A look at how multisite certification of adherence to the ISO 14001:2015 Standard is a way to reduce overall certification costs when your organization has more than five sites.
The International Organization for Standardization originally published ISO 14001: Environmental Management Systems in 1996 to provide a framework to protect the environment and respond to changing environmental conditions in balance with socio-economic needs. This standard serves as the means for an organization to manage environmental matters, fulfill compliance obligations, and address environmental risk and opportunities. The standard also serves to level the playing field when organizations compete around the world and are expected to have an environmental management system (EMS) in place. The standard was revised in November 2004 and again in September 2015. Full adoption of ISO 14001:2015 is required by September 2018 to retain certification.

Like other quality assurance systems, ISO 14001 adheres to a systematic management method referred to as PDCA (Plan-Do-Check-Act) popularized by W. Edwards Deming in the mid-1900s (see Figure 1): Planning is the step of understanding objectives and the process to achieve them; Doing is the step to implement the process; Checking is the step to measuring and monitoring progress; and Acting is the step to improve the process.

ISO also recently published ISO 45001:2018 Occupational Health and Safety Management Standards (intended to replace OHSAS 18001:2007 Occupational Health and Safety Management Systems), as well as the recently revised ISO 9001:2015 Quality Management Systems. These systems may be simultaneously in place in an organization. As such, the committees that assisted in the revision of these standards, created a consistent table of contents, allowing various responsible parties within an organization to converse in a common management system language.

![Figure 1. Plan-Do-Check-Act – Continuous Improvement Cycle.](image)

While the scope of the ISO 14001:2015 Standard covers essentially the same topics as the prior 2004 version, the table of contents is now laid out in 10 sections rather than 4. New to the 2015 version is a section called, “Context of the Organization”. The objective of this section is for the organization to view both external and internal issues that may affect the organization’s ability to achieve the intended outcomes of its EMS.

Also within the “Context of the Organization” section, the standard further clarifies scope. While the old version did require the organization to define and document scope, it didn’t prescribe how to satisfy the requirement. The new standard specifically states what the organization needs to consider what may impact the EMS effectiveness, including (1) external and internal issues, (2) compliance obligations, (3) its organizational units, functions, and physical boundaries, (4) its activities, products, and services, and (5) its authority and ability to exercises control and influence.

“Compliance obligation” is also a new term, which replaces “legal requirements and other requirements”. Compliance obligations includes mandatory obligations, such as laws and regulations, as well as voluntary obligations, such as adherence to organizational commitments, industry standards, contractual relationships, codes of practice, and agreements with community groups and non-governmental organizations (NGOs).

The revised standard places emphasis on a risk planning process to ensure the organization identifies risk and opportunities relative to its EMS. This planning process ties back to the context of the organization and understanding how environmental matters, compliance obligations, and other affected parties (e.g., suppliers, subcontractors, and the local community) are affected. Consideration of “opportunities” is also new and may not be intuitive at first. Several examples include job creation, sponsoring a community wellness clinic, and donating emergency equipment to local police and fire.

While identifying and understanding risks and opportunities are essential, the standard also expects that actions and methods to evaluate effectiveness are incorporated into the EMS. For example, an upgraded wastewater treatment plant should have evidence of improved performance. Although the term “preventive action” has been eliminated, this important concept remains a component of the new standard under its operational planning and controls and performance evaluation sections. Preventive action is considered a method to eliminate the cause of an unintended event and should be incorporated into a holistic view of planning. For example, when installing an upgraded wastewater treatment plant, the organization should be able to demonstrate how this equipment will be maintained and operated to ensure effectiveness and adherence to compliance obligations. Evidence of a preventive maintenance (PM) system, an understanding of the basis for the
The revised standard continues to require a procedure for emergency preparedness and response. However, other required procedures have been eliminated, including (1) environmental aspects procedure, (2) legal requirement procedures, (3) communication procedure, and (4) monitor and measure procedure. In the operational planning and control section of the standard, emphasis is now placed on process effectiveness. Procedures are a specific way to perform a process, but not the only way to adhere to a process. This gives flexibility to the organization in determining how to ensure process effectiveness while not ruling out that procedures may be the method of choice.

The term “documented information” replaces the terms “documentation”, “documents” and “records” from the 2004 version. Documented information refers to retention of records that demonstrate objective evidence of the EMS effectiveness and other relative supporting evidence (e.g., procedures). In addition, documented information may be maintained in multimedia formats including electronic storage.

**Reducing Certification Operating Costs**

While having a well-run EMS is a goal that is obvious to any environmental professional, organizations are not always keen to undertake additional certifications. The reasons are many and often include cost or uncertainty as to the benefits. The truth is, an organization doesn’t need ISO 14001 to operate an effective EMS. That said, for organizations working under competitive government contracts, within certain industries, and/or whose customers place value on third-party certification of an EMS, certification is expected.

This is often evident in the prequalifying stage when bidding on contracts. Prequalification requirements can be extensive. While some bidding processes require ISO 14001, others may be satisfied with an organization’s explanation of equivalency. One alternative that has more certainty than a self-stated equivalency is to obtain an “attestation” from a certifying body. An attestation is a formal document by the certifying body that states that the organization’s EMS has been assessed and is essentially equivalent to the standard being evaluated. An attestation has a lower level of certainty than formal certification, since it doesn’t require the ongoing audit rigor of certification, but a higher certainty than an organization’s self-stated equivalency, since it is issued by an independent third party. The attestation is a middle ground and its value will depend on the organization evaluating the prequalification stage of the bidding process.

**Multisite Certification**

Organizations that have five or more sites and share a single EMS may be able to take advantage of a multisite certification. Rules for a multisite organization are described in the International Accreditation Forum (IAF) document, “IAF Mandatory Document for the Audit and Certification of a Management System Operated by a Multi-Site Organization.”

When an organization has multiple locations, it may pursue one certification that incorporates all sites, providing the context and scope adequately describe the various operations. These sites may be located around the world, but will need to be operating from a single EMS that is managed, for example, by a headquarters environment, health, and safety (HQ EH&S) organization.

Two of the benefits of multisite certificates are (1) cost savings and (2) management of a single system. Multisite certification may be applicable to organizations that have a complex structure. For example, a power generation company that manufactures, installs, services, and maybe even operates a power plant may have a multisite certificate.

One of the risks and common concerns with a multisite certification is that one site may impact the overall certification renewal. This is factually correct and the probability of this becoming reality is within the control of the organization. For example, an organization with a multisite certificate will have a multi-year audit schedule agreed upon with the certifying body. Organizations should work closely with their certifying bodies to ensure audits are scheduled well ahead of the certificate expiration date to minimize risk of an unresolved nonconformance and loss of certification across the whole organization.

Let’s consider an example of the potential cost savings to be realized with a multisite organization. Assume you have an HQ EH&S organization that manages your single EMS system, you have 14 sites in your organization’s portfolio, and that your certifying body thinks that these sites may be grouped together in a single context and scope. What might the cost savings look like?

There are many variables to consider, but the most common are (1) the labor rate for the certifying body’s auditors (known as “day rate”); (2) the auditor’s travel cost, including airfare, hotel, and meals; and (3) the complexity and size of the organization’s sites. Below is a simplified example of benefits.

In the IAF MD 1:2018 document cited above, it describes the methodology for calculating the number of sites that will be audited annually for a multisite certification. The minimum number of sites is based on the formulas below and the number of sites to audit is generally rounded up.
For example,

Initial Certification
\[ Y = \sqrt{X} \]
where \( X \) = # sites and \( Y \) = minimum # sites to be audited

Annual Surveillance
\[ Y = 0.6 \sqrt{X} \]
Recertification
\[ Y = 0.8 \sqrt{X} \]

For this example of a business with 14 sites and a three-year certification, the total certificate life cost for the multisite certification alternative is approximately US$59,000, compared with the total cost for a single-site certification of US$211,000 (see Figure 2). For organizations with fewer than five sites, the benefits are negligible. However, for those with five or more, the benefits increase with size.

**Conclusion**

Certifying bodies can assist organizations to realize the opportunities afforded by multisite certification. Organizations that aren’t partnering with their certifying bodies in this regard may be missing out on leveraging the learnings and the ideas that these organizations can bring to the table, including cost-savings and a simplified EMS through multisite certification.

The deadline to recertify to the ISO14001:2015 Standard is rapidly approaching. If you miss the September 2018 recertification deadline, your organization will need to restart the process beginning with an initial audit. Certifying bodies have limited flexibility to extend expiring certificates. These bodies need to adhere to the IAF rules, as well as their own accreditation obligations.

While there are many minor changes to the revised standard, the overall concept of ensuring an effective environmental management system hasn’t changed and there are numerous opportunities to better understand how to incorporate the latest requirements, including online training and consulting services from the certifying bodies. If your organization has five or more sites that are individually certified and you utilize a single EMS, you should consider talking with your certifying body to better understand the opportunity to leverage a multisite certification. But don’t delay.

**Sources**