Part II

Integrating The Policy

5 The Policy

5.1 INTRODUCTION

Having spent time in the first four chapters laying down a foundation for the integration process, we can now begin to focus our attention on the actual process itself. In this chapter and the next several to follow, we will use the major ISO 14001 elements (Policy, Planning, Implementation and Operation, Checking and Corrective Action, and Management Review) as a base to be built upon as we go through this process. For instance, this chapter will use ISO 14001 **Element 4.2**, Environmental Policy, as the starting point and then see how various quality systems can be integrated with it.

Each of these chapters will be organized in a similar format which will include an evaluation of the various Quality Management System and Environmental Management System requirements, what a combined management system can or might look like, and what an auditor might look for if a joint QMS and EMS audit were conducted. Each requirement will be dissected in order to provide a better overall picture to view the integration process. Additionally, any differences that cannot be integrated will be discussed.

In Appendix B, I have provided a very detailed table that shows the cross-referencing between ISO 9001 and ISO 14001. This table will provide the primary foundation for the integration being discussed in the following chapters. In addition, Appendix C shows a comparison of the two ISO standards, British Standard 7750, and the Eco-Management Audit Scheme.

5.2 ISO 9001 REQUIREMENTS

The U.S. Automotive requirements for ISO 9001, QS-9000, will be evaluated primarily in conjunction with ISO 9001 and will, on occasion, be evaluated separately for specific QS-9000 requirements as they come up. In the case of establishing a policy, there are not separate requirements between the two standards. The requirements for a quality policy are found under Section 4.1, *Management Responsibility*:

Section 4.1.1 of ISO 9001 states:

> The supplier's management with executive responsibility shall define and document its policy for quality, including objectives for quality and its commitment to quality. The quality policy shall be relevant to the supplier's organizational goals and the expectations and needs of its customers. The supplier shall ensure that this policy is understood, implemented and maintained at all levels of the organization.

In order to better understand what this requirement means and to ensure good compliance during an audit of an integrated policy, let's dissect it and highlight its various subcomponents:

> The supplier's management with executive responsibility shall define and document its policy for quality, including:
>
> - *objectives* for quality,
>
> and its commitment to quality. The quality policy shall be:
>
> - relevant
>
> to the supplier's organizational
>
> - *goals* and the
> - *expectations* and *needs* of its customers.
>
> The supplier shall ensure that its policy is:
>
> - understood,
> - implemented, and
> - maintained
>
> at all levels of the organization.

You will note that there are eight specific sub-requirements built into the overall **Element 4.1.1**. The reason for breaking this requirement down in such a manner will become evident when we look at ISO 14001's requirements.

5.3   ISO 14001 REQUIREMENTS

Element 4.2 of ISO 14001 states:

> Top management shall define the organization's environmental policy and ensure that it: (a) is appropriate to the nature, scale, and environmental impacts of its activities, products, or services; (b) includes a commitment to continual improvement and prevention of pollution; (c) includes a commitment to comply with relevant environmental legislation and regulations, and with other requirements to which the organization subscribes; (d) provides the framework for setting and reviewing environmental objectives and targets; (e) is documented, implemented and maintained and communicated to all employees; and, (f) is available to the public.

In a similar manner, let's dissect the subrequirements of this element:

> Top management shall define the organization's environmental policy and ensure that it is appropriate to the:
>
> - nature,
> - scale, and
> - environmental impacts,

and its activities, products or services; includes a commitment to:

- continual improvement and
- prevention of pollution;

includes a commitment to comply with:

- relevant environmental legislation and regulations, and
- with other requirements

to which the organization subscribes; provides the framework for:

- setting and reviewing environmental *objectives* and *targets*;

is:

- documented,
- implemented,
- maintained, and
- communicated

to all employees; is:

- available to the public

At first glance the requirements for ISO 14001 appear to be much greater than ISO 9001, when, in fact, they are very similar. Before we proceed with a side-by-side comparison of the two standards, it is important to discuss three very important differences found in ISO 14001.

5.4   POLICY DIFFERENCES

In the policy requirements for **Element 4.2** of ISO 14001, there are three items which do not appear in ISO 9001, but will have to be specifically included in an overall integrated policy: (a) the commitment to continual improvement; (b) the commitment to prevention of pollution; and (c) commitment to legal and other requirements. The inclusion of these in any policy, whether strictly environmental, quality, or operational in nature, must be fully understood, because of the ramifications to the resulting system and what auditors may end up evaluating as part of the audit scope.

5.4.1   CONTINUAL IMPROVEMENT

What is meant by continual improvement and what is its potential impact on your management system if included in a policy statement? Section 3.1 of ISO 14001 defines continual improvement as a:

> process of enhancing the environmental management system to achieve improvements in overall environmental performance in line with the organization's environmental policy.

Additionally, Section 4.5.3 of ISO 14004, *Environmental Management Systems — General Guidelines*, states:

> The continual improvement process should … identify areas of opportunity for improvement of the environmental management system which leads to improved environmental performance.

Although this may sound confusing at first, a closer inspection of these statements clearly shows that better environmental performance will be a result of the system's continual improvement process. Although this is an ISO 14001 requirement, there are practical benefits to be gained by a quality management system from a commitment to continual improvement. After all, what business doesn't want to continually improve its processes and the overall quality of its product? Although **Element 4.1.1** of ISO 9001 does not require this in the policy, you will see in a later section of this chapter, that it does contain foundational requirements to drive the continual improvement process. To use an analogy, both ISO 14001 and ISO 9001 policy statement requirements contain the "fuel" necessary to drive the continual improvement "engine." Thus, although the two standards differ in the requirement to state a "commitment to continual improvement," both also contain all of the necessary ingredients to improve performance through a continual improvement process. It is my opinion that the commitment to "continual improvement" in any policy can provide the basis for a better management system and will result in a significant impact on your operations' performance.

Although ISO 9001 does not contain this specific requirement, it is important to note that a continuous improvement "philosophy" is required under Section 2, *Sector-specific Requirements*, of QS-9000. Sector 2.1 states: "A comprehensive continuous improvement philosophy shall be fully deployed throughout the supplier's organization …" Thus, continuous improvement becomes part of your basic organizational policy "by default."

5.4.2 PREVENTION OF POLLUTION

The inclusion of this requirement in ISO 14001 is one of the two primary differences from ISO 9001. However, as with the case of continuous improvement, QS-9000 is much more definitive in Section 4.9, *Process Control*. Again, prevention of pollution should become part of your organizational policy by default. ISO 9001 states:

> A supplier shall have a process to ensure compliance with all applicable government safety and environmental regulations, including those concerning handling, recycling, eliminating, or disposing of hazardous materials …

The inclusion of this requirement was driven by the United States Environmental Protection Agency and created much debate over the difference between "pollution prevention" and "prevention of pollution" — this distinction must be clearly understood in order to ensure that the implementation of the management system clearly meets the ISO 14001 requirements. The U.S. EPA defines "pollution prevention" as

"the use of materials, processes, or practices that reduce or eliminate the creation of pollutants or wastes at the source. It includes practices that reduce the use of hazardous materials, energy, water, or other resources and practices that protect natural resources through conservation or more efficient use." It's basic effort is to avoid the generation of pollutants throughout a process. In contrast, ISO 14001 defines "prevention of pollution" as "the use of processes, practices, materials, or products that avoid, reduce, or control pollution, which may include recycling, treatment process changes, control mechanisms, efficient use of resources, and material substitution." The standards are thus more concerned with how an organization manages its actual or potential pollutants. This particular definition won out because, as a generic international standard, many nations have neither the resources nor the capability in their manufacturing processes to avoid generating environmental pollutants — initial efforts have to focus on controlling the pollutants already generated and, hopefully, over time move towards "pollution prevention."

5.4.3 Commitment to Legal Compliance and Other Requirements

The third and final difference which must be addressed in the policy between ISO 14001 and ISO 9001 concerns compliance to regulations and any other requirements which your organization must adhere to (i.e., Responsible Care®, API, etc.). Although the policy requirements under ISO 9001 do not directly specify the need to commit to this, the standards as a whole do require a process to ensure legal compliance.

In ISO 9001, Section 4.9, *Process Control,* states:

> A supplier shall have a process to ensure compliance with all applicable government safety and environmental regulations, including those concerning handling, recycling, eliminating, or disposing of hazardous materials …

Again, as in the case of continual improvement and prevention of pollution, legal compliance should become part of your organizational policy by default.

I would like to point out one major difference, however, between what ISO 14001, **Element 4.2**, *Environmental Policy*, requires and the above stated requirement under Section 4.9, *Process Control*, of ISO 9001. Specifically, Section 4.9 of ISO 9001 requires "a process to *ensure* compliance…" whereas ISO 14001's policy requirements are to "include a *commitment* to comply…" What ISO 14001 is *not* requiring is "compliance to regulations." In fact, as we look in a later chapter into ISO 14001, **Element 4.3.2**, *Legal and Other Requirements*, you will see that what is needed is a procedure to assist in identifying all legal and other requirements — it neither "guarantees" nor requires compliance. What we then face in writing the policy is a decision to include some statement which addresses the regulatory arena and any other standards, codes, etc. which you may or may not have to adhere to. Since the policy becomes the starting point for an auditor, it thus becomes critical to not include statements which are too "specific." It is highly recommended that the requirement under ISO 14001 be followed as written: "… a *commitment* to comply …" One should avoid any definitive statements such as: "We

will establish procedures to *ensure* compliance…" As one OSHA inspector told me: "You can never be in 100% compliance!" So don't commit to it in a policy!

5.5   OTHER STANDARDS AND PRINCIPLES

As you begin to think about what your organization policy will look like, it is highly recommended that you benchmark other organizations and standard-making bodies. Although you will have some business-specific requirements which you may want to include in your policy, there is no sense in "reinventing the wheel."

In some of the preceding chapters, I have provided some sources of information which can be used in your own policy. They include Deming's 14 Points for Management, API's Environmental Principles, and the Guiding Principles of Responsible Care®. In the Appendices you will find the International Chamber of Commerce's Charter for Sustainable Development, the Rio Declaration on Environmental and Development, and the Keidanren Global Environmental Charter.

Other bench-marking sources are other companies and, especially, those which have developed an "Operational" Policy as opposed to separate environmental and quality policies. An Operational Policy is essentially designed to show a business' overall management philosophy, core values, and mission in addition to satisfying some of the requirements of ISO 14001 and ISO 9001. But an Operational Policy can only be developed when a member from every facet of the business is involved.

5.6   DEVELOPING AN INTEGRATED POLICY

Let's now look at how we can actually assemble an "operational" policy which will satisfy the requirements of both ISO 14001 and ISO 9001. The best approach would be to first look at the two standards side-by-side and see where they match and then to write a statement that could be included in the policy. Table 5.1 shows a comparison of the two standards.

What needs to be done now is to begin formulating statements which: (1) reflect the common requirements; (2) address the requirements specific to ISO 14001; and (3) which can be edited in such a way as to generate a policy you would be satisfied with for public display.

The following statements can be used as examples:

- Our primary *goals* are to achieve complete customer satisfaction and to be recognized as an outstanding environmental citizen.
- Our primary *goal* is to meet the *expectations* and *needs* of our customers and the neighboring community through the use of effective *quality improvement teams* and *environmentally sound* management practices.
- We will achieve this goal by establishing *objectives* which will standardize, control, and *continuously improve* our operations.
- Our *goal* is to provide quality products, goods, and services which meet the *expectations* and *needs* of our customers through the use of *environmentally sound* management and technologies.

TABLE 5.1
Correlation of Policy Requirements

Element 4.1.1 — ISO 9001	Element 4.2 — ISO 14001
objectives for quality	environmental *objectives and targets*
relevant	*nature*
	scale
goals	environmental *objectives and targets*
expectations and *needs* of its customers	*other requirements*
understood	*communicated*
implemented	*implemented*
maintained	*documented*
	maintained
	continual improvement
	prevention of pollution
	relevant environmental legislation regulations and other requirements
	available to the public

- We shall provide products, goods, and services to our customers which are made (manufactured) to meet their *expectations*, and in a manner which meets all *regulations, industry standards, and other requirements*.
- Through the establishment of annual *objectives and targets* we will strive to *continuously improve* our operations.
- We will *continuously improve* so as to provide our customers with a quality product, to *prevent pollution*, and minimize the environmental impact of our operation.
- We will *communicate* this policy to all of our employees and make it *available to the public*, as a means to ensure their *understanding*, commitment, and active involvement in achieving our *objectives and targets*.

A combination of these statements or variations would meet the policy requirements found under the two ISO standards. With the exception of Akzo Nobel Chemicals, Inc., most companies do not have an integrated policy.

5.7   WHAT AUDITORS WILL LOOK FOR

The policy forms the foundation from which you build your management system and is, obviously, the starting point for an auditor. Besides the specific requirement to include *continual improvement*, *legal and other requirements*, and *prevention of pollution*, an auditor is mainly concerned about how the policy plays out through the system. Since a policy must be relevant to the nature and scale of your business, it is up to the auditor to determine if this, in fact, is so.

Some key things to remember: (1) make sure the policy is understood by your employees since their job functions must ensure compliance to it; (2) make sure the policy is available in as many ways as possible such as in training modules, rule booklets, on walls, at meetings, etc. — an auditor does not expect an employee to recite the policy by heart, but they must have a basic understanding of its contents and how it applies to their particular job function; and (3) make sure the policy is available to visitors, your neighbors, local agencies, etc. — use your customer service group as a vehicle to make it available.

5.8 CONCLUSION

In this chapter, my intent was not to write a policy for you, but to provide examples which can be incorporated into a policy that meets your expectations or is relevant to the nature and scale of your business.

If any part of your policy does not satisfy the ISO 14001 requirements, then the systems which are derived from it are lacking the vehicle which gives them "credibility." You can probably avoid "*hold*" points in other parts of the audit, but to encounter one right at the opening session could be very disheartening and take the "wind out of your sails."

In Appendix H, a figure which the interrelationship of the various ISO 14001 elements. You will note that the contents of your policy can be influenced by the ISO 14001 Standards themselves, but also by the applicable regulations, industry standards, codes of practice, your customers, the public, and so on. As you begin to formulate the contents of your operational policy, it is important to broaden the "scope of influences" on your business.