

MODULE 2: CREATING AN ENVIRONMENTAL POLICY

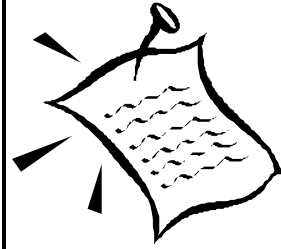
This module will help you review your company’s current methods for managing environmental concerns, develop an environmental policy for your company, and determine the scope of your IEMS. Sample environmental policy statements are presented at the end of the module.

Understand How Your Company Currently Manages Environmental Concerns

This step is designed to help you review how your company currently handles environmental and human health concerns and compares current practice with where you would like to be. In some references, this is called a “gaps analysis” because it is designed to uncover ways to improve your management of these concerns. This step is best developed through discussions with groups of employees representing different functions in your company, *especially line managers and line workers*. You’ll need to involve people that have the day-to-day working knowledge of your company’s operations. It is important for everyone to understand what the IEMS involves and why it is being implemented. In this way, they can then explore alternatives to your current practices, so as to improve both environmental management and cost savings for your company. It will be helpful to keep a list of answers for future reference.

Discussion Questions

1. Does your company have an Environmental, Health & Safety Policy?
 - ▶ Is this policy written down?
 - ▶ Where is it located?



Tip

Your discussion should be comprehensive and detailed enough to give you some idea of what will need to be done to develop an IEMS for your company.



Principles that can be a part of your environmental policy include a commitment to risk reduction, pollution prevention, and wise resource management. You can best follow these

Tip

The **environmental policy** is the foundation of the company’s IEMS. Through it, top management should communicate goals such as preventing pollution and minimizing risk to workers and the environment.


- ▶ How many employees know about this policy?
- ▶ How did they learn of it? Is it included in a training or orientation program?
- ▶ Do employees have the opportunity to make suggestions regarding environmental concerns?
- ▶ What points are included in this policy?

2. Does your company have specific environmental or health & safety goals?


- ▶ Are these documented?
- ▶ How are these communicated to employees?
- ▶ Is there a way of tracking whether goals are met?
- ▶ Are there penalties within the company for not achieving the objectives?
- ▶ Is there a way to change these goals when changes in processes, production, or activities occur? How are these changes communicated?

3. Does your company have a process to identify all environmental, health & safety regulatory requirements?

- ▶ Has your company conducted compliance audits?
- ▶ Has your company received any fines or penalties requiring corrective action?
- ▶ Has your company experienced difficulties in complying with regulations?
- ▶ Are some regulations difficult/costly to meet?

 **Tip**

Remember to consider worker health and safety, as well as people outside your plant, when evaluating known health concerns.

 **Tip**

The EPA National Enforcement Investigations Center (NEIC) has recognized the way in which an EMS improves a company's compliance record by providing a guidance document for developing a "compliance-focused" EMS. (See Appendix G for more information.)

- ▶ Does your company know whom to contact at local, state, and federal regulatory agencies in the event of environmental accidents or compliance concerns?
 - ▶ Does your company have a mechanism for staying up to date on changing regulations?
- 4.** How does your company evaluate risk to human health & safety and the environment caused by your business operations? How is this information incorporated into planning for business activities/production?
 - 5.** Is there a process within the company to review any changes in products or processes with an eye toward environmental concerns?
 - 6.** Are there policies and procedures regarding procurement and contracting that consider environmental concerns?
 - 7.** What training is offered at your company that would support environmental objectives?
 - ▶ Do employees receive environmental, health & safety training? What percent of employees? Which ones?
 - ▶ How is that training documented? Where are the records kept?
 - ▶ Is there provision for regular training on environmental, health & safety requirements?
 - 8.** Does your company have a procedure for responding to suggestions regarding environmental concerns that it may receive from customers, neighbors, or employees?

Tip

Reviewing these questions in six months and, again, in one year provides a good way to track progress in developing your IEMS.

- ▶ Is there a process for soliciting and recording any “suggestions”? Where are these records kept?
- ▶ Is there a process for following up on any of these suggestions to be sure that appropriate action was taken?


9. How does your company keep track of its documents?

- ▶ Is there a filing system?
- ▶ How many people are familiar with the system?
- ▶ How many people have access to it?
- ▶ How could someone find information relating to environmental, health & safety concerns? Are there Material Safety Data Sheets (MSDS) available? Does your company have documented standard operating procedures for plant operations, emergencies, or document control?
- ▶ How are decisions made about when to dispose of documents?

10. How does your company identify potential accidents or emergency situations?

- ▶ Are emergency procedures documented?
- ▶ How do employees find out about them? Is there regular training?
- ▶ Are these procedures periodically tested, evaluated, and revised as needed?
- ▶ Have there been failures in response to accidents or emergency situations?
- ▶ Is there a communications plan in place in the event of emergencies?

11. Does your company have a way of measuring the environmental effects of any of its operations?

 **Tip**

As you discuss these questions, it will be beneficial to write down the answers for reference as you proceed with the following modules.

 **Tip**

You should review this policy statement as you complete the modules following this one to determine whether changes need to be made.

- ▶ Are there records kept?
- ▶ How long?
- ▶ Are these records reviewed regularly with an eye to whether performance has improved or worsened?

12. How does your company track its environmental costs?

- ▶ Does your company track environmental costs such as on- and off-site waste handling and treatment?
- ▶ Does your company track regulatory compliance costs such as labor costs for labeling, manifesting waste and/or permitting, and record keeping?
- ▶ When purchasing materials and supplies, does your company consider things like handling costs, OSHA training, and shelf life?
- ▶ Are the above costs allocated to overhead accounts or traced to products or activities?

Environmental Policy Statements

An environmental policy is your declaration of commitment to the environment and worker health and safety. This policy serves as the foundation for your IEMS, and provides a unifying vision of environmental principles that will guide the actions of employees and management. This policy statement serves as the framework for setting environmental objectives and targets, and will be brought to life in your plans and business activities. Consider the scope of your environmental policy statement for that will also determine the scope of your IEMS.

Refine Your List of Issues

Review the environmental aspects identified in Module 1. Make a list of general environmental concerns that could be addressed in your company's environmental policy statement.

Internet Help

Visit the DfE website for more tools related to gaps analysis:

www.epa.gov/dfe

Set Your Boundaries

Think also about the scope of your policy. Decide whether it will include activities beyond internal operations, such as supplier environmental performance or customer product use. Remember to consider the company's property beyond plant walls up to the "fenceline." Consider how to include contractors working at your site, and consider companies you use for outsourcing. You will want to drop issues from your list that do not fall within the boundaries set for your policy statement. As you begin your IEMS, you may want to define your boundaries within the company. As you gain experience, you may choose to expand the scope of your IEMS to include environmental issues important to your customers and suppliers.

Draft Your Environmental Policy Statement In General Terms

Address your list of specific issues in general terms in your policy statement. For example, if chemicals in your water or air are a concern because they potentially impact the community, you could express a commitment to review and, where feasible, make changes in the chemicals used by your company, or make sure you are managing them appropriately. Or, if solid waste in landfills is a concern in your area or to your company, you could express a commitment to reduce the solid waste your company produces.

Next, think about *how* to put commitments into action. For example, your commitment to reduce solid waste may be achieved through a pollution prevention program and/or a program to design products or services that result in minimal waste generated by the consumer. Also, these programs may be implemented one at a time over a several-year period, as part of your commitment to continuing improvement.

Sample Policy Commitments

It is important to think through which commitments your company will be capable of addressing. Do not include commitments in your policy that the company will not be able to carry out. The following is a checklist of commitments or principles that you may wish to consider including in your policy statement:

- ▶ Comply with applicable environmental or worker safety laws/regulations.
- ▶ Work to achieve pollution prevention.
- ▶ Prevent accidents.
- ▶ Identify opportunities for risk reduction associated with the processes and chemicals used in your plant, the supplies procured, the products produced, and the disposal of waste products.
- ▶ Consider the life cycle (from raw materials extraction and processing to use and eventual disposal) of products produced, including packaging, so as to affect how suppliers and end users impact the environment through your products.
- ▶ Continue improvement in your use of cleaner technologies and processes, and in the safer use of chemicals.
- ▶ Practice wise resource management, including conservation of limited resources and reuse and recycling of materials.
- ▶ Consider which goals of industry or your trade association could be adopted for your environmental policy statement.

Make sure top management commits to the environmental policy statement. If possible, the company president should sign and date it. The final environmental policy statement should be posted or distributed to employees and other interested parties.

Resource

Review the *Company Manual Template* for examples of how to document your policy.

Examples

The following are sample environmental policy statements that in some way incorporate most of the principles listed above.

YOUR COMPANY (ABC)
HEALTH, SAFETY AND ENVIRONMENTAL POLICY

This is a sample policy. Adapt for your company.

ABC Company is committed to managing health, safety and environmental (HS&E) matters as an integral part of our business. In particular, it is our policy to assure the HS&E integrity of our processes and facilities at all times and at all places. We will do so by adhering to the following principles:

COMPLIANCE

We will comply with applicable laws and regulations and will implement programs and procedures to assure compliance. Compliance with HS&E standards will be a key ingredient in the training, performance reviews, and incentives of all employees.

RISK REDUCTION, PREVENTION, RESOURCE MANAGEMENT

We will seek opportunities, beyond regulatory compliance requirements, for reducing risk to human health and the environment, and we will establish and meet our own HS&E quality standards where appropriate.

We will employ management systems and procedures specifically designed to prevent activities and / or conditions that pose a threat to human health, safety, or the environment. We will look for ways to minimize risk and protect our employees and the communities in which we operate by employing clean technology, including safe technologies and operating procedures, as well as being prepared for emergencies.

We will strive to minimize releases to the air, land, or water through use of cleaner technologies and the safer use of chemicals. We will minimize the amount and toxicity of waste generated and will ensure the safe treatment and disposal of waste.

We will manage scarce resources, such as water, energy, land, forests, in an environmentally sensitive manner.

COMMUNICATION

We will communicate our commitment to HS&E quality and to our company's environmental performance to our employees, vendors, and customers. We will solicit their input in meeting our HS&E goals and in turn will offer assistance to meet their goals.

CONTINUOUS IMPROVEMENT

We will measure our progress as best we can. We will review our progress at least on an annual basis. We will continuously seek opportunities to improve our adherence to these principles and to improving our environmental performance, and we will periodically report progress to our stakeholders.

{Signature}

President

Date

Adapted from: *Environmental Management Systems: An Implementation Guide for Small and Medium-Sized Organizations*. Ann Arbor, MI: NSF International, November 1996, p.3.

SAMPLE POLICY

This is the environmental policy of a small environmental services company specializing in wastewater treatment and laboratory analysis of effluent. The policy should be signed by the company's President.

We supply quality products and services. This requires the commitment of everyone working in this institution to pursue our activities safely, protecting our health and preserving the environment.

To realize this vision we will:

- Establish and review periodically our environmental goals within a program of **continual improvement**.
- Comply with legal requirements pertinent to our industry and with the requirements of other initiatives we enter into in accordance with our commitment to offer quality products and services.
- Conduct laboratory analyses and supply environmental services without risk to workers' health.
- Operate the laboratory with a minimum of waste, in current and future operations.
- Pursue our work with a minimum of disturbance to our neighbors and the community.
- Maintain our vehicles in optimal condition to minimize their consumption of fuel and their emissions to the atmosphere.
- Manage our chemical products safely, principally to prevent spills in their storage and transport.

This policy and any subsequent modifications should be familiar to all employees and available to the public. Implementation of this policy is a primary objective of the President and the responsibility of all employees.

{Signature}

President

Date

CASE STUDY: COPY PLUS SERVICES

Sam Worth, owner of a copy center business, was attending a conference on issues affecting small businesses. The conference was the first of this type that Sam had attended. His business, Copy Plus Services, has five centers located in the western suburbs of Chicago. Each center provides a full range of copy services including fax, binding, computer usage, video conferencing, and blueprint service. The centers are run 24 hours a day and seven days a week. Sam grew the business from a simple copy center located in Elgin, Illinois, five years ago and is planning to go national with the business.

During one of the small group sessions, Sam and five other attendees were discussing how their businesses affected the environment. One of the presentations had mentioned a new standard — ISO14001 Environmental Management Systems — which applies to service businesses as well as manufacturers. None of the people in Sam's small group was familiar with the standard. They decided to share with one another what they'd been doing in their businesses to protect the environment and then review the ISO 14001 standard.

Naturally Sam's five copy centers recycled waste paper. However, beyond that Sam had never thought of other environmentally conscious programs that they could implement. He was a bit embarrassed that he had not really given it much thought. He has had complaints of odors bothering the people in stores adjacent to his centers. In an attempt to appear as if he had given it some thought, Sam told the group that he had a good quality program which he thought addressed environmental issues, and that one of his centers had received an ISO 9001 quality award for doing quality work.

For the most part, the other members of the group had also not given environmental programs much thought. They didn't have any specific issues confronting them and were somewhat concerned about embarking on a program for which they could not see any beneficial return and that might be a big cost to the business. Since they had never dealt with the EPA, they were leery of the possibility that EPA might come into their business if they participated in the ISO 14001 program.

One of the group members said that, from what she had read on environmental programs in Business Week, there were benefits to be derived by undertaking such a program. Since these programs had to be integrated into the overall business plan, it seemed important that top management provide the leadership in incorporating environmental stewardship. She cited some examples of this from case studies she had read, as well as from her personal experience. One of the examples was an ice cream business in Chicago, which increased its overall productivity by focusing on energy efficiency. In addition, an international clothing distributor used the environment as a major selling point for its product.

After Sam returned home from the conference, he sat down and thought about what had been discussed in the small group session. He wanted to start an environmental program in his business but was not quite sure how to proceed. He decided to draft an environmental policy for his Copy Plus Service before going to bed, and present it to his staff at their weekly meeting the following Tuesday.

At the meeting Tuesday, Sam presented his environmental policy to his staff. Sam's staff was composed of the managers of the five centers, a finance manager, and himself.

The reaction from the group was split. Two of the managers felt that, other than recycling the paper, there wasn't anything of significance that they could do within their business. The other three seemed to think that this was something worth pursuing. The finance manager was on the fence. While she acknowledged that there might be some ideas for them to pursue, she was concerned that it would add cost to the business. The copy business was a low-margin business and competition was increasing.

Although Sam knew that everyone wasn't equally committed, they all agreed to pursue the idea further. The finance manager and the two managers who were enthusiastic would review Sam's environmental policy to determine whether it was appropriate for the business. If so, they would help figure out how it could be incorporated into the business. Sam suggested that they might want to talk with someone else in the copy business to see what they are doing about environmental programs. The finance manager said that she knew someone from The Body Shop, also in the mall, who had worked on a committee to develop their environmental program. They all agreed that the friend should be invited to join them for a meeting as an outside observer and advisor.

Tip

Sam may have had a better response if the managers had all participated in developing the policy together.

When the three managers met, Laura Witherspoon from The Body Shop, a neighboring store in one of the malls, was able to attend. She agreed to provide her perspective and ideas in establishing an environmental management system. The first order of business was for them to explain their operation to her.

Tip

So far Sam has only involved managers. He should now include employees from all levels of the company.

Copy Center Operations

Each copy center produces a million copies per year using premium grade paper. Of that output, 70% is single-sided copies. Each copy center also does a significant amount of blueprint business. There are fifteen employees per center. Each center's energy bill is \$50,000 per month. The majority of the work is done during 9 AM to 6 PM business hours. They recycle approximately 100,000 pieces of paper per year in each center. Each center uses 400 toner cartridges and two gallons of ammonia per month. Supplies are stored on shelves in a back room and chemicals are stored either in metal cabinets or next to the machines (for easy access). Copy Plus Center customers come both through newspaper advertising and pamphlets, and through their Web site.

Equipment: The copy machines and computers are three to five years old. They are typically left on 24 hours a day. The managers are not sure if any of the chemical products used in the copy and blueprint equipment have an impact on the environment.

Location: The Copy Plus centers are in shopping malls and residential areas. Businesses in the area such as restaurants have expressed concern over the odors coming from the centers.

Delivery Service: Each center has vans providing customer pickup and delivery. In addition, the vehicles are used to pick up supplies for the centers.

Cleaning Service: Each center contracts with a cleaning service that cleans the facilities. A waste disposal company handles the waste, and recycling is subcontracted.

Training: Employee training focuses on running the equipment and administrative procedures, including paper recycling.

Considering this information, Laura suggested that they approach environmental management system implementation not just from the standpoint of the copy center operation but from a total systems approach. Laura presented a simple input/output model to begin the process of understanding the environmental aspects of the business. The three managers immediately recognized the possibility and benefits of this approach. They asked Laura if she would be willing to prepare a rough plan that described this approach in more detail, and outlined a typical copy center environmental management system. Laura agreed because she remembered how difficult it was to get the synergy in her own organization. She felt that she could assist them with this.