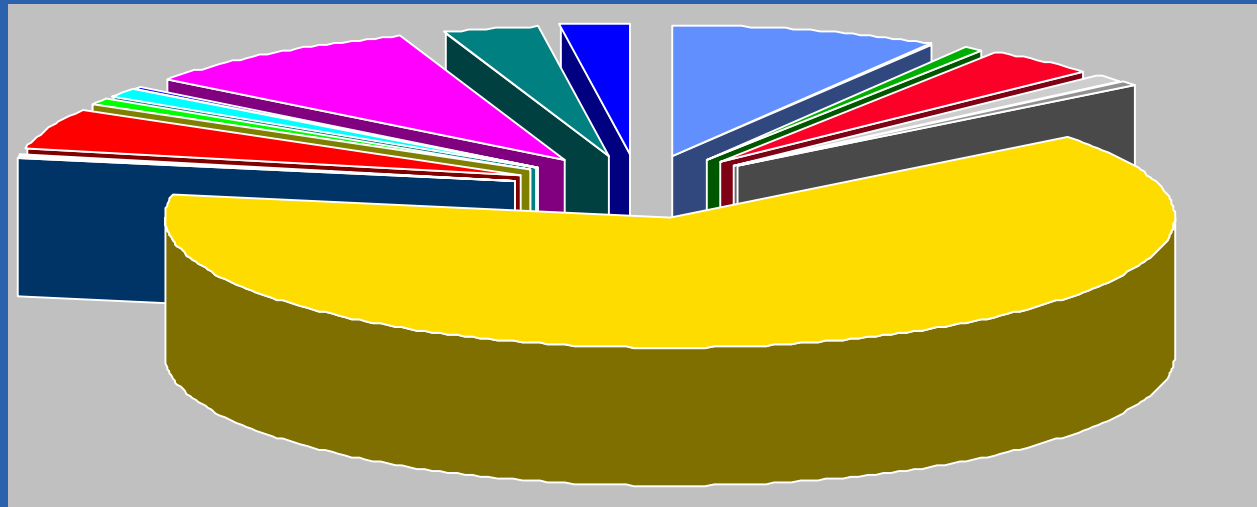
Hungary: 6



AKZO NOBEL

EMAS Registered Firms

(as of 09 Feb 2004)



- Austria
- Belgium
- Denmark
- Finland
- France
- Germany
- Greece
- Ireland
- Italy
- Luxembourg
- Netherlands
- Norway
- Portugal
- Spain
- Sweden
- United Kingdom

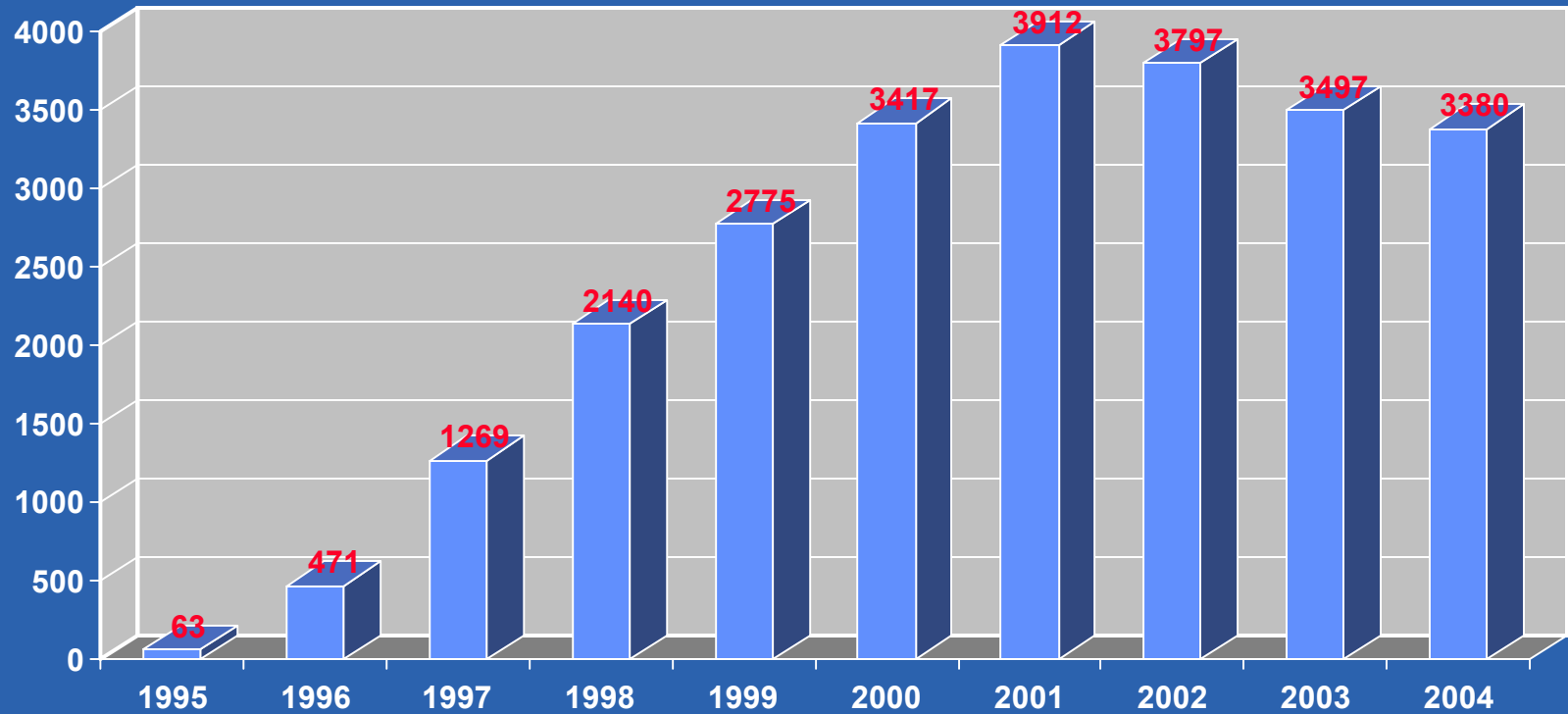
Source: http://europa.eu.int/comm/environment/emas/about/participate/sites_en.htm



AKZO NOBEL

EMAS Implementation Trends

(as of 09 Feb 2004)



Source: http://europa.eu.int/comm/environment/emas/about/participate/sites_en.htm



AKZO NOBEL



For Further Information



Michael S. Wenk, M.S.
Manager of Regulatory Affairs
Eka Chemicals Inc.
An Akzo Nobel Company
1775 West Oak Commons Court
Marietta, GA 30062-2254
(770) 321 5936
(770) 321 6415 (fax)
michael.wenk@eka.com

The EU Eco-Management and Audit Scheme (EMAS): A Handbook for Managers

To be published by Kluwer Academic Publishers, Fall 2004



AKZO NOBEL