

DECC Guidance and Reporting Requirements

Environmental Management System Requirements

in relation to

OSPAR Recommendation 2003/5 to Promote the Use and Implementation of Environmental Management Systems by the Offshore Industry (1)

1. Introduction

2. The Requirements

- Operators with ISO 14001 or EMAS
- Operators without ISO 14001 or EMAS
- New Operators
- Re-confirmation of EMS Status
- Annual Public Statement Requirements

3. Enquiries

Annex 1: Verification

Annex 2: DECC EMS Verification Notification Form

(1) Available on the OSPAR website <http://www.ospar.org/> 2

1. Introduction

This guidance is intended for operators of Seaward licences and has been written specifically with those operators in mind.

For applicants and operators of landward licences, it should be noted that the Department of Energy and Climate Change (DECC) does not lead on environmental protection in the landward areas, but has accepted a recommendation arising from the 2007 Onshore Strategic Environmental Assessment that applicants for landward licences should demonstrate an awareness of environmental issues and regulatory requirements. As part of the DECC landward licence assessment, applicants will therefore be expected to demonstrate that they have an Environmental Management System (EMS), or are committed to developing an EMS prior to undertaking any operations under authority of the licence. However, it remains the applicant's responsibility to discuss/liaise with any applicable onshore regulatory body or authority in order to ensure that all permits, authorisations and other requirements are addressed, progressed and adhered to as appropriate.

Seaward Licences

DECC requires operators⁽²⁾ of all Traditional and Frontier Seaward Production Licences, including continuations of promote licences, to have an EMS. For operators of seaward licences the EMS must meet the requirements of this Guidance in relation to securing compliance with OSPAR recommendation 2003/5 (the Recommendation).

For operators who already have an EMS that covers the scope of their exploration and production activities, and have accredited certification to ISO 14001 or are registered to EMAS, it is recognised that these systems will already meet most of the requirements of this Guidance and the Recommendation.

For operators who do not have an EMS that has accredited certification to ISO 14001 or is registered to EMAS, DECC requires a number of actions to ensure full compliance with the requirements of DECC licence applications and the Recommendation. The aim is to ensure that all UK operators have systems and procedures to identify, monitor and control the environmental aspects associated with their exploration and production activity. For operators controlling the operation of offshore installations⁽³⁾ on the UKCS the EMS must incorporate mechanisms designed to achieve the environmental goals established to meet the requirements of the OSPAR Offshore Strategy⁽⁴⁾ and achieve continual improvement in environmental performance.

⁽²⁾Operator: DECC views the Licensed Operator as the company controlling the operations of an offshore installation. It is therefore the Licensed Operators responsibility to demonstrate compliance to this Recommendation. Where a contractor is 'physically' controlling operations, DECC still view the Licensed Operator as being responsible for demonstrating compliance through appropriate and relevant interface documentation linking the operator's and contractor's systems.

⁽³⁾Installation: Being defined as any man made structure, plant or vessel or parts thereof, whether floating or fixed to the seabed, placed within the maritime area for the purpose of offshore activities.

⁽⁴⁾OSPAR Strategy on Environmental Goals and Management Mechanisms for Offshore Activities ("Offshore Strategy"-OSPAR Reference Number 2003-21) available on the OSPAR website <http://www.ospar.org/>

DECC will not award a licence in response to any application that is not supported by an EMS that satisfies the requirements of this Guidance, or does not provide a commitment to comply with these requirements before they wish to plan, develop and undertake any exploration and production activity, including offshore operations.

Whilst drafting this Guidance, DECC's Energy Development Unit (EDU) has also taken account of, and endorses, the formal Government position statement on EMS, which can be found at:

<http://archive.defra.gov.uk/environment/business/scp/documents/position-statement.pdf>

EDU also took into consideration that Oil and Gas UK through their 2002 Sustainability Strategy, set a target that 90% of UKCS oil and gas production would be covered by an independently verified EMS by the end of 2001, and all production would be covered by the end of 2002, ensuring that in every case the management system adopted matched the criteria set by international environmental management systems, such as ISO 14001.

This updated Guidance is designed to provide additional information for seaward licence applicants and operators of offshore installations on DECC requirements in relation to implementation, verification and reporting requirements associated with their EMS. 4
OSPAR 2003/5 DECC Guidance: Revised Issue 4: November 2013

2. The Requirements

All operators controlling the operation of offshore installations on the UKCS should have in place an EMS that is designed to achieve:

- a) The environmental goals⁽⁵⁾ of the prevention and elimination of pollution from offshore sources and of the protection and conservation of the maritime area against other adverse effects of offshore activities;
- b) Continual improvement in environmental performance⁽⁶⁾;

and, more generally, to achieve the objectives of the OSPAR Offshore Strategy.

The EMS should:

- Be implemented at a strategic level and integrated into corporate plans, and policies. Top-level commitment is required, so that senior management understands its role in ensuring the success of an EMS.
- Identify the organisation's impacts on the environment and set clear objectives and targets to improve its management of these aspects and improve the organisation's overall environmental performance.
- Be designed to deliver and manage compliance with environmental laws and regulations on an on-going basis, and to quickly initiate corrective and preventative action in cases of legal non-compliance.
- Deliver good resource management.
- Incorporate assured performance metrics that demonstrate the above, that can be communicated in a transparent manner.

⁽⁵⁾Environmental Goals: a performance objective, quantified and measurable where practicable, including those established under the Offshore Strategy, being related to the emissions, discharges and losses of substances which reach or could reach the marine environment and which cause, or are likely to cause, pollution.

⁽⁶⁾Environmental Performance: means the extent to which environmental goals have been achieved.

To achieve this, the operator shall define and document the scope of their EMS by, where applicable, identifying, defining, establishing, implementing and maintaining the following **elements**:

- ✓ Environmental Policy
- ✓ Environmental Aspects
- ✓ Legal and other requirements
- ✓ Objectives, targets and programme(s)
- ✓ Resources, roles, responsibility and authority
- ✓ Competence training and responsibility and authority awareness
- ✓ Communication
- ✓ Documentation
- ✓ Control of documents
- ✓ Operational control
- ✓ Emergency preparedness and response
- ✓ Monitoring and measurement
- ✓ Evaluation of compliance
- ✓ Nonconformity, corrective action and preventative action
- ✓ Control of records
- ✓ Internal audit ⁽⁷⁾
- ✓ Management review

DECC and OSPAR currently recognise that the following international standards contain the above elements:

(1) ISO 14001: 2004 (Operators should note that ISO 14001:1996 has been reviewed and updated by ISO 14001:2004) environmental management systems -specifications with guidance for use; and

(2) Regulation (EC) No 761/2001 of the European Parliament and the Council allowing voluntary participation by organisations in a Community Eco management and Audit Scheme (EMAS). DECC recognises that some operators have integrated HS&E management systems. There are no objections to such systems, providing the environmental elements meet the requirements of this Guidance and the Recommendation.

⁽⁷⁾ Internal auditing and reporting is viewed as a fundamental requirement of any EMS. Internal auditing must be carried out by persons who are independent of the operation under audit but may be employed by the operator. Further guidance on environmental auditing is available in ISO 19011 Guidelines for Quality and or Environmental Management Systems Auditing (2002).

Operators with ISO 14001 or EMAS

Operators who have, or gain, accredited certification to ISO 14001 or registration with EMAS, for their offshore installations will be compliant with the above requirements and that of the Recommendation. These applicable operators must notify DECC and meet the requirements set out in Annex 2.

Operators who maintain an EMS that has accredited certification to ISO 14001 or is registered with EMAS, covering the scope of all their offshore installations, are required to re-confirm the status of their EMS every three years from the date of initial DECC notification (using Annex 2: DECC EMS Verification Notification Form). If an operator loses accredited certification to ISO 14001 or is taken off the EMAS register it should notify DECC at the earliest opportunity using Annex 2.

Operators without ISO 14001 or EMAS

For operators who do not have an EMS that has accredited certification to ISO 14001 or is registered to EMAS, the operators are required to obtain independent verification of their EMS, to demonstrate that it is in accordance with the elements and requirements listed above. These applicable operators must notify DECC and meet the requirements set out in Annexes 1 and 2 of this Guidance.

Operators who do not maintain an EMS that has accredited certification to ISO 14001 or is registered to EMAS are required to obtain independent verification to re-confirm of the status of their EMS every two years from the date of their initial verification and must notify DECC of their EMS status every two years (using Annex 2).

New operators

For new operators, it will be necessary to develop an EMS that is in accordance with the elements and requirements listed above before applying for a licence, or to provide a commitment to develop and implement such an EMS before they plan, develop and undertake any offshore operations. New offshore operators must therefore meet the requirements set out in Annexes 1 and 2 of this Guidance. Following licence approval these operators will require to comply with re-verification and DECC notification requirements as stipulated in the above paragraphs.

New offshore operators should note that the certification bodies carrying out verification exercises will require evidence that the EMS is being implemented.

For example specific contractor interface documents should be available for audit. If evidence of implementation cannot be demonstrated, as a result of operations not yet commencing, then a revisit by the certification body may be required in order to fully verify the EMS as being compliant with requirements. See Annex 1 for further information.

Re-confirmation of EMS Status

In addition to the above verification / re-verification requirements, operators may be required to carry out verification / re-verification of their EMS under the following circumstances:

If the verification demonstrates non-compliance with the requirements of this Guidance and the Recommendation and the certification body concludes a “Not verified” EMS. Please note that operators may rectify a non-compliance during a verification to allow the verifier to amend their assessment and confirm compliance, but if that is not possible it will be necessary to seek re-verification, and to notify DECC of the outcome, within a time-frame agreed with DECC.

If the operator loses accredited certification to ISO 14001 or registration to EMAS and does not intend to pursue re-certification / registration within one year. Operators will be required to seek verification to satisfy compliance with this Guidance and the Recommendation, and to notify DECC of the outcome, within a time-frame agreed with the DECC.

If there is evidence that the operator is no longer operating in accordance with the elements of their EMS. This may be identified for example during regulatory investigations or during any certification or independent verification.

Annual Public Statement Requirements

All operators of offshore installations are required to produce an annual public statement in accordance with the following information. (Operators with an EMS registered to EMAS will already be producing a public statement and this can be used and notified to DECC to satisfy this requirement).

Statements must be prepared annually, made available to the public and copied to DECC by **1st June of each year**. The annual public statement will cover offshore installation activities carried out during the previous calendar year. For example the statement produced and made public on the 1st June 2013 will cover offshore installation activities carried out during 2012.

New operators will be obliged to submit their first annual public statement by 1st June of the calendar year following that in which they commence offshore operations, and annually thereafter.

Operators should inform DECC by the 1st June each year if they did not carry out any offshore operations during the preceding year and do not therefore intend to produce and submit a public statement.

DECC will publicise details of the availability of all the public statements on its website.

DECC encourage electronic statements to be produced however operators can decide how they wish to make the annual statement available to the public. Some operators may decide to publish hard copies of the statement, and to make copies available upon request, whereas others may decide to place a less formal statement on their website. DECC will publish public statements directly on its website if that is the operator's

preferred approach to make the statement public. Operators must ensure that any internet link to an annual public statement continues to be effective until such time as the next annual statement is issued.

Operators should bear in mind that the annual public statement should be written to allow any non-specialist reader, out with the oil and gas industry, to understand the information being presented.

Operators can decide on the content and format of the public statement but as a minimum the statement must set out the following information:

(1) Details of Operator and the scope of the Operator's offshore activities including:-

- Details of all installations, FPSOs, tieback fields, drilling operations and any significant decommissioning activities
- Schematic of operations with location map may be advantageous

(2) Brief description of the EMS and its function.

(3) A copy of the Operators Environmental Policy and a brief description of the following:-

- Environmental goals
- Environmental objectives and targets set for significant environmental aspects and impacts

(4) Summary of performance in relation to the environmental policy, the goals, objectives and targets and any relevant legislative requirements.

The following should be included and should be installation specific:-

- Petroleum Operations Notice No.1 – total number and volume of oil and chemical notifications. If any notification is in relation to a discharge of oil or chemical to sea greater than 2 tonnes then brief details of the incident cause and outcome should be provided.
- Discharges of oil regulated under The Offshore Petroleum Activities (Oil Pollution Prevention and Control) Regulations 2005 - total volume of oil and produced water discharged to sea in addition to the yearly average oil in produced water concentration – from EEMS and/or produced water verification report
- Chemicals regulated under The Offshore Chemicals Regulations 2002 – total use and discharge of chemicals collated according to the label and ranking categories as reported in EEMS.
- Waste products generated - as reported in EEMS
- Total Atmospheric Emissions – as reported in EEMS – and from what source.

3. Enquiries

For further information relating to this Guidance, please contact:-

The DECC Environmental Inspector assigned to your operations, or

DECC Offshore Environmental Inspectorate - Phone: 01224 254118 -

Email - offshore.inspectorate@decc.gsi.gov.uk, or

Andrew Taylor, Senior Manager, Offshore Environmental Inspectorate

Andrew.Taylor@decc.gsi.gov.uk

Annex 1: Verification

Verification Requirements

Where operators maintain an EMS that has accredited certification to ISO14001 or is registered to EMAS, DECC recognises that this involves independent external verification. Therefore no additional independent external verification is required, provided the EMS covers the full scope of the operator's offshore installations. Where the EMS does not cover the full scope of the offshore installations an independent external verification must be undertaken.

Where operators do not maintain an EMS that has accredited certification to ISO 14001 or is registered to EMAS, an independent external verification must be completed.

Certification Body Completing Independent External EMS Verification

Where an independent external verification is required to satisfy the requirements of this Guidance and the Recommendation, this must be carried out by a UKAS accredited certification body, accredited to 'ISO/IEC ISO17021:2011 Conformity assessment -- Requirements for bodies providing audit and certification of management systems'. The certification body carrying out the verification shall have ISO 14001 and/or EMAS, and have EA 02 / NACE 11.1 and 11.2 to cover offshore operator activities, included within the scope of its accreditation. The certification body completing the verification must not be an employee of the operator. A list of certification bodies is available from UKAS at <http://www.ukas.com/>

DECC recognises that although certification bodies are accredited to the same standard, they may apply a variety of methods during the verification. It is the responsibility of the operator to select an appropriate certification body, taking into account the methods and approach used by that body; their methods of detailing and communicating the verification findings; and the value of the service provided to the operator. In accordance with the Government position statement on EMS, and in recognition of the benefits of a fully certified / registered EMS, operators are encouraged to evaluate whether full certification to ISO 14001 or registration to EMAS would be appropriate for their organisation and installations.

Scope of Verification

Where an independent external verification is required solely to satisfy the requirements of this Guidance and the Recommendation, the appointed body shall carry out a verification to answer the questions detailed in Part 3 of Annex 2: DECC EMS Verification Notification Form.

The verification will normally be undertaken onshore at the operator's office, and will essentially comprise of a document review. In order to gain maximum benefit from the verification exercise the operator may wish to consider sending the certification body offshore to audit their offshore operations directly. There may also be benefit in having independent audits of their EMS completed more frequently than every 2 years to provide the operator with assurance that their EMS continues to be implemented effectively. The benefits of this should be discussed with the certification body.

The operator will provide evidence to the certification body to demonstrate that the EMS satisfies the requirements set out in Section 2 of this Guidance.

For the purpose of this Guidance and the Recommendation, DECC views the licensed operator as the company controlling the operations of an offshore installation. It is the licensed operator's responsibility to demonstrate compliance with this Guidance and the Recommendation. DECC recognises that there may be occasions when a contracted company is 'physically' controlling the offshore operations, both on fixed installations and drilling rigs. In such circumstances, the certification body will additionally wish to satisfy themselves, through a document review, that suitable systems, procedures and interface documentation are in place to link the operator's and contractor's systems, thus enabling the operator's EMS principles, environmental policy and relevant environmental goals, objectives and targets to be managed through the contractor's EMS. If the contractors have certification to ISO 14001 or are registered to EMAS, it should be appreciated that systems and procedures should already exist and be independently verified to manage their clients EMS requirements. This should be taken into consideration during the verification exercise.

Independent verification is not required, for each contracted drilling rig or contracted operation, providing the verifier is satisfied that systems and procedures are in place to manage the activities in accordance with requirements of the licensed operator's EMS.

Certification bodies carrying out verification exercises will require evidence that the EMS is being implemented for example, specific contractor interface documents will be available for audit. If evidence of implementation cannot be demonstrated for example, as a result of operations not yet commencing, then a revisit by the certification body may be required in order to fully verify the EMS as being compliant.

On conclusion of the verification exercise the certification body will complete Part 3 of Annex 2 and give a verification opinion statement. The verification opinion statement will identify whether the EMS has been:

- **Verified** – fulfils the requirements as specified in this Guidance and the Recommendation

Or

- **Verified with comments** – where the EMS contains appropriate elements but evidence of implementation, at this time, cannot be demonstrated or minor non-conformances have been identified.
- **Not verified** – where in the opinion of the certification body they cannot verify that the EMS fulfils the requirements as specified in this Guidance and the Recommendation.

When a certification body concludes "Verified with comments" or "Not Verified" details of the actions required to be taken by the operator to attain verification should be documented either within Part 3 of Annex 2 or by attaching summary details of the verification report.

In instances where a certification body concludes “Verified with comments”, DECC may require the operator to have the EMS revisited or re-verified by the certification body, or require the operator to provide documented evidence to DECC, to demonstrate that deficiencies have been rectified or the EMS implemented, depending on the findings.

In instances where a certification body concludes “Not verified” the operator will be required to rectify deficiencies and have the EMS revisited by the certification body to confirm compliance.

The operator’s annual public statement is not required to be included within the scope of the independent verification exercise unless the certification body is specifically instructed by the operator to include it.

Additional Information

Operators should be aware that DECC Environmental Inspectors / Environmental Managers may request operators to provide additional information to demonstrate adherence to the principles and elements of the EMS, during offshore installation visits, incident and non-compliance investigations, or permit reviews.

Annex 2: DECC EMS Verification Notification Form

This form is to be used to submit summary details of the status of an operator's EMS to DECC. All operators of seaward licence activities must complete and submit the form to DECC. Only brief information is required, but operators should be prepared, if requested, to expand on the submitted information. The additional information requested by DECC may include the formal report of any relevant certification / registration or the report of the independent verification undertaken to satisfy this Guidance and the Recommendation. It is therefore envisaged that operators will require the body undertaking the verification to provide a more detailed report of the verification, both to obtain greater benefit from the verification process and to satisfy any potential enquiries received from DECC.

Guidance in relation to completion of the form is summarised below. Where applicable, operators must arrange for the body completing the verification to complete Part 3. Once all relevant parts have been completed, the operator must submit the form to DECC. The form should be submitted by e-mail to offshore.inspectorate@decc.gsi.gov.uk.

- **Part 1:** To be completed by all operators
- **Part 2:** To be completed by operators who have an EMS that has accredited certification to ISO 14001 or is registered to EMAS. (If an operator is working towards such certification / registration, or has temporarily lost such certification / registration, Part 3 must be completed).
- **Part 3:** To be completed by the certification body carrying out the independent verification exercise on behalf of operators who do not have an EMS that has accredited certification to ISO 14001 or is registered to EMAS.
- **Part 4:** To be completed by operators when the certification body carrying out the verification has concluded a "Verified with comments" or "Not verified" opinion statement.

Part 1	To be completed by all operators	
1.1	Name of Operator	
1.2	Contact details of person submitting EMS information for the Operator.	
	Name	
	Title	
	Contact Address	
	Contact Phone Number	
	E-mail address	
1.3	List of offshore installations included within scope of operator's EMS	
1.4	Are all of operator's installations included within scope of operator's EMS? Answer Yes or No. If "No", list installations not included	
1.5	Does operator's EMS currently have accredited certification to ISO 14001 or registration to EMAS Answer Yes or No. If "Yes", complete Part 2. If "No" complete Parts 3 & 4	
1.6	Does operator currently produce an annual public statement as detailed in Section 2 of DECC EMS Guidance? Answer Yes or No.	

Part 2	To be completed by operators who have an EMS that has accredited certification to ISO 14001 or is registered to EMAS
2.1	<p>Is EMS designed to achieve the environmental goals of the prevention and elimination of pollution from offshore sources and of the protection and conservation of the maritime area against other adverse effects of offshore activities (as applicable - taking account of the OSPAR Offshore Strategy)?</p> <p>Answer Yes or No.</p> <p>If "No", provide an explanation.</p>
2.2	<p>Is the EMS designed to achieve continual improvement in environmental performance?</p> <p>Answer Yes or No.</p> <p>If "No", provide an explanation.</p>
2.3	<p>Which international standard is the operator's EMS currently certified / registered to?</p>
2.4	<p>What was the last date on which the EMS certification / registration was awarded / renewed?</p>
2.5	<p>What is the name of the certification body that carried out the EMS certification / registration?</p>

2.6	Is that certification body UKAS accredited?
2.7	<p>Does the operator intend to maintain certification / registration to that international standard over the next 3 years?</p> <p>Answer Yes or No.</p> <p>If "No" provide an explanation.</p>

Part 3	To be completed by independent certification body completing verification on behalf of operators who do not have an EMS that has accredited certification to ISO 14001 or registration to EMAS	
3.1	Name of Certification Body	
3.2	Contact details of person completing EMS verification for the operator.	
	Name	
	Title	
	Contact Address	
	Contact Number	Phone
	E-mail address	
3.3	Name of Operator being verified	
3.4	Date(s) on which verification exercise was carried out.	
3.5	<p>Is there evidence that the operator has, as applicable, identified, defined, established, implemented, and maintained the EMS elements and requirements set out in Section 2 of DECC EMS Guidance and the Recommendation. Answer Yes or No If “No”, indicate which elements or requirements have NOT been identified, defined, established, implemented and maintained, and provide brief details of supporting evidence.</p>	
3.6	<p>Is the EMS designed to achieve the environmental goals of the prevention and elimination of pollution from offshore sources and of the protection and conservation of the maritime area against other adverse effects of offshore activities (as applicable - taking account of the OSPAR Offshore Strategy)? Answer Yes or No If “No”, provide a brief description of deficiencies.</p>	
3.7	<p>Is the EMS designed to achieve continual improvement in environmental performance? Answer Yes or No If “No”, provide a brief description of the deficiencies.</p>	
3.8	<p>Does the scope of the EMS cover all the operator’s offshore installations? Answer Yes or No If “No”, provide a brief description of the deficiencies.</p>	

3.9	<p>Certification Body Verification Opinion Statement Certification body to complete 1 of the following 3 opinion options (and delete those not applicable) and provide comments, if applicable, in comments box below or via an attached summary of the verification report.</p>
3.9.1	<p>Verified <insert name of verifying organisation> has conducted a verification of the <licensed operator> EMS. On the basis of this verification the system fulfils the requirements as specified in DECC Guidance and OSPAR 2003/5.</p>
3.9.2.	<p>Verified with comments <insert name of verifying organisation> has conducted a verification of the <licensed operator> EMS. On the basis of the verification, at this time, it has been verified but with the following comments as below/attached:</p>
3.9.3.	<p>Not Verified <insert name of verifying organisation> has conducted a verification of the <licensed operator> EMS. On the basis of the verification, at this time, it has NOT been verified as a result of the following comments as below/attached:</p>
3.9.4.	<p>Comments to be provided in relation to 3.9.2 or 3.9.3 above as applicable</p>

Part 4	<p>To be completed by operators when the certification body completing the independent verification exercise has concluded within its final Verification Opinion Statement a “Verified with comments” or “Not verified” result.</p>
	<p>What actions are being taken to address the deficiencies of the EMS as detailed in Part 3.5, 3.6, 3.7, 3.8 and 3.9.4 (as applicable). You must provide details of the actions being taken or proposed, the timescales for implementation, and the person responsible for the implementation.</p>