

ecovadis

How-to Guide

Developing an Environmental Policy

Disclaimer: This guideline does not aim to serve as the only approach on developing a sustainable procurement policy. The scope of the guideline is not exhaustive and does not guarantee the score of an EcoVadis assessment. For specific document standards required by EcoVadis' assessment, please refer to EcoVadis Document Guide in EcoVadis Help Center "What type of supporting documents can I provide?" (_____).

What is an Environmental Policy?

An environmental policy is.....

"A statement by the organization of its intentions and principles in relation to its overall environmental performance which provides a framework for action and for the setting of its environmental objectives and targets."

Definition from ISO 14001



Why is an environmental policy important?

A policy is a predetermined course of action. It gives direction to how an organization's day-to-day operations can reach the objectives and targets it sets for itself. Having an environmental policy is essential to the implementation of an environmental management system, even if there are already certifications or measures in place. It is also vital as it demonstrates to internal and external stakeholders that the organization is committed to managing its environmental impacts in a responsible way.

- Demonstrate the organization's commitment to improving its environmental performance
- Communicate the organization's mission, vision and beliefs towards the environment to staff and other interested parties
- Provide a framework for guiding the organization's ongoing environmental efforts
- Set environmental targets for the company to measure its progress against
- Keep employees informed about their environmental roles and responsibilities
- Foster development of in-house learning, management capacity, and leadership on environmental topics
- Address internal & external stakeholders' environmental concerns
- Conserve energy and natural resources, reduce pollution and prevent incidents, subsequently cutting costs and avoiding damage to the company's reputation

What to Include in an Environmental Policy?

i This chart lists the key environmental factors that can be considered "material" (relevant and significant) to your operations, depending on the type of industry your company operates in.

Note: each company should conduct a materiality analysis based on its own operations and specific circumstances.

Environment: what matters for your company?

Relevant
Can be relevant

INDUSTRY	Professional Services	Wholesale & Retail, Logistics	Manufacture of primary materials	Manufacture of final products
Energy Consumption & GHGs	CO ₂	CO2	CO2	CO ₂
Water				
Biodiversity			*	*
Local & Accidental Pollution				
Materials, Chemicals & Waste				
Product Use				,M*
Product End-of-Life				S
Customer Health & Safety		\(\psi\)	\(\psi\)	\(\psi\)
Environmental Services & Advocacy	③	③		3





- Do your operations involve significant land use or animal testing?
- Do you trade/handle products that could result in environmental accidents?
- Do you consume raw materials, chemicals or generate hazardous waste?



Do your products have significant environmental impacts during product usage?

- Are your products hazardous if disposed improperly?
- Do you trade/transport products that could have potential risks to customers' health & safety?
 - Can you offer and promote more environmentally friendly products or services to customers?



How to Set up an Environmental Policy?

7 key steps to establish an environmental policy:

1. Determine topics that are relevant to your company	 Refer to the What to Include in an Environmental Policy table (previous page) Consult with your stakeholders Refer to the Sustainability Accounting Standard Board (SASB) Materiality Map Refer to the Global Reporting Initiative (GRI) on Defining Materiality
2. Define objectives for topics identified	 Define commitment on environmental performance Elaborate how the policy will be implement e. g. We are committed to waste reduction initiatives by encouraging recycling and reuse. We intend to run waste campaigns to sensitize our employees on waste recycling and place recycle bins in all our offices.
3. Define a time limit for achievement	 Set quantitative targets [SMART: specific, measurable, achievable, realistic and time-limited; as well as relevant to your business' activities] e. g. Decrease energy consumption by 5% by 2020.
4. Define responsibilities	 Appoint a person who is in charge of the policy e.g. Corporate Environment Committee; Energy and Wastemanagement officer.
5. Define the scope of policy application	 Specify the scope of the policy e.g. All staff in UK; all operational locations within Europe.
6. Define the timeline for policy review	 Environmental policies are usually reviewed annually to keep the policy up to date If activities or operations change significantly, your policy may need to be updated outside of the annual review. e.g. This policy is reviewed annually. Next review on dd/mm/yy.
7.Communicate the policy	 Set up a formal document or integrate into a dedicated section of a formal document Ensure the document is endorsed by senior management Ensure the document is publicly accessible e.g. Company public environmental commitment, CSR Report, Annual Report, Environmental Report, etc.