



BETTER  
REGULATION  
AIMED AT  
VALORISING EMAS

**Annex 1.1 Austrian case study: *The simplification measures for EMAS companies***



# 1 Introduction to the case study

This case study has been carried out within the EU Life Project BRAVE with the general aim of investigating the Austrian experiences with regulatory relieves and better regulation measures as incentives to the diffusion of the Environmental Management Systems certified according to the EMAS European Scheme (Regulation EC No 1221/2009).

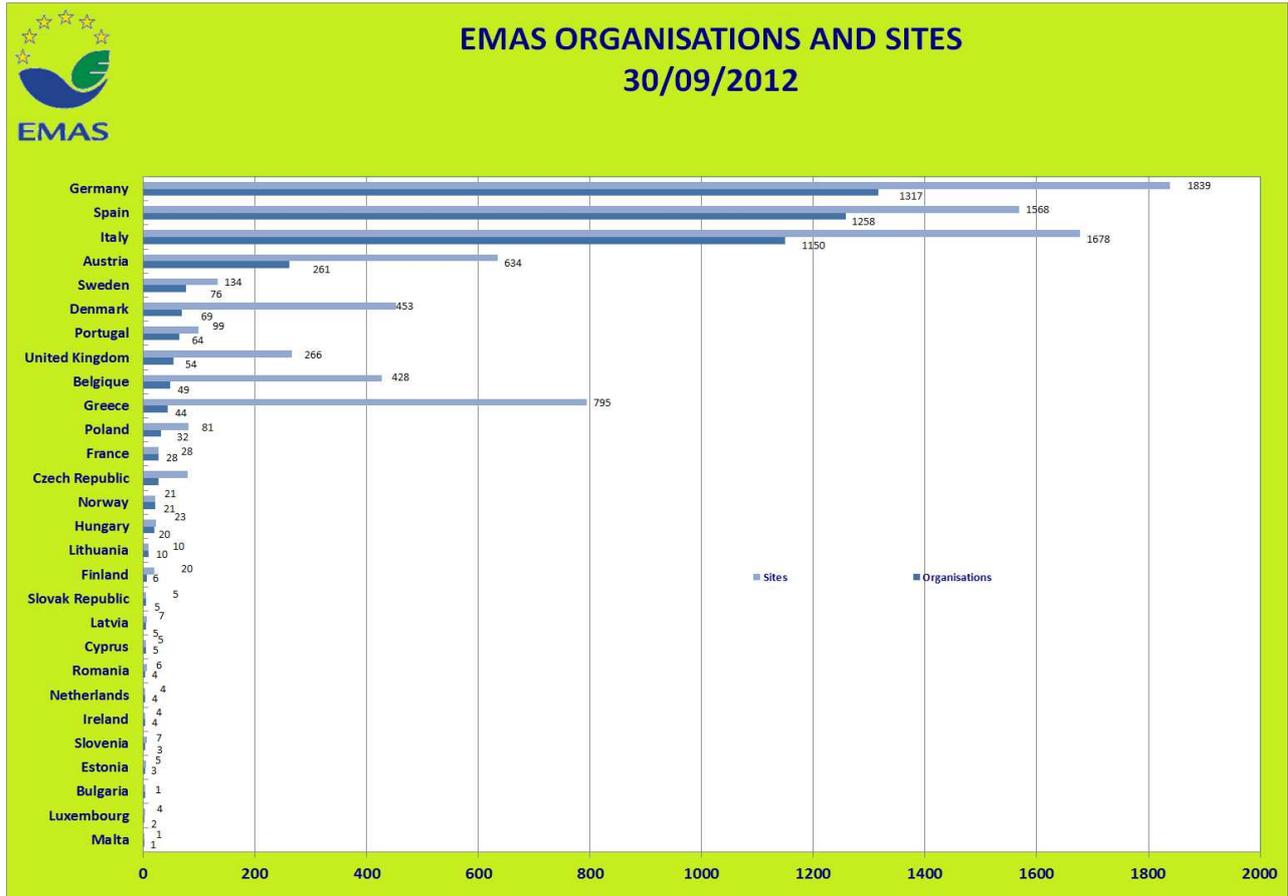
In these years, many initiatives were carried out at national level in Austria to remove the typical drawbacks affecting EMAS adoption. Legal incentives for the EMAS companies in Austria are regulated in the *Environmental Management Act*, approved in August 2001 (96<sup>th</sup> Federal Act published on 7 August 2001), updated in 2008; this law is under revision.

This case study aims to investigate the level of knowledge and satisfaction concerning the simplification measures adopted in Austria.

## 1.1 Motivation of case-study

The selection of Austria (together with Germany, Portugal, Spain and Denmark) as a case study is based on the success that EMAS registrations have had in this country. Austria ranks fourth with a total of 261 organizations and 634 sites (information updated to the 20/09/2012), after Germany, Spain and Italy. This is a share of around 30% EMAS-registered organizations per million inhabitants, the by far highest score, after Cyprus (64%) compared to other EU-27 member states.

One reason for the high number of EMAS registrations in Austria are specific financial support and technical support activities the Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management, the Austrian provinces and the chamber of commerce offer since EMAS was introduced in 1993. For instance, an EMAS-conference is organized every year to discuss environmental management issues and to award the best environmental manager of the year, workshops are offered to share experiences in environmental management, PR activities support the awareness and popularity of EMAS, etc.



Source: European Commission, Directorate-General for the Environment

The case study selection process has involved the representatives of Austrian EMAS Competent Body (the Environmental Agency of Austria, Umweltbundesamt GmbH) and the Federal Ministry of Agriculture, Forestry, Environment and Water Management.

## 1.2 Background

The relevance of simplification measures for companies with environmental management systems certified has already been analyzed in other studies and research focused on EMAS and ISO 14001 companies that we have read as for instance Schylander and Martinuzzi (2007)<sup>1</sup> or the final report of the Best project Expert Group (2006)<sup>2</sup>.

## 1.3 Methodology

The methodology to assess the level of EMAS adoption, its benefit and drawbacks, mainly on the existing simplification measures, is based on a questionnaire survey among the EMAS registered companies operating in Austria and in Europe. The aim of the methodology is to

<sup>1</sup> E. Schylander and A. Martinuzzi (2007), ISO 14001 – Experiences, Effects and Future Challenges: a national study in Austria. In Business Strategy and the Environment No 16, pp. 113-147.

<sup>2</sup> Streamlining and simplification of environment related regulatory requirements for companies, May 2006.

obtain the perception of companies on EMAS scheme and on the role of simplification measures in the EMAS adoption.

The following steps can be identified:

1. *Definition of EMAS companies list;*
2. *Desktop research of existing literature on Austrian simplification and better regulation experience;*
3. *Questionnaire inquiry with EMAS registered Austrian companies;*
4. *Data collection, with phone and mail inquiry;*
5. *Data analysis.*

The first step was to identify the Austrian EMAS companies in order to define the statistical population of the survey by analyzing the official EMAS register available on DG environment web site. Since our focus are industrial companies we excluded public authorities from the scope of the survey. The exclusion is justified by the fact that public authorities usually do not carry out activities that are in the scope of the simplification measures; moreover, they are mainly the promoter of simplification measures in the regulation, so the survey could generate confusion in the responder of public authorities.

The survey was carried out by using the e-tool “Survey Monkey”, a software for on line interviews. The questionnaire is composed by 6 sections and 29 questions included personal data of respondents. The first section concerns the organization details and general information on clients, competitors and economic performance.

The second section aims to evaluate the level of implementation of EMS requirements. The third section, composed by two questions, aim to assess the environmental performances of companies. The fourth section deals with investments in the last three years. The main sections of the questionnaire are the section 5 and 6 that concern the simplification measures by assessing the level of knowledge and the usefulness of the measures adopted, the incentives and hindrances for EMAS adoption.

All EMAS companies of the selected sample received the questionnaire by e-mail; the first e-mail was sent on 8th September 2012 and several reminders were sent and done by phone until the 15th November 2012.

## **2 The simplification measure**

### **2.1 Description of the measure**

As mentioned before, this case studies does not focus on a specific simplification measures but aim to investigate the level of knowledge and satisfaction concerning the simplification measures adopted in Austria. However, in this paragraph we show the main contents of the most important Austrian simplification measures, included in the *Austrian Environmental Management Act*, approved in August 2001 (96<sup>th</sup> Federal Act published on 7 August 2001), introduced regulations accessory to EMAS II Regulation. This regulation, updated in 2008, at the moment is under revision, but information in English is not available.

On this Federal Act different simplifications for EMAS registered organizations are foreseen in the Section III: Simplification of Administration for EMAS Organizations:

- change reporting procedure (art. 21);
- issue of a consolidated approval notice (art. 22);
- dispensation for administrative fines (art. 23);
- dispensations from obligation to appoint a responsible person (art. 24);
- limitation of official control obligations (art. 25);
- dispensation from reporting obligations (art. 26);
- dispensation from self-monitoring (art. 27).

## 2.2 Description of the characteristics of the sector within the region

This case study does not focus on a specific sector or region but analyzes the effectiveness of simplification EMAS for all EMAS registered organizations in Austria.

In Austria there are 261 EMAS organizations and 634 EMAS sites (information updated to the 20/09/2012). The most relevant sectors are the Wholesale and retail trade and repair of motor vehicles and motorcycles (16,6%), Waste collection, treatment and disposal activities, materials recovery (11,2%), Electricity, gas, steam and air conditioning supply (6,2%), Services to buildings and landscape activities (5,4%) and public administration (4,2%).

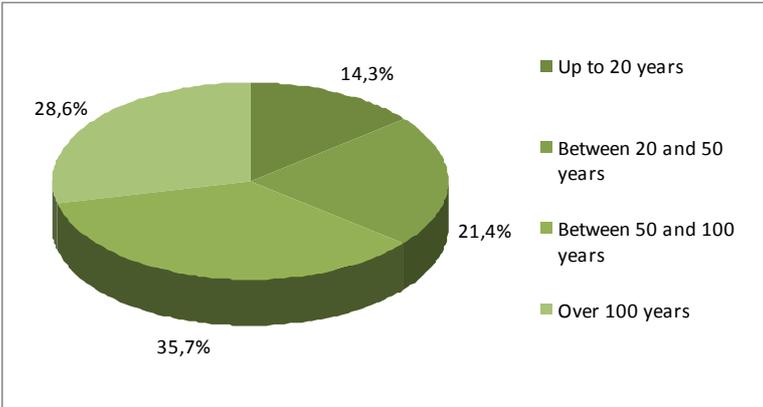
NACE code	Sector	N. organizations	%
8	Other mining and quarrying	5	1,9%
11	Manufacture of beverages	5	1,9%
16	Manufacture of wood and of products of wood and cork, except furniture	6	2,3%
17	Manufacture of paper and paper products	6	2,3%
18	Printing and reproduction of recorded media	5	1,9%
20	Manufacture of chemicals and chemical products	8	3,1%
23	Manufacture of other non-metallic mineral products	8	3,1%
24	Manufacture of basic metals	6	2,3%
26	Manufacture of computer, electronic and optical products	6	2,3%
28	Manufacture of machinery and equipment n.e.c.	6	2,3%
35	Electricity, gas, steam and air conditioning supply	16	6,2%
38	Waste collection, treatment and disposal activities; materials recovery	29	11,2%
45	Wholesale and retail trade and repair of motor vehicles and motorcycles	43	16,6%
46	Wholesale trade, except of motor vehicles and motorcycles	8	3,1%
52	Warehousing and support activities for transportation	4	1,5%
64	Financial service activities, except insurance and pension funding	4	1,5%
81	Services to buildings and landscape activities	14	5,4%
84	Public administration and defence	11	4,2%
85	Education	8	3,1%
86	Human health activities	8	3,1%
93	Sports activities and amusement and recreation activities	4	1,5%
94	Activities of membership organisations	8	3,1%
-	Others	41	-

*Source: own elaboration based on EMAS help desk data*

The number of respondents to the survey from Austria is 16 companies (6% of the total EMAS registered organizations) but only 13 questionnaires contain information that can be processed (some companies have started to fill in the questionnaire, but they did not answer to all the questions).

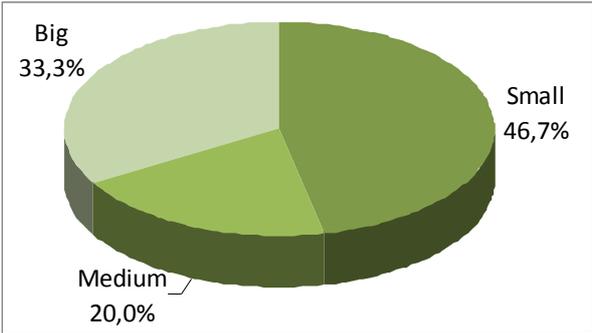
The sample of the companies with the EMAS registration are pretty young, around the 36% are in business from less that 50 years.

Figure: Companies' years in business



Regarding the organizations' size, following the definition of Recommendation 2003/361/EC<sup>3</sup>, the survey sample was classified in 4 categories according to the number of full-time employees operating in the companies. It can be noted that the sample is mostly composed of small organizations, employing less than 50 employees (46,7%). The medium firms are the 20% of the sample and the big firms are the 33,3% .

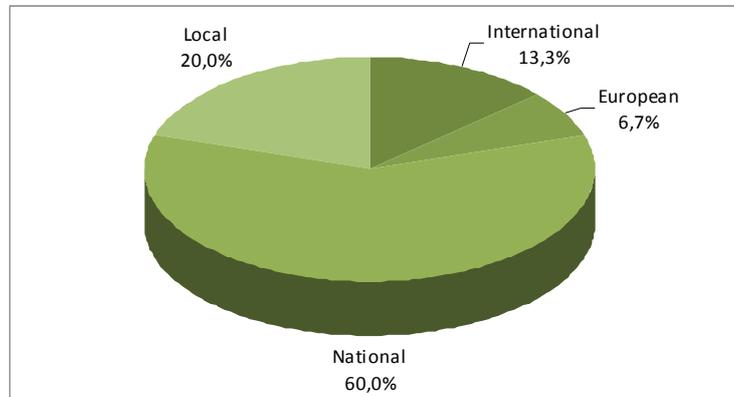
Figure: Dimension of respondents for number of employees



<sup>3</sup> The Recommendation 2003/361/EC at article 2 of the Annex defines the category of micro, small and medium-sized enterprises (SMEs). "Small enterprise is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million". In the SMEs category the Recommendation defines the micro firms as an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million.

The 60% of respondents affirms that their most important market is the national one, while just the 13% mainly operates at international level and the 7% at European level. The local market is the main geographical reference for the 20% of Austrian firms.

Figure: Most important market



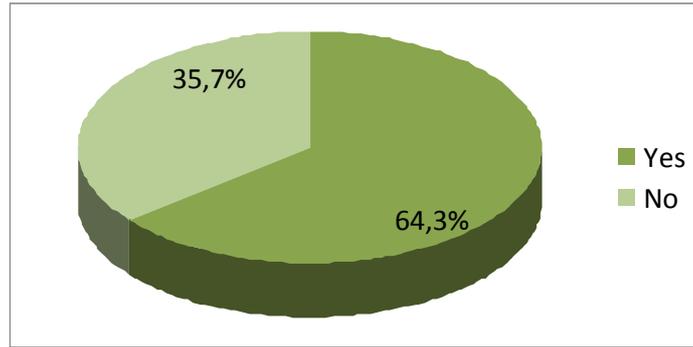
### 3 Analysis

#### 3.1 Awareness analysis and analysis of the “level of application” of a measure

Two questions of the questionnaire was set to analyze the level of application of measures: the first question investigates the level of knowledge of simplification measures among EMAS companies (“*Are you aware of any regional or national regulation simplification for EMAS registered companies?*”); the second question intends to quantify how many EMAS organizations have benefited of simplification measures (“*Has your organization ever benefited from simplification since registration?*”).

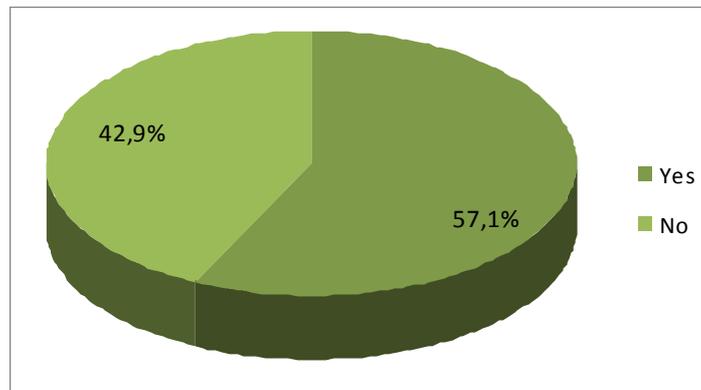
The following figures show the level of awareness on existing simplification measures for EMAS organization in Austria. Considering all respondents, 64% of them know the simplification measures included in the applicable regional or national regulation; this percentage is significantly high comparing with the European data (45%). This result confirms the success of the specific financial support and technical support activities offered by the public administration in this country.

Figure: Level of awareness on existing simplification for EMAS registered companies



As a consequence of the great knowledge of the existing simplification the percentage of firms that has benefited of at least one simplification is really high (57%).

Figure: Enterprises that benefited of simplification since registration among European respondents



Among all the types of simplification measures proposed in the questionnaire, respondents declare to have used a total of 21 measures. The main measures used by interviewed companies is “Reduced reporting and monitoring requirements” (used by the 36% of the sample), “Dispensation from administrative fines” (21%), “Reduction of inspections” (21%) and “Self declaration in the procedure of extension of a permission” (21%). In Austria any of the interviewed company has used the following measures: Extension of permit period, Fast track permits, Modification in the aim of application, Information required for permits or Tax reduction.

Figure: Type of simplification used by the companies

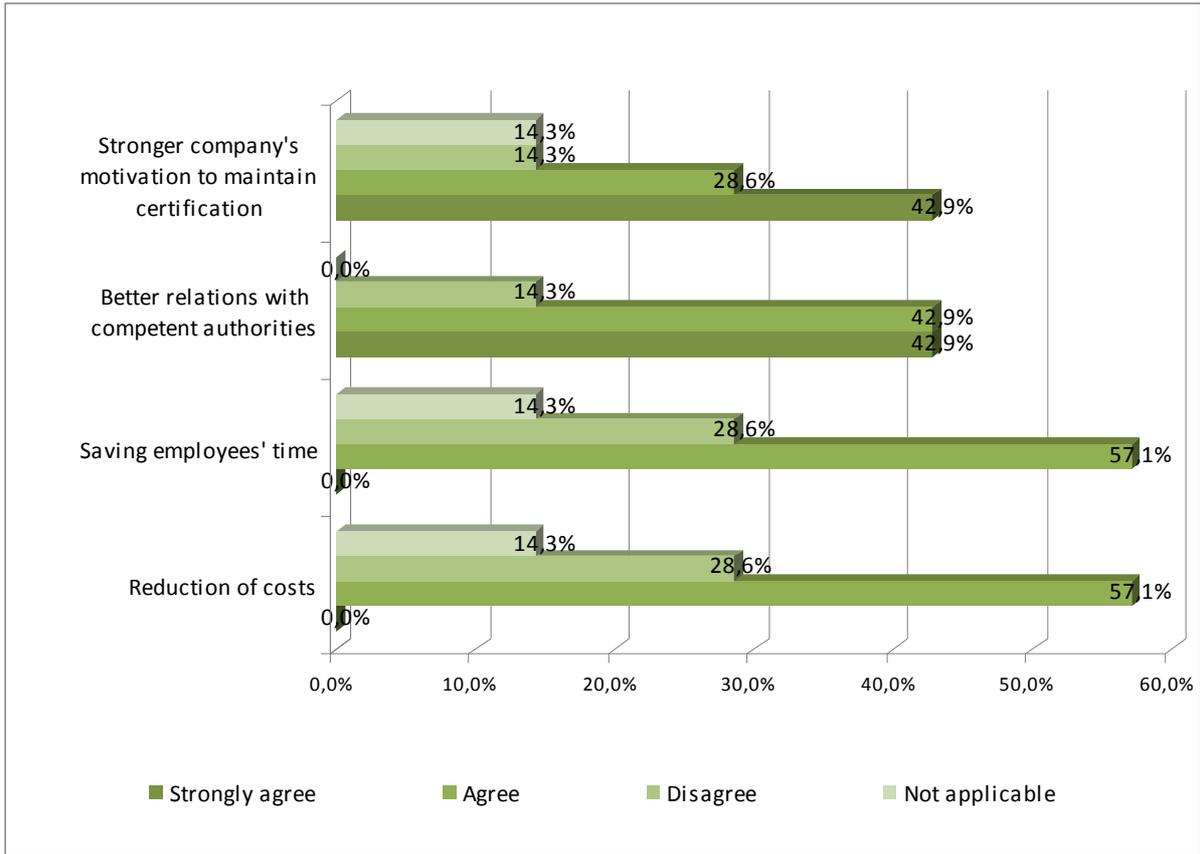


### 3.2 Analysis of Adopters' benefits

One of the main purposes of the simplification measures for EMAS registered organization is to allow them to achieve resources savings in terms of human and economic resources. We asked to EMAS organizations “*What are the advantages due to simplification since your EMAS registration?*”. The respondents had to select the level of agreement according to the following types of benefits: i) cost reduction; ii) time savings; iii) better relations with competent authorities; iv) stronger motivation to maintain certification; v) other .

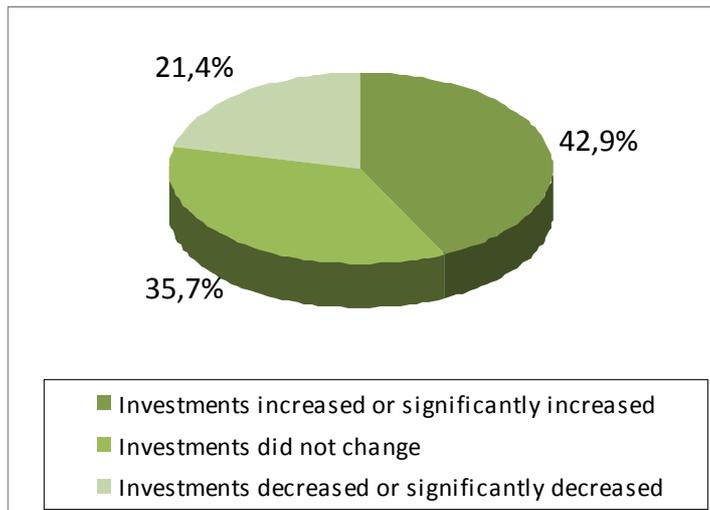
The following figure shows the results emerging among the Austrian respondents: the majority of them confirmed (43% strongly agree and 27% agree) that simplification measures allow to have a stronger company's motivation to maintain certification and to have better relations with competent authorities (43% strongly agree and 43% agree). Saving employees' time and reduction of cost was also considered a quite important vantage (the 57% agreed on it).

Figure: Advantages due to use of the simplification since the EMAS registration



By benefiting from simplification measures an organization, as highlighted above, could achieve significant savings that could be used for environmental investment. The survey's results found that environmental investments increased or significantly increased for the 43% of the companies and they are not changed for the 36%. Instead the investments decreased for just the 21% of the respondents.

Figure: Organization's investments in the last three years



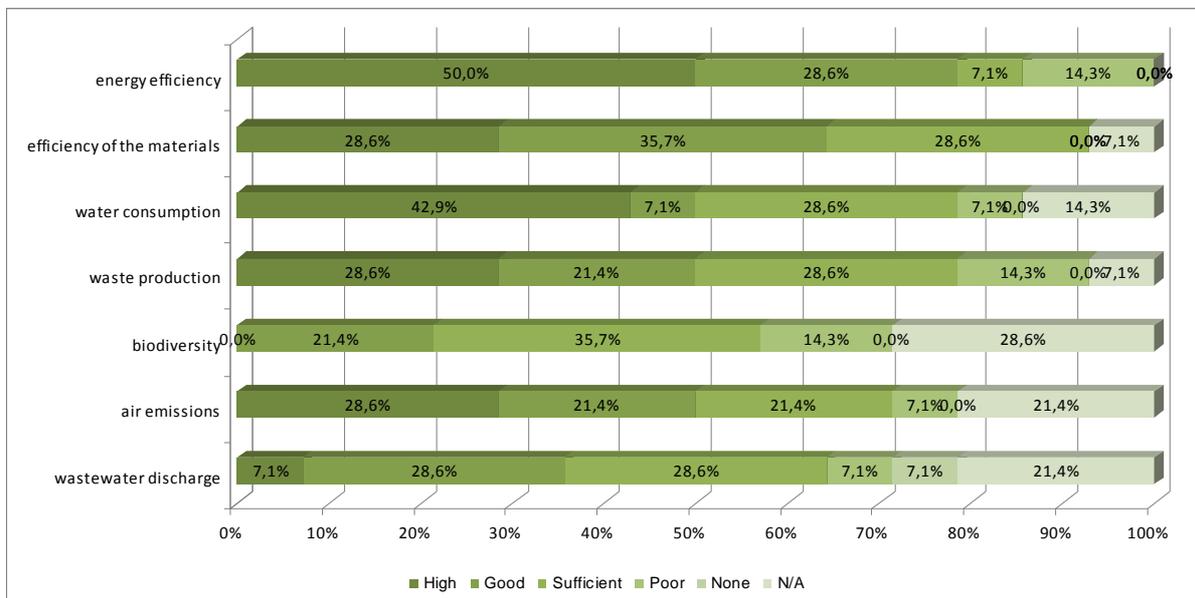
### 3.3 Environmental benefit analysis

Continuous improvement of environmental performance is one of the main aim of an environmental management system. The use of simplification measures does not have a direct effect on environmental performance but, by generating resource savings, this could be used to improve the effectiveness of the management system.

The third part of the questionnaire for the companies with an EMS enters into the merits of the environmental benefits of the EMS implementation.

The following figure shows as in Austria the most relevant improvements are obtained in energy efficiency (50% of respondents declared to have obtained high improvement and 27% declared to have obtained good performance), efficiency of the materials (27% high and 36% good) and water consumption (43% high and 7% good).

Figure: improvement by environmental aspect



To verify the effectiveness of the environmental management system, we considered the four key elements composing the EMS according to Deming Cycle (Plan Do Check Act):

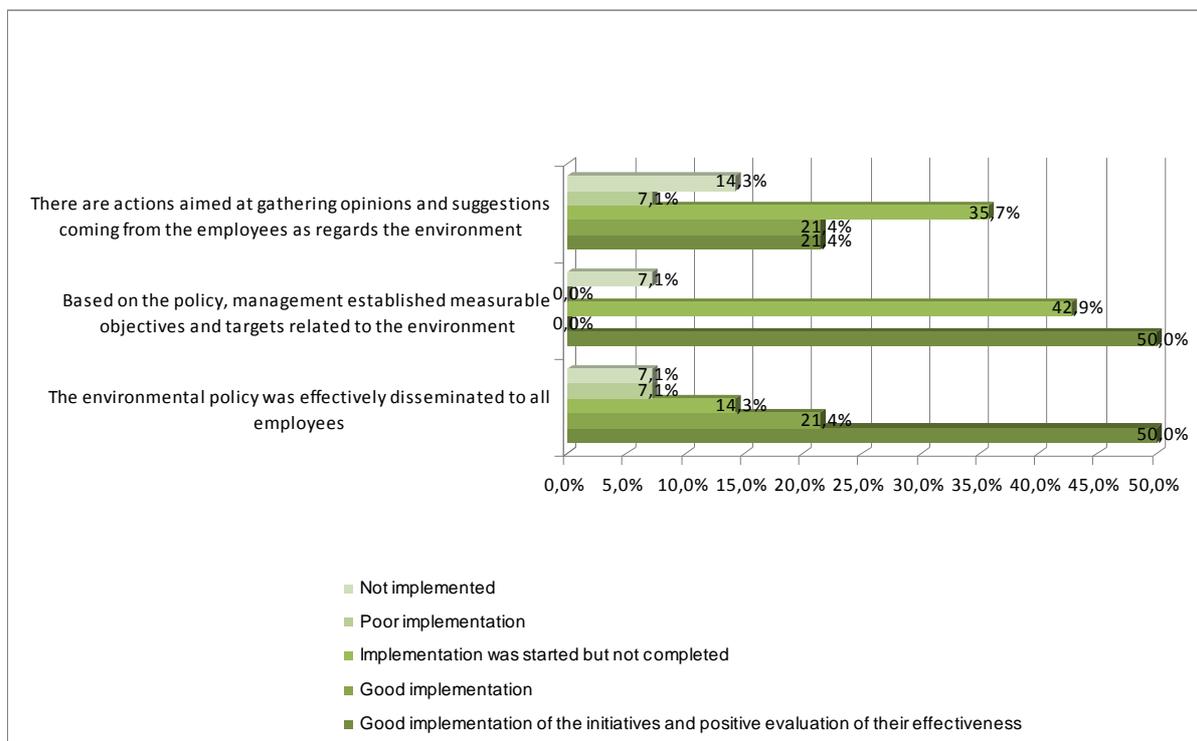
- Planning of environmental related activities;
- Training activities and involvement of employees in environmental matters;
- Implementation activities of management of environmental issues (including build up and emergency response);
- Measurements, surveillance and internal control.

For each of these aspects composing the environmental management system, the questionnaire proposed three questions that the respondents could evaluate by using the following alternatives: *not implemented*; *poor implementation*; *implementation was started but not completed*; *good implementation*; *good implementation of the initiatives and positive evaluation of their effectiveness*.

Regarding the planning of environmental related activities the assessment is composed by 3 aspects (see figure bellow):

- The environmental policy was effectively disseminated to all employees by 50%; besides the 21,4%% declared to have a “good implementation”;
- Based on the policy, setting measurable objectives and targets related to the environment was positively implemented by 50% of respondents;
- Initiatives aiming to gather opinions and suggestions coming from the employees as regards the environment was successfully implemented by 43% of respondents; besides the 21,4%% declared to have a “good implementation”.

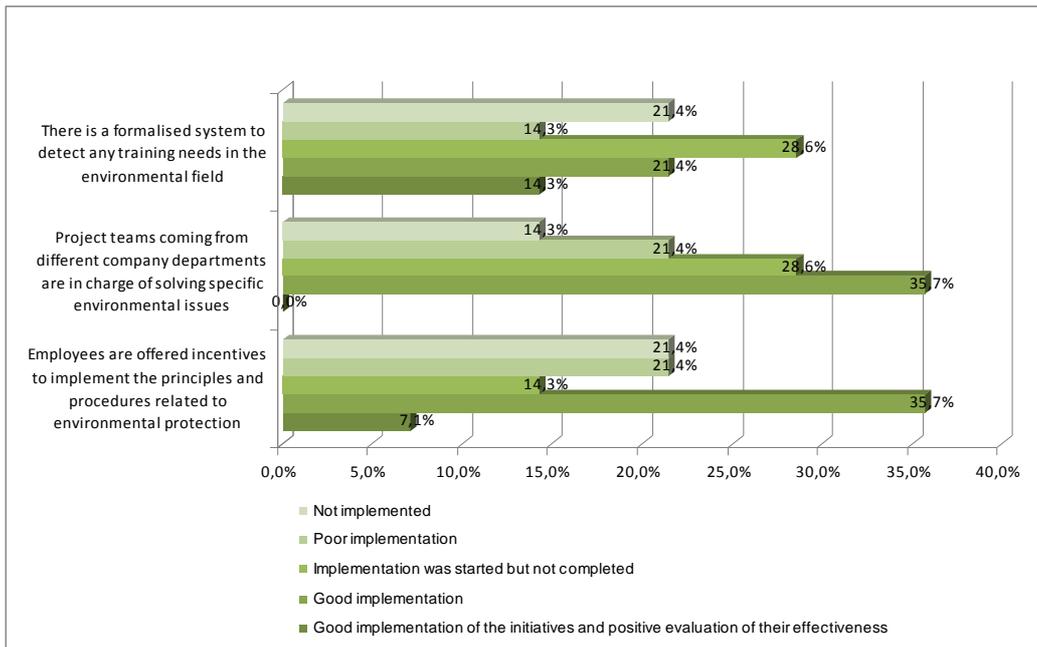
Figure: Planning activities



Regarding training activities and involvement of employees in environmental matters, the following aspects were taken into account (see following figure):

- Incentives to implement the principles and procedures related to environmental protection are offered to employees: just the 7% of respondents affirmed to have effectively implemented this kind of initiatives, and the 36% declared a good implementation;
- Project teams coming from different company departments are in charge of solving specific environmental issues: any respondents affirmed to have effectively implemented this kind of initiatives, but the 36% declared a good implementation.
- There is a formalized system to detect any training needs in the environmental field: the 14% of respondents affirmed to have effectively implemented this kind of system.

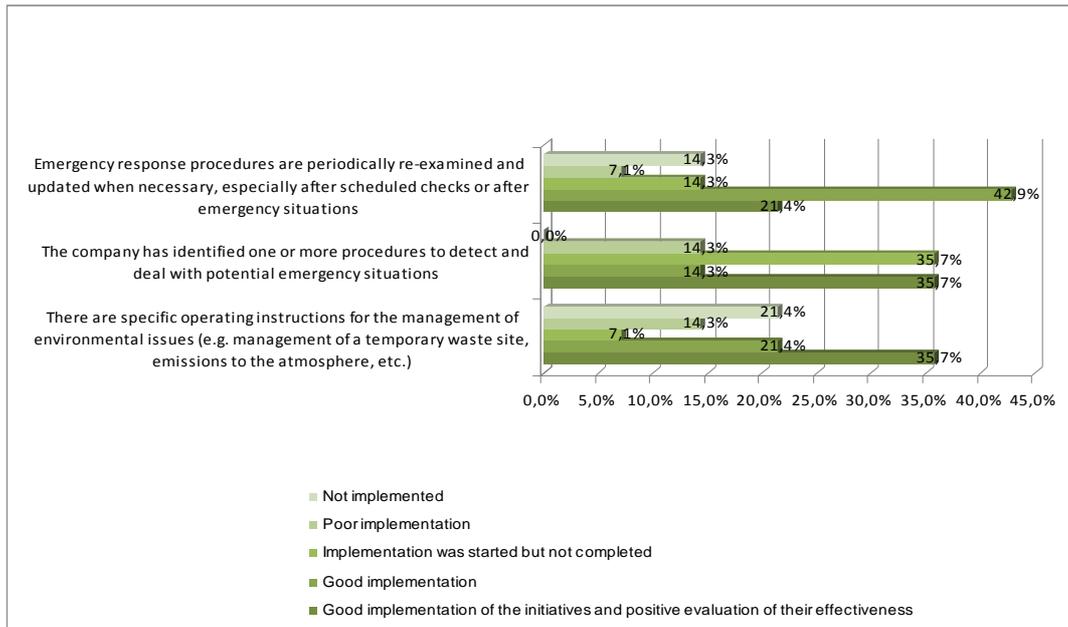
Figure: Training activities and involvement of employees



Regarding the activities to manage environmental issues, the following initiatives were considered:

- 65% of respondents have successfully implemented specific operating instructions for the management of environmental issues;
- 36% of respondents have effectively implemented one or more procedures to detect and deal with potential emergency situations;
- 36% of respondents declared to fully re-examine and update emergency response procedures.

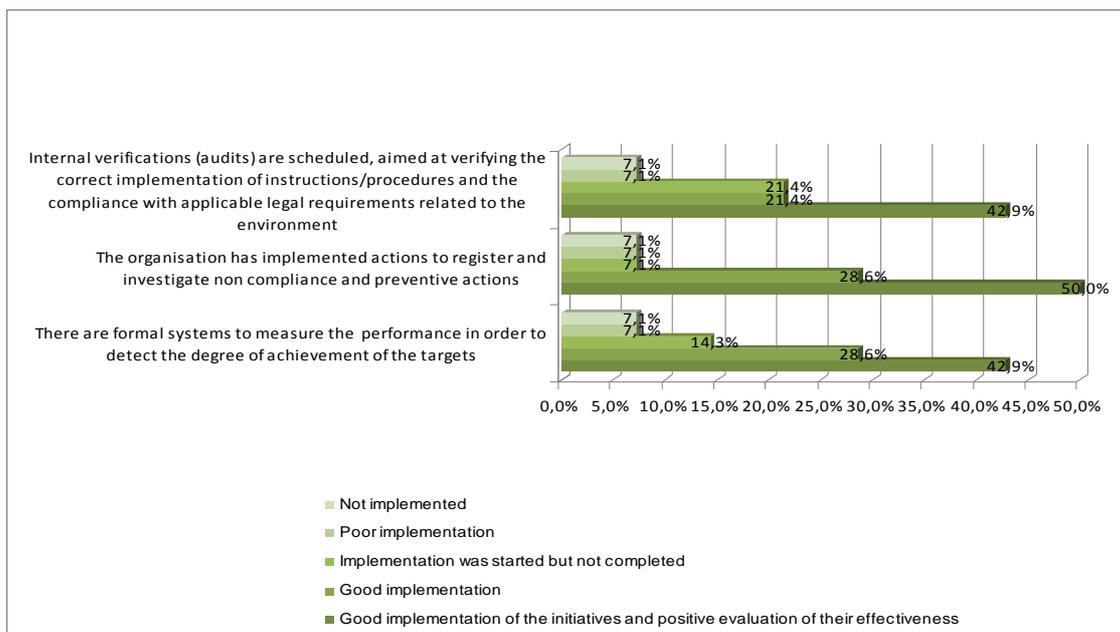
Figure: Management of environmental issues



Regarding the activities of measuring, monitoring and internal control, the following results emerged from the survey results:

- Formal systems to measure the performance in order to detect the degree of achievement of the targets were successfully implemented by 43% of respondents;
- The 50% of respondents have effectively implemented actions to register and investigate non compliance and preventive actions.
- Moreover, 43% of respondents constantly and effectively scheduled internal audits to verify the correct implementation of instructions/procedures and the compliance with applicable legal requirements related to the environment.

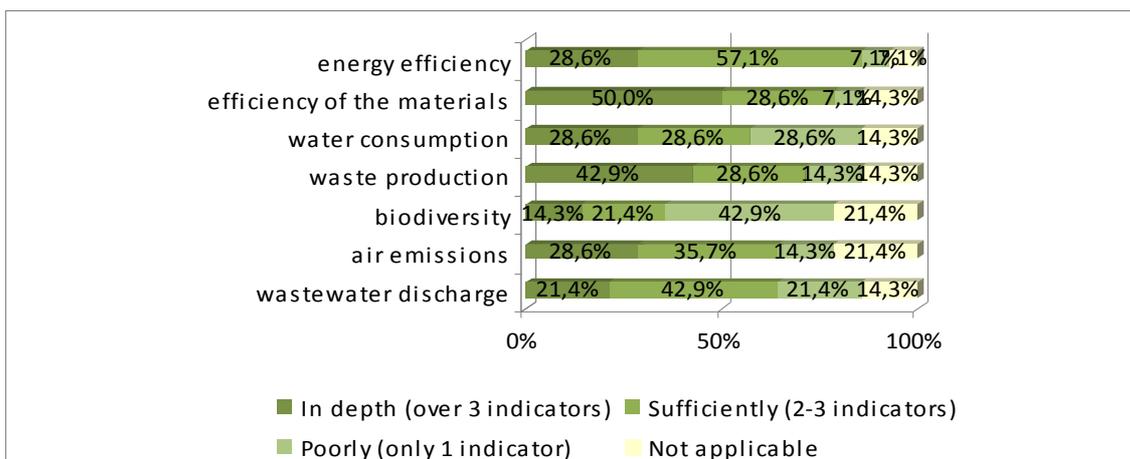
Figure: Activities for measurements, surveillance and internal control



To investigate how EMAS firms monitor their environmental performance, we asked how many performance indicators are used for assessing their environmental aspects. The following alternatives were provided in the questionnaire: *only 1 indicator (poorly monitored)*; *2-3 indicators (sufficiently monitored)*; *over 3 indicators (deeply monitored)*.

Efficiency of the materials and waste production are the most monitored environmental aspect since approximately half of respondents declared to have implemented over three key performance indicators. Few Austrian firms declared to monitor biodiversity and air emissions (21% of them selected the answer “not applicable”).

Figure: Environmental aspects monitored by firms

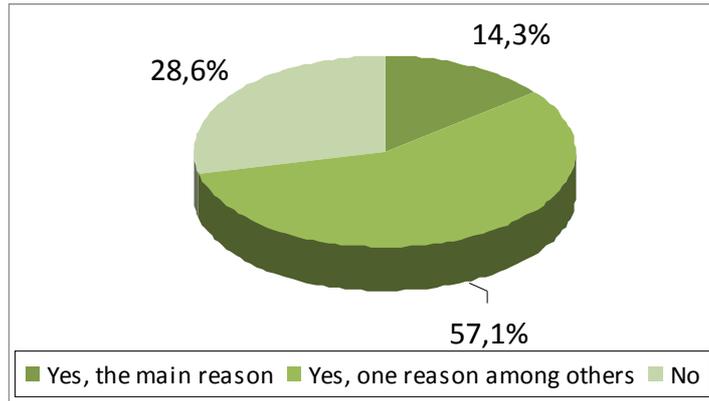


### 3.4 Analysis of the achieved results at the macro level

This paragraph describes the role of simplification measures as incentive for the EMAS adoption and provide useful insights on how the simplification can be a tool to disseminate formal EMS.

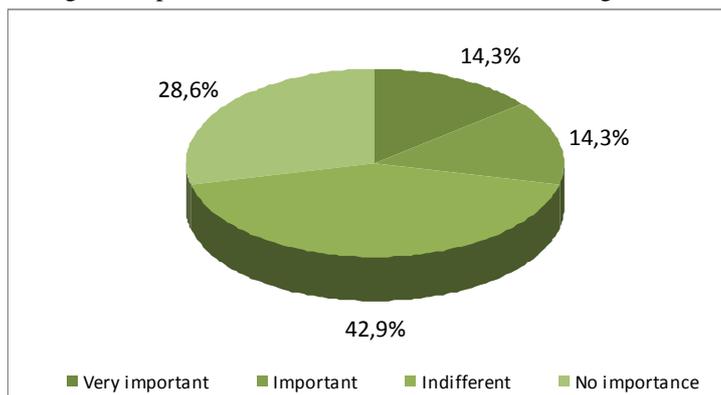
The following figure shows the distribution of answers to the question whether the regulatory simplification was one of the main motivation to adopt EMAS. The 57% of the sample declares that the simplification was one of the reasons, among others, to make them to access to the environmental certification (it's important to point out that for the 14% of the companies this was the main reason).

Figure: Answers to “Was the simplification one of the reasons that made you apply for certification?”



To the question “How important was the simplification when compared to the other reasons for registering (such as image, better relations with institutions, better internal organization, etc.)?” the 28% of the companies answered that the measure was an important or very important reason to achieve EMAS registration, the same percentage that affirmed that it was not important.

Figure: Importance of the measure for the EMAS registration

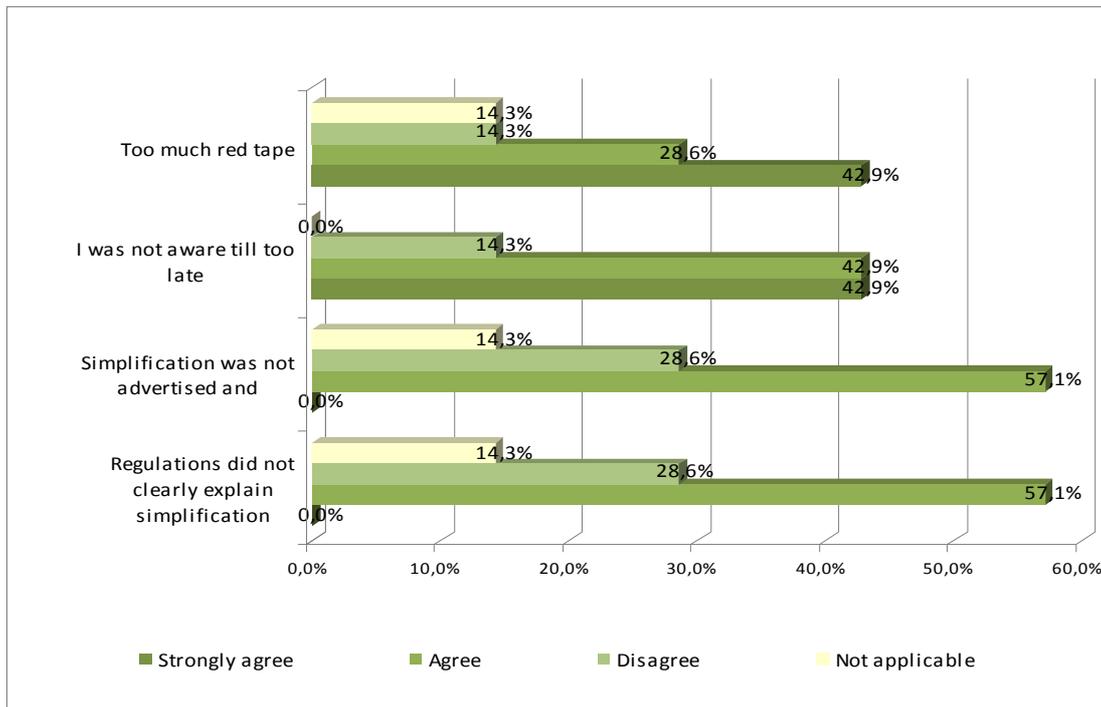


### 3.5 Satisfaction analysis

This section investigates the level of satisfaction of EMAS organization towards the existing simplification measures and which new regulatory simplification they wish to have in the legislation.

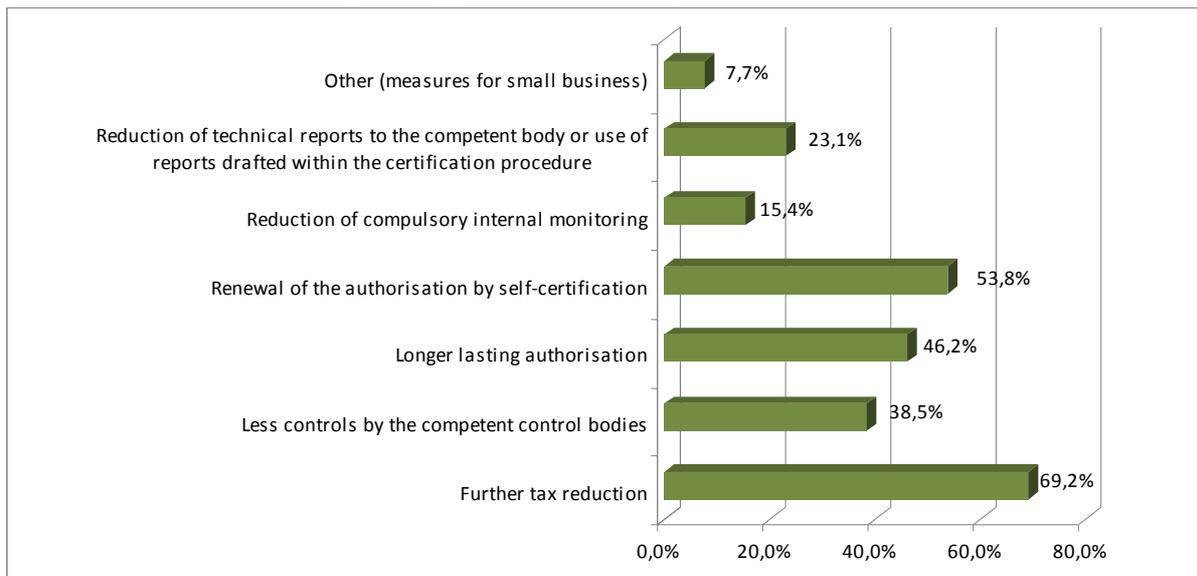
The first element of analysis concerns the difficulties encountered by firms to try to take advantage from the simplification measures. The main difficulties emerging from the survey concern the clarity with which a measure is explained and the level of communication of the measures (for both the 57% of respondents declared strong agreement).

Figure: Difficulties encountered trying to take advantage of simplification



The questionnaire was also aimed to analyze the new regulatory simplification that organizations wish to have in the legislation. Austrian respondents would prefer to have further tax reductions (69% of the total sample indicated this measure as interesting), renewal of the authorization by self-certification (54%), longer lasting durations (46%) and less controls by the competent bodies (38%).

Figure: Suggestions for new simplification measures



The preferred way to get information about simplifications in Austria would be through periodic update by competent bodies (as the regional government or the EMAS committee),

the 77% indicated this one as a good tool for disseminating knowledge on the existing measures. Also information within of seminars and/or conferences, campaigns of communication lead by trade organizations or information or newspapers/trade journal are considered adequate tools.

Figure: Tools for disseminating knowledge on existing simplification measures

