

EMAS - Factsheet

EMAS Benefits

EMAS is the perfect tool for organisations to improve their environmental and financial performance. This holds true for all types of organisations – from micro organisations and small and medium-sized enterprises (SMEs) to multinational corporations and public bodies.

Key benefits include:

- 1) *Enhanced environmental and financial performance through a systematic framework;*
- 2) *Enhanced risk and opportunity management;*
- 3) *Enhanced credibility, transparency and reputation; and*
- 4) *Enhanced employee empowerment and motivation.*

Together these benefits lead to the three distinguishing features of EMAS:

Enhanced Performance – Credibility – Transparency

1) Enhanced environmental and financial performance through a systematic framework

EMAS involves several implementation steps that provide organisations with a **systematic and comprehensive yet practical framework** to measure, evaluate and improve their environmental performance. For example, the six environmental core indicators focussing on resource efficiency help adequately document environmental performance and create multi-annual comparability within and between organisations.

'Environmental management was not new but it became better structured through EMAS' (Private small organisation, Germany)².

In fact, the financial benefits most frequently cited by respondents of the 'Study on the Costs and Benefits of EMAS to Registered Organisations' were linked to reductions in energy use and more efficient resource use. Evidence was found that **annual energy savings alone exceeded the annual costs of maintaining EMAS**. Although this may be particularly relevant for organisations in the resource-intensive manufacturing sector, it applies to all types of organisations – micro organisations, SMEs, multinational corporations and public bodies.

'[...] under EMAS we systematically reviewed all information on how much energy was used in which systems and had the opportunity to take measures to reduce hot spots of energy consumption. Energy demand for pressurised air went from 13.5 percent of total energy consumption to 7.2 percent in five years' (Private medium-sized organisation, Germany).

Another **positive impact** identified was **waste management** and cost reduction through improved control of maintenance suppliers.

Study highlights EMAS benefits

In 2009, the European Commission completed its 'Study on the Costs and Benefits of EMAS to Registered Organisations'¹. The study identified the benefits and costs of EMAS registration as well as the incentives and barriers facing new registrants. Around 460 EMAS registered sites (approximately 11 percent of EMAS registered sites in Europe) participated in the survey. Around 60 percent of participating organisations were micro organisations or SMEs, and 40 percent were large organisations. The highest response rates were from Italy (27 percent), Spain (23 percent) and Germany (16 percent). Respondents included both private organisations (76 percent) and public organisations (24 percent).

Convincing evidence was found of various benefits arising from EMAS registration. The three benefits most commonly identified in the study are:

Increased efficiency savings

The primary benefit of EMAS registration is costs savings through increased resource efficiency. EMAS helps registered organisations identify opportunities to better manage their resources.

Reduced negative incidents

EMAS provides organisations with a better overview of their processes and greater control, which allows organisations to reduce the number of negative incidents.

Improved stakeholder relationships

Improved relations with regulators, non-governmental organisations (NGOs) and the local community increases trust and understanding between parties, thereby reducing the number of complaints received from stakeholders.

The study can be downloaded at the [European EMAS website](#).

¹ The study was prepared by Milieu and Risk & Policy Analysts.

² All testimonials have been taken from the 'Study on the Costs and Benefits of EMAS to Registered Organisations'.

2) Enhanced risk and opportunity management

The second most widely acknowledged benefit of EMAS was a **reduction in negative incidents**. By screening their operational procedures, organisations find ways to reduce associated risk levels. The study indicates that **effective risk management can generate financial benefits by increasing trust amongst regulatory authorities**.

The starting point for organisations successfully implementing EMAS is **legal compliance**. Registration with EMAS requires organisations to be both familiar with relevant regulatory requirements and better prepared to tackle regulatory issues in a systematic way. The time spent on monitoring legislative compliance had diminished for more than 50 percent of respondents. The study showed that, as a result of their compliance with relevant legal requirements, EMAS registered organisations may be subject to **fewer environmental inspections**, to permits that are renewed less frequently or to permit applications that receive a 'lighter' treatment. Furthermore, authorities may choose to **reduce fees**. For example, waste fees are reduced by 50 percent in the German region Bavaria and by 30 percent for EMAS registered companies in the Italian region Emilia-Romagna. In the latter region the permitting costs for IPPC (Integrated Pollution Prevention and Control) permits are also lower for EMAS registered companies. The Italian regions Lombardy, Tuscany and Liguria are developing similar incentives.

'Through participation in [...] EMAS, relations with the authorities were strengthened. This led to a reduction in external inspections and easier approval procedures' (Private large organisation, Germany).

In fact, **83 percent of respondents** indicated that their **relationship with public regulators improved**. This may be particularly relevant for companies in sectors where public perception of their environmental performance is otherwise negative, making it difficult for companies to apply for permits and to win planning approval. Additionally, several micro enterprises pointed out that one of EMAS key benefits was the access it allowed to **public contracts**. Contracts won by EMAS registered organisations were estimated to have increased by up to 30 percent. It is possible that these increases exceeded the expected costs of first-year registration and costs in subsequent years.

3) Enhanced credibility, transparency and reputation

Providing credible and transparent information is an important asset when organisations engage stakeholders, whose interest in organisations' environmental performance is continually increasing. The **external and independent nature** of the **EMAS registration process** (Competent Bodies, Accreditation/Licensing Bodies and environmental verifiers are under the control of the EU Member States) ensures the **credibility** and **reliability** of the scheme and of the information provided by registered organisations. This can lead to an enhanced reputation.

Public information on an organisation's environmental performance, which is validated by an independent and accredited/licensed environmental verifier, is disseminated externally through the periodically published **environmental statement**. The environmental statement enhances the **transparency** of registered organisations and allows benchmarking of organisations' environmental performance. Furthermore, when an organisation has been successfully registered it is allowed to use the **EMAS logo** for marketing purposes. Communication with stakeholders based on the EMAS environmental statement and the EMAS logo may be particularly valuable for consumer-facing organisations. Respondents emphasised that **improved relations with stakeholders** such as NGOs and the local community increased understanding between parties, **reducing the number of complaints** received from stakeholders. Additionally, respondents reported that EMAS registered organisations with a site near residential areas can be seen as **'good neighbours'**. Although it may not be possible to quantify these impacts financially, it is possible that easier and less onerous decision making and agreement between various parties brings financial benefits.

'Ten to 15 years ago there was lot of pressure from Greenpeace on the company, which had been flagged as a bad polluter. EMAS allowed us to open a dialogue. Now NGOs and other stakeholders have the facts and don't conjecture about what happens and what the company emits. EMAS is a great opportunity to set the record straight' (Private large organisation, UK).

The results of the study also suggest that **supply chain requirements** appear to be significant drivers of EMAS registration. Several respondents connected with the automotive sector said that customers demanded that suppliers implemented an environmental management system.

4) Enhanced employee empowerment and motivation

Employee involvement and training under EMAS can lead to **improved employee morale** and a **better implementation of the environmental management system**. In fact, 82 percent of respondents indicated some improvement in their relationship with staff. One respondent claimed that EMAS generally keeps staff more alert to environmental and Health & Safety issues. Several respondents commented that EMAS has made it possible to adopt a zero accident approach and to achieve both a very high synergy with OHSAS 18001 (assessment specification for occupational health and safety management systems) in employee and health protection and a reduction in accidents.

Costs of EMAS implementation

Given the heterogeneity of registered organisations, calculating the average costs of implementing EMAS is unfeasible and thus it is also impossible to draw general conclusions. However the following three categories of costs can be distinguished:

- **Fixed costs** faced by registering organisations are assumed to be unrelated to staff numbers. These costs can include: validation and verification fees, registration fees, capital IT costs, fixed costs of adding logo to stationary and producing publicity material and capital expenditure.
- **External costs** of implementing EMAS are incurred by employing external expertise to support EMAS implementation and reporting.
- **Internal costs** are incurred by organisations' personnel in implementing, administering and reporting on EMAS.

Member States frequently offer **financial incentives to reduce the costs** of implementation and maintenance of EMAS. For detailed information about the costs of EMAS registration and financial incentives, please contact your national **Competent Body**.