



ISO/TC 207/SC 1
Environmental management systems

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1n1239 SC1 concern related to 'interpretation' of ISO 14001-2015 - joint letter to CASCO and IAF

Document type: Other committee document

Date of document: 2016-09-21

Expected action: INFO

No. of pages: 5

Background: Dear Members,
Further to S1 resolution 16/2016 in Seoul, Republic of Korea, please find attached the joint letter to CASCO and IAF.

Kind regards,

Mike Henigan
Secretary, ISO/TC 207/SC 1

Committee URL: <http://isotc.iso.org/livelink/livelink/open/tc207sc1>



Our ref.: MJH
Date: 20 September 2016

**Secretariat of ISO/TC 207/SC 1
Environmental management systems**

Dear Sirs

Concerns regarding 'interpretation' of ISO 14001:2015 requirements

At the ISO/TC 207/SC 1 plenary 28 August and 2 September 2016 in Seoul, Republic of Korea, TC 207/SC 1 discussed matters related to ISO 14001:2015 implementation.

TC 207/SC 1 requested TC 207/SC 1 leadership to communicate to IAF and CASCO the TC 207/SC 1 concerns that persons involved in accredited certification activities for ISO 14001:2015 may be 'interpreting' requirements in ISO 14001:2015 differently from what is stated in ISO 14001:2015. A few examples of inconsistent application are attached to this letter. Verbally, discussion covered other issues such as requirement for 'documented information' where none is required and requiring senior management to act as the guide for the auditor to demonstrate their commitment.

TC 207/SC 1 would hope that the material provided on the [TC 207/SC 1 website](#) – in particular [ISO 14001 support material](#) and [ISO 14001 FAQ](#) is used to help understanding in organization, accredited certification bodies and their auditors as well as accreditation bodies and their assessors.

TC 207/SC 1 would welcome the opportunity to discuss this in the coming months, in time for the next TC 207/SC 1 plenary in June 2017 and would be pleased to work jointly with IAF and CASCO to address market concerns about inconsistent application of ISO 14001:2015.

Yours faithfully

Dr. Anne-Marie Warris
Chair
ISO/TC 207/SC 1

Mike Henigan
Secretary
ISO/TC 207/SC 1

Attachment: Example of 'Inconsistent application of ISO 14001:2015'

Dear Madam Chair:

We have a growing repository of anecdotal evidence of concerns with conformity assessment, specifically third party certification. These two comments are from two entities with expert knowledge of the changes that occurred in ISO 14001:2015. We have other detailed case studies, but these are the two we can provide in the time frame required at the SC1 Plenary, which were experienced in our jurisdiction. Please note that in conversation with other countries we are hearing the same concern. We would also reference the presentation that was made by our esteemed colleague, who touched upon this issue in the Developing Countries Contact Group (DCCG) Workshop. Auditors and organizations need to understand the new framework of the standard, and require a better understanding of the new requirements and the *interrelationships* of the elements in ISO 14001:2015.

Our concern is that while the SC1 forum does not control conformity assessment, we have the opportunity to impose our influence. Our interest is not to find blame, but to make the conformity assessment community aware that we consider concerns expressed by the market a very serious issue. If the reputation of third party certification is impugned, SC1 and member countries will feel the repercussions of this in the market's adoption of our new standard.

We do not position third party certification as being more valuable than any of the other conformity assessment options. We follow the ISO policy of neutrality and equality of all four options. We do understand however, that as a valued option, and the option for which ISO provides a tracking mechanism, we need to have these issues resolved in a professional, positive, prompt, and efficient manner.

We have already started to address this issue in our country with our accreditation body, but note that some of the challenges occur where the certification body and associated auditor are trained by authorities outside our boundaries.

We also note that there are problems generated by organizations that are not focused on the adoption of a *robust, credible and reliable* EMS, this can lead to 'paper chase' phenomenon, where the aim is to get a *certificate*. This can put unrealistic pressures on the audit profession. Nationally, we are addressing this challenge in outreach activities.

Case Study #1

- 1) Auditor asked the organization to describe a type of "risk" that was identified through the EMS. The organization gave the most obvious example - risks that needed to be addressed through its EMS were those that were associated with environmental aspects that had the potential to significantly adversely impact the environment (threat). The auditor did not agree that this was an example of risk. **Conclusion:** auditors do not understand the relationship between aspects and risks (and opportunities)
- 2) Auditor did not understand the difference between external and internal issues. For example, the organization's process for determining internal issues was linked to its materiality assessment, which included a rigorous outreach exercise to a wide variety of internal and external stakeholders for the purpose of identifying which ESG (environmental, social and governance) issues were important for the organization to focus on. Material *internal* issues identified via

the materiality assessment were identified those related to how the organization's activities, products and services impact the environment. However, the auditor argued that because the organization's materiality assessment involved *external* stakeholders, that these issues were therefore *external* issues.

Conclusion: Auditors are not trained in the new relationships that occur in ISO 14001:2015. Auditors should not be dictating to the organization how to apply their EMS.

- 3) The auditor told the organization that ISO 14001:2015 prescribed that the organization needed a *documented process* for determining external and internal issues.

Conclusion: Auditors are not trained in the new requirements in ISO14001:2015 or are asking for the organization to take on a level of bureaucracy for the convenience of the auditor.

- 4) The auditor did not attempt to obtain audit evidence to establish the organization's adherence to some very key points in the standard – e.g. the auditor did not inquire as to whether the organization had determined any risks and opportunities that were *not* associated with environmental aspects or compliance obligations (i.e. the third bucket). For the organization, it is crucial that it takes action to address risks related to extreme weather events that may be attributed to climate change, which has the potential to cause a power outage or other type of disruption to its operations. The organization has identified these risks through its EMS and has classified them as operational risks, specifically in the categories of property risk and business continuity risk. The EMS Manager volunteered this information to the auditor but the auditor did not understand it nor was it considered by the auditor to part of the EMS. The EMS Manager argued that these risks were indeed part of the organization's EMS and although actions to address them were integrated into other business processes (per clause 6.1.4), the organization still monitored their effectiveness through its EMS.
Conclusion: The auditor did not understand the relationships expressed in ISO 14001:2015, the full range of situations captured by risk (and opportunities) or the relationship between the EMS and the business's core activities.

Case Study #2

The training process for internal auditors was led by a representative of a certification body who clearly had little to no expert knowledge in EMS, or ISO 14001:2015. This is leading to the diffusion of misinformation, affecting the credibility and performance of EMS on a broader scale. Topics of concern included, but were not limited to, the representation of context, risk (risks and opportunities), and documented information.

Overall conclusion - Auditors are not receiving proper training on the content of the standard, how the relationships within the standard need to be understood, and how these elements must be considered in the larger context of the organization's core strategy, relevant to its purpose and its intended outcomes.

Case Study #3

"We created a project and project team with a senior level executive to identify the implications from the ISO update. There was a lot of effort spent identifying what would need to change in multiple systems and corporately. We have a 3-year budget cycle and based on the work of the project team we identified the need to update our Environmental Policy. To change our policy requires public consultation, and money was allocated on the budget to do public consultation."

“Our external auditor did a gap analysis and said that our existing policy met the new standard, which undermines the credibility of our internal ISO experts in the minds of top management.”

Thank for you the opportunity to share our concern with SC1.