Over the past decade or so, the face of corporate environmental management has changed with the advent of systems thinking and the implementation of environmental management systems (EMSs). Beginning with the promulgation of the ISO 14001 standard in 1996, EMSs have become an increasingly accepted framework for managing the environmental aspects of an organization’s activities, products, and services. Indeed, both the term “environmental aspects” and the phrase “activities, products, and services” were popularized through the development of the ISO 14001 standard. The discussion that follows will emphasize how ecosystem services can be infused into corporate environmental management by rethinking an organization’s environmental aspects across the range of its activities, products, and services.

**About This Article**

This article is based largely on a workshop segment led by the author in March 2010 in Paris. The workshop was convened by the United Nations Environment Programme (UNEP) and the World Resources Institute (WRI) to explore how the Corporate Ecosystem Services Review (ESR), a tool developed by WRI, might be used in conjunction with, or potentially integrated with, other strategic environmental management standards, protocols, and principles, such as ISO 14000, the Global Reporting Initiative (GRI), and the United Nations Global Compact.

**Understanding the ISO 14000 Series**

First, it is important to grasp a few basics about ISO 14001, the international standard for environmental management systems. The ISO 14001 standard is sometimes called the “mother standard” in the ISO 14000 series of standards. The original ISO 14000 series, however, includes not only the standard for environmental management systems, but also standards for environmental performance evaluation, life-cycle assessment, and labeling and product claims.

**Ira R. Feldman**
More recently, other standards have been added to the ISO 14000 series, including a standard on environmental communication (ISO 14063) and one on greenhouse gas inventories (ISO 14064), with additional standards still in development. Presently, there are more than 30 standards in the ISO 14000 series, but only ISO 14001 is a certification standard (i.e., an organization can opt to have a third party verify or certify that its EMS conforms to ISO 14001). An ISO 14001 certificate, with a specified scope of the covered EMS, is granted to an organization by an accredited registrar after an audit to determine conformity to the standard. In most countries, there is interchangeable usage of the terms “certification” and “registration” to describe this step.

**The ISO 14000 Series**

The standards in the ISO 14000 series include the following:

- ISO 14001: Environmental management systems—Requirements with guidance for use
- ISO 14004: Environmental management systems—General guidelines on principles, systems, and support techniques
- ISO 14015: Environmental assessment of sites and organizations
- ISO 14020 series (14020 to 14025): Environmental labels and declarations
- ISO 14031: Environmental performance evaluation—Guidelines
- ISO 14040 series (14040 to 14049): Life-cycle assessment (LCA) (discusses pre-production planning and environment goal setting)
- ISO 14050: Terms and definitions
- ISO 14062: Integrating environmental aspects into product design and development (discusses making improvements to environmental impact goals)
- ISO 14063: Environmental communication—Guidelines and examples
- ISO 14064: Measuring, quantifying, and reducing greenhouse gas emissions
- ISO 19011: Guidelines for auditing management systems (specifies one audit protocol for both the ISO 14000 and ISO 9000 series standards together; this standard replaces ISO 14011 on auditing)

Unlike earlier ISO standards, which were principally technical standards such as specifications for film speed or plate glass thickness, the ISO 14001 standard is a “management systems standard.” The International Organization for Standardization’s (ISO’s) success in introducing an earlier management systems standard (ISO 9000, for quality management) in the 1980s paved the way for ISO to venture into the environmental management arena after the Rio Earth Summit’s call for voluntary action by business and industry. Both the ISO 9000 and the ISO 14000 management systems standards rely on the plan-do-check-act (PDCA) model, or the continuous improvement cycle, credited to W. Edwards Deming and Walter A. Shewhart. See Exhibit 1.

![Exhibit 1. PDCA Model](source: ISO 14001)
Another source of confusion is that, contrary to popular assumption, ISO 14001 does not require the disclosure of performance levels or audit results, nor is any particular form of stakeholder engagement mandated by ISO 14001. The standard does require a procedure for communicating with interested internal and external parties, but only the organization’s environmental policy statement is required to be made available to the public.

The flowchart in Exhibit 2 provides a useful map of the ISO 14001 process and the interrelationship among the key provisions. Some of these provisions seem particularly relevant to the integration of ecosystem services into the organization’s EMS. For this purpose, note especially the thread through the center of the flow chart as follows: organizational goals → environmental policy → significant aspects → objectives and targets → management programs → management review.

Specific Provisions in ISO 14001

There is no explicit reference to ecosystem services in ISO 14001, though there is no reason
why the integration of ecosystem services could not be considered in conjunction with various provisions in the existing text of the standard. The ISO 14001 text does not currently provide a basis for considering “dependencies” on ecosystem services, though impacts are clearly contemplated. Similarly, while “provisioning services” appear to fit in the ISO 14001 framework, there is a much less clear connection to “regulating services.”

Aspects Review

An organization generally approaches EMS implementation by performing an aspects review. When done properly, a cross-functional team identifies the range of impacts that will actually or potentially result from the organization’s activities, products, and services. The aspects most typically considered are those that track regulatory compliance concerns, such as emissions and effluents, waste generation and disposal, and use of raw materials and natural resources.

The term “environmental aspects” was developed to be intentionally broader than the more familiar phrase “environmental impacts.” The standard defines environmental aspects as the elements of an organization’s activities, products, or services that may interact with the environment. “Environmental impact” is described as any resulting change to the environment, whether adverse or beneficial. (See Exhibit 3.)

Natural resource depletion is often listed as an impact in aspect reviews, which indicates that the EMS implementation process is conceptually not far removed from linking up with ecosystem services, at least at the provisioning-services level.

Once the broad range of aspects are identified, the organization must decide which of these aspects are “significant.” The standard does not specify a methodology for determining significance; each organization decides for itself. One approach (presented in the chart in Exhibit 4) is to rank significance by several factors, such as legal liability, public concern, frequency, and severity.

The selection of significant aspects is the linchpin of the ISO 14001 process because these are the aspects for which the organization will set objectives and targets, which in turn will determine the roles and responsibilities in the environmental management program. The selection of significant aspects affects other provisions as well. For example, the training requirements are linked to significant aspects.

For participants in the UNEP-WRI workshops, the consensus view was that aspects review is by far the most important provision in ISO 14001 for incorporating ecosystem services. If ecosystem services terminology were to be explicitly included in the aspects section of ISO 14001, the brainstorming exercise by the organization’s cross-functional team would likely move beyond the traditional air-water-waste consideration to add an ecosystems dimension. In fact, it would not be difficult for the team to conduct an ecosys-

<table>
<thead>
<tr>
<th>Activity, Product, or Service</th>
<th>Environmental Aspect</th>
<th>Environmental Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boiler operation</td>
<td>Air emissions</td>
<td>Air pollution</td>
</tr>
<tr>
<td></td>
<td>Fuel consumption</td>
<td>Natural resource depletion</td>
</tr>
<tr>
<td></td>
<td>Boiler blowdown</td>
<td>Water pollution</td>
</tr>
<tr>
<td></td>
<td>Water consumption</td>
<td>Natural resource depletion</td>
</tr>
</tbody>
</table>

of the EMS is, by default, everything inside the fence line. But ISO 14001 does not require such a characterization. Instead, the organization can limit its EMS to a process within the facility. It can track a product line or service across multiple facilities. Or, in some cases, an organization will decide to pursue a multisite corporate certification. Note that this consideration becomes important only when certification is the goal—the third-party verifier will issue a certificate that specifies the scope of the EMS conforming to ISO 14001.

**Policy Statement**

As noted earlier, ISO 14001 requires that the organization’s environmental policy statement be made available to the public. Often this is the only component of the EMS that is disclosed to external stakeholders. The lack of a strong stakeholder engagement requirement is a frequent criticism leveled at ISO 14001.

**Legal and Other Requirements**

Another provision frequently mentioned as a hook for including ecosystem services in ISO 14001 is the obligation to consider legal and other requirements. While this provision can also be viewed as subsumed under the broader rubric of significant aspects, it is worth noting the emerging significance of legal and regulatory issues for ecosystem services.

As ecosystem services concepts find their way into policy, legal, and regulatory regimes, this provision of ISO 14001 will be an additional basis for the inclusion of ecosystem services in the organization’s EMS. In the United States, we are already seeing the use of ecosystem services in state-level legislation (e.g., Oregon) and in case law, with judicial decisions relating to the valuation of natural resource damages.

**Scoping**

Another opportunity to introduce ecosystem services into the EMS process is at the very outset, when the organization selects the scope of the EMS. With ISO 14001, the organization can select any scope it desires, but generally the scope of the EMS is, by default, everything inside the fence line.

But ISO 14001 does not require such a characterization. Instead, the organization can limit its EMS to a process within the facility. It can track a product line or service across multiple facilities. Or, in some cases, an organization will decide to pursue a multisite corporate certification. Note that this consideration becomes important only when certification is the goal—the third-party verifier will issue a certificate that specifies the scope of the EMS conforming to ISO 14001.

**Biodiversity/Ecosystem Services**

Since the ESR tool developed by WRI includes a relatively strong mandate for engaging stakeholders, several workshop participants felt that the policy statement in ISO 14001 should explicitly provide mention of biodiversity and/
or ecosystem services. Others noted that their organizations had developed freestanding biodiversity policies but had not to date thought about potential integration with their EMS programs.

- **Borrowing From ISO 26000**

  Unlike the generic management systems provisions in the ISO 14001 and 14031 standards, which are silent on the ecosystems and biodiversity topics, ISO 26000 (the recently published standard on social responsibility) is noteworthy for explicitly mentioning ecosystem services. Therefore, ISO 26000 can be used as a source for “borrowing” appropriate ecosystem services language for use in an organization’s policy statement. Several ISO 26000 provisions are especially useful, at increasing levels of detail, as discussed in the following paragraphs.

  In Section 6.5, the “environment” section of ISO 26000, the coverage of environmental issues is structured in four components. The final section, entitled “Protection of the environment, biodiversity, and restoration of natural habitats,” includes a variety of references to ecosystem services. This section suggests that an organization should act to protect the environment and restore natural habitats and the various functions and services that ecosystems provide (such as food and water, climate regulation, soil formation, and recreational opportunities).

  This section also identifies “key aspects” of this issue, including valuing, protecting, and restoring ecosystem services, and valuing and protecting biodiversity. The guidance recognizes that when ecosystems are degraded or destroyed, they lose the ability to provide such services as food, water, fuel, soil and flood control, pollination, recreation, and the absorption of pollution and waste. The guidance suggests that the goal of biodiversity is to ensure the survival of terrestrial and aquatic species, genetic variability, and natural ecosystems.

  Moreover, among the “actions and expectations” identified in Section 6.5.6.2, several are closely related to ecosystem services. For example, the guidance suggests that in relation to its activities, products, and services, an organization could:

  - identify and take measures to eliminate or minimize potential adverse impacts on ecosystem services and biodiversity;
  - utilize market mechanisms to internalize the cost of environmental impacts and create economic value in protecting ecosystem services; and
  - prioritize against the loss of natural ecosystems, for restoring ecosystems, and for actions that will lead to a net gain in ecosystem services.

  Several other “actions and expectations” explicitly refer to ecosystem concepts and the protection of biodiversity. Thus, it is clear, at least in the context of social responsibility, that the ecosystem services concept has been introduced into the world of ISO standards. Accessing the language in ISO 26000 can also serve to infuse ecosystem services into the organization’s EMS policy statement.

**Measuring and Monitoring**

A separate set of considerations can be construed as part of the monitoring and measuring provisions of ISO 14001. The ISO 14001 standard does not specify metrics. For now, the question of appropriate metrics and indicators may be better addressed by other environmental management tools. Metrics loom large in the sustainability...
it could become a significant vehicle for introducing ecosystem services into corporate environmental management.\textsuperscript{11}

The focus of ISO 14031 is on a method to evaluate the environmental performance of organizations, with an annex providing the definition and detailed discussion of types of indicators that may be used to support environmental management. The EPE standard, set on a plan-do-check-act as well as a clear input-output (or eco-balance) framework, establishes three categories of metrics: operating performance indicators (OPIs), management performance indicators (MPIs), and environmental condition indicators (ECIs). See Exhibit 5 for examples.

Exhibit 5. ISO 14031 Indicators and Metrics

<table>
<thead>
<tr>
<th>Operating Performance Indicators/ Metrics</th>
<th>Management Performance Indicators/ Metrics</th>
<th>Environmental Condition Indicators/ Metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw material used per unit of product (kilograms [kg]/unit)</td>
<td>Environmental costs or budget (dollars/year)</td>
<td>Contaminant concentrations in ambient air (micrograms/cubic meter)</td>
</tr>
<tr>
<td>Energy used annually per unit of product (megajoules/1,000 liters of product)</td>
<td>Percentage of environmental targets achieved (percent)</td>
<td>Frequent of photochemical smog events (number/year)</td>
</tr>
<tr>
<td>Energy conserved (megajoules)</td>
<td>Number of employees trained (number trained or to be trained)</td>
<td>Contaminant concentrations in surface or groundwater (milligrams [mg]/liter)</td>
</tr>
<tr>
<td>Number of emergency events or unplanned shutdowns (number/year)</td>
<td>Number of audit findings (number)</td>
<td>Change in groundwater level (meters)</td>
</tr>
<tr>
<td>Hours of preventive maintenance (hours/year)</td>
<td>Number of audit findings addressed (number)</td>
<td>Number of coliform bacteria per liter of potable water</td>
</tr>
<tr>
<td>Average fuel consumption of vehicle fleet (liters/100 kilometers)</td>
<td>Time spent to correct audit findings (person hours)</td>
<td>Contaminant concentrations in surface soil (mg/kg)</td>
</tr>
<tr>
<td>Percentage of product content that can be recycled (percent)</td>
<td>Number of environmental incidents (number/year)</td>
<td>Area of contaminated land rehabilitated (hectares/year)</td>
</tr>
<tr>
<td>Hazardous waste generated per unit of product (kg/unit)</td>
<td>Time spent responding to environmental incidents (person hours per year)</td>
<td>Concentration of contaminants in tissue of specific local species (micrograms/kg)</td>
</tr>
<tr>
<td>Emissions of specific pollutants to air (tonnes of carbon dioxide/year)</td>
<td>Number of complaints from public or employees (number/year)</td>
<td>Population of specific animal species within a defined area (number/square meter)</td>
</tr>
<tr>
<td>Noise measured at specific receptor (decibels)</td>
<td>Number of fines or violation notices (number/year)</td>
<td>Increase in algal blooms (percent)</td>
</tr>
<tr>
<td>Wastewater discharged per unit of product (1,000 liters/unit)</td>
<td>Number of suppliers contacted about environmental management (number/year)</td>
<td>Number of hospital admissions for asthma during smog season (number/year)</td>
</tr>
<tr>
<td>Hazardous waste eliminated by pollution prevention (kg/year)</td>
<td>Cost of pollution prevention projects (dollars/year)</td>
<td>Number of fish deaths in a specific watercourse (number/year)</td>
</tr>
<tr>
<td>Number of days air emission limits were exceeded (days/year)</td>
<td>Management levels with specific environmental responsibilities (number)</td>
<td>Employee blood lead levels (micrograms/100 milliliters)</td>
</tr>
</tbody>
</table>

The selection of indicators should be based on significant environmental aspects, environmental performance criteria (including internal criteria as well as regulatory standards), and the views of interested parties. A review of environmental aspects should be undertaken whether the organization has an environmental management system in place or not.

The potential utility of ECIs for incorporating an ecosystem services perspective was well received by workshop participants. A likely driver for the further development of such metrics is the emergence of functioning markets for ecosystem services.

**Interpretation of Data**

In the UNEP-WRI workshops, participants voiced interesting perspectives regarding the interpretation of data. It was suggested by one participant that new metrics were not needed, but instead the information already being generated by EMSs ought to be reevaluated in light of a greater appreciation of ecosystem services.

Others suggested that new tools and technologies could be brought to bear. In particular, spatial management tools and geographic information system (GIS) technologies might be useful for the integration of ecosystem services. Still others regarded the key challenge as “measuring change,” or identifying the appropriate tools to assess ecosystem variables.

**Beyond ISO 14000**

**Life-Cycle Assessment**

Although beyond the scope of the workshops, several workshop participants suggested that the ISO 14040 standards on life-cycle assessment were also worthy of attention. LCA could serve as a potential vehicle for introducing ecosystem services into corporate decision making in various ways.

One participant observed that LCA examines the impact of companies rather than dependencies. Others pointed to the value of LCA in product development. The suggestion was to integrate dependencies by evaluating the potential benefit of avoided impact, or by performing a sensitivity assessment.

**Social Responsibility**

Numerous voluntary codes and standards already are available to deal with various aspects of corporate social responsibility (CSR). Among these are the principles set forth by the United Nations Global Compact and in the Organisation for Economic Co-operation and Development.
ISO Standards, Environmental Management Systems, and Ecosystem Services

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Under each provision. As discussed earlier, the environment section specifically addresses both ecosystem services and biodiversity, for the first time in any international standard.

The final third of ISO 26000 is devoted to operationalizing an SR program. This section provides illustrative examples and emphasizes communication with stakeholders.

Conclusion

The groundbreaking step of introducing ecosystem services in the “environment” section of ISO 26000 sets the stage for the future placement of ecosystems concepts in other ISO standards. All ISO standards undergo revision processes. ISO 14031 is presently in a review phase, and soon ISO 14001 will be due for reconsideration.

A “future directions” working group is already in place to identify priority topics for the revision of ISO 14001. Unfortunately, as we learned at the Paris workshop in spring 2010, ecosystem services was not yet one of the identified topics. It is still early in the process, however, and several of the participants expressed keen interest in raising the issue.

Instead, it may be that the imminent ISO 14031 review process presents the most immediate opportunity for successful introduction of ecosystem services in the ISO 14000 series. As discussed earlier, with the category of environmental condition indicators (ECIs) already included in the ISO 14031 standard, that would seem to be a logical and relatively pain-free approach to creating such a linkage.

Several participants agreed, however, that revisions to the existing standards will not fully accomplish the goal of integration. Since ISO
14001 is relatively basic, many companies focus on simple aspects and do not consider ecosystem impacts. For some companies, ecosystem-level thinking emerges only when additional certifications like Forest Stewardship Council (FSC) are sought. Therefore, the concern raised is that, even if space is created in ISO standards to assess ecosystem services, integrating the “know how” remains to be addressed and is perhaps the most critical challenge. The prospect of moving toward “sectoral indicators” might ameliorate this concern.

There was no consensus among the workshop participants as to whether facility-level staff could effectively address ecosystem services considerations. Some viewed ecosystem service indicators as a global or corporate-level concern. Others viewed ecosystem services as a purely localized issue and relevant to specific operations and facilities. One participant, Dr. Eberhard Seifert, described this divergence in perspective as an example of the “macro-micro” link familiar to the developers of the ISO 14031. It was suggested that, at either level of scale, the key to understanding integration of ecosystem services was to “transcend the pure organization barrier.”

Notes

1. This article was published (in a different form) in Pinter, D., & Schubert, U. (Eds.). (2011). Wirtschaft—gesellschaft—natur: Ansätze zu einem zukunftsfähigen wirtschaften. Festschrift für Professor Dr. Eberhard K. Seifert. Marburg, Germany: Metropolis-Verlag.
2. Dr. Eberhard K. Seifert was a special invited guest at the Paris workshop. Other ISO workshop segments were led by the author at events convened by UNEP and WRI in 2010 in Nairobi, Sao Paulo, and Washington. A full report is being developed by WRI.
4. As explained in WRI’s Ecosystem Services Review, a company “depends” on an ecosystem service if that service functions as an input or if it enables, enhances, or influences environmental conditions required for successful corporate performance. A company “impacts” an ecosystem service if the company affects the quantity or quality of the service.
5. According to WRI’s Ecosystem Services Review, “provisioning services” are the goods or products obtained from ecosystems such as food, fresh water, timber, and fiber.
6. According to WRI’s Ecosystem Services Review, “regulating services” are the benefits obtained from an ecosystem’s control of natural processes such as climate, disease, erosion, water flows, and pollination of plants, as well as protection from natural hazards. “Regulating” in this context is a natural phenomenon and is not to be confused with government policies or regulations.
7. The state of Oregon took a major step toward integrating consideration of ecosystem services into all state programs in 2009 with the enactment of a law that established a state policy “to support the maintenance, enhancement and restoration of ecosystem services throughout Oregon, focusing on the protection of land, water, air, soil and native flora and fauna.” The act directs all state agencies to adopt and incorporate adaptive management mechanisms into their programs to support enhancement of ecosystem services and to use “ecosystem services markets as a means to meet mitigation needs.” Oregon Laws. (2009). Chapter 808, section 2. Available at http://www.leg.state.or.us/09reg/measpdf/sb0500.dir/sb0513.intro.pdf.
9. Further, as J. B. Ruhl, James Salzman, and Iris Goodman recognize in their article “Implementing the New Ecosystem Services Mandate of the Section 404 Compensatory Mitigation Program—A Catalyst for Advancing Science and Policy,” Stetson Law Review (2009), 38, 251–272, rules from the US Army Corps of Engineers and the US Environmental Protection Agency for the first time introduced ecosystem services into the mitigation decision-making standards, requiring that “compensatory mitigation […] should be located where it is most likely to successfully replace lost […] services.”
10. The author of this article served as co-chair of the Environment Drafting Team in the ISO 26000 process.
11. Unfortunately, such proposed changes to ISO 14031 have not yet been introduced by any national delegation or liaison organization into the ongoing revision process. Noteworthy, however, is a “sectoral methodology,” first proposed during the Cairo 2009 annual ISO meeting of TC 207/SC4 by Dr. Seifert (nominated as chair of a task group for developing a proposal to integrate ISO 14031-revision), which also would allow for better integration of biodiversity and ecosystem services. Specific sectoral indicators could be required as “should” indicators for all organizations of particular sectors, similar to current sector-specific efforts under the latest iteration of the Eco-Management and Audit Scheme (EMAS III).
12. At the time of the Paris workshop, ISO 26000 was at the draft international standard (DIS) stage, and, in a first for ISO, the draft versions were available for review on a public web-
site. Subsequently, the ISO 26000 standard moved to the final draft international standard (FDIS) stage. Publication of the ISO 26000 international standard in its final form occurred in November 2010.

13. The author of this article and Dr. Eberhard Seifert worked together, as the United States American National Standards Institute (US-ANSI) and German Deutsches Institut für Normung (DIN) experts, respectively, in the development of ISO 14031 on environmental performance evaluation, and as members of the metrics working group in the drafting of the Global Reporting Initiative’s Exposure Draft.

Sources


Ira R. Feldman is president and senior counsel of greentrack strategies.