

## **ENVIRONMENTAL MANAGEMENT SYSTEM AS EFFECTIVE TOOL TO IMPLEMENT**

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Current trends show clear signs of corporate strategy being driven by environmental pressures. Major changes in corporate strategy are clearly visible due to the increased environmental concerns of stakeholders: lots of interested persons, internal and external users (local communities, ecological associations, government representatives, shareholders, investors, clients, and suppliers) present an increasing interest in the environmental performances of the organizations, especially of the enterprises in the private sector.

While the existing system of environmental protection has ensured that firms now devote large amounts of resources to pollution control that have led to substantial improvements in environmental quality, many have suggested that the current system has reached its limits. A number of environmental problems remain both unregulated and probably unregulatable. Further progress toward a cleaner environment at a lower cost may therefore require new ideas about achieving environmental policy goals.

The environmental management system is one of such “new ideas”. An Environmental Management System (EMS) is a set of processes and practices that enable an organization to reduce its environmental impacts and increase its operating efficiency. It helps a company to achieve its environmental goals through consistent control of its operations.

Basic Elements of an EMS:

- reviewing the company's environmental goals;
- analyzing its environmental impacts and legal requirements;
- setting environmental objectives and targets to reduce environmental impacts and comply with legal requirements;
- establishing programs to meet these objectives and targets;
- monitoring and measuring progress in achieving the objectives;
- ensuring employees' environmental awareness and competence.

Within the framework of an EMS, an organization will develop internal policies concerning its environmental impacts, such as resource use, disposal techniques, and pollution prevention. These systems can be audited by qualified third parties to assess the performance of the management system. Firms can also seek certification that their systems meet the criteria set forth in ISO 14001, an international standard for the operation of environmental management systems.

An environmental management system can also be classified as a system which monitors, tracks and reports emissions information, particularly with respect to the oil and gas industry. Environmental management systems are becoming web

based in response to the EPA's mandated greenhouse gas reporting rule, which allows for reporting GHG emissions information via the internet.<sup>[5]</sup>

An effectively designed EMS can, under the right circumstances, significantly help a company to improve its environmental performance and bottom line. The benefits and the characteristics of successful EMSs are described below.

*Enhanced efficiency and lower costs.* EMS manuals and case studies point most frequently to the financial benefits of implementing an environmental management system. Cost savings are often linked with consuming fewer resources and producing less waste, but savings can also accrue from operational efficiencies, a higher level of management efficiency, reduced liabilities and shorter permitting times because of better relations with regulators and communities.

*Reductions in resource use, waste and emissions.* Implementing an EMS allows a company to identify opportunities for improvement and to plan expenses. Key performance indicators include: the volume of raw materials, water and energy consumption, recycling rate, hazardous and nonhazardous waste generation and the number and volume of releases. Organizations measure consumption and waste pre- and post-EMS implementation. In nearly every case, an EMS reduces operating costs through waste reduction, energy conservation, and other savings.

*Regulatory compliance.* Another frequent indicator of a successful EMS is achieving the goal of regulatory compliance. Management can use an EMS to monitor the legal requirements and thereby plan expenses associated with permitting, reporting and monitoring to ensure compliance with the law. An EMS provides a structured framework for identifying and meeting regulatory requirements. This results in fewer fines and other regulatory complications over time.

*Employee involvement.* Many companies recognize that the success of an EMS depends on the participation of the full spectrum of employees. Different types of employees have different insights into environmental performance and suggestions for improvements. Proper implementation of an EMS requires employee involvement and, if successful, creates as a benefit a sense of responsibility and accomplishment among the employees; enhances employee morale and awareness of environmental issues.

*Improved relations with customers.* An EMS can improve relations with customers that usually means larger purchasers in a dominant market position, new customers/markets.

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