

Create Cultural Change with A Best in Class Environmental Compliance Program

Raise Awareness of Regulations, Improve Documentation,
Tap Into Technology Tools to Establish EHS Leadership

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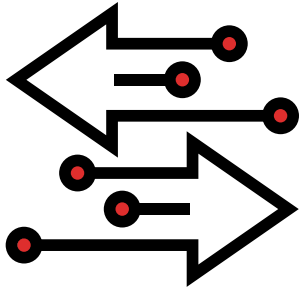
Creating a best in class environmental compliance program doesn't need to cost a lot of money, or take up a lot of time, and, best of all, the pay-offs can lead to immediate and important impacts to your organization such as: better staff morale, higher profits, improved productivity, greater safety, and a commitment to sustainable practices that help improve the health of our planet.¹

Amidst growing public concerns about pollution, chemical and cancer-causing emissions, and customer demands for transparency, the time is right to get started down the path to a robust environmental compliance program.¹

While the process may be slow, and perhaps even slightly painful at times, the rewards are impactful and long-lasting.

Following are models and guidelines developed by industry experts to help you get started.





Real World Examples

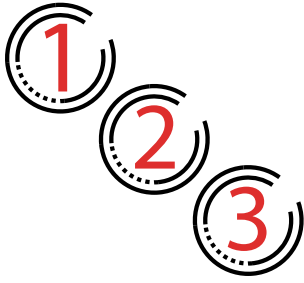
While some Environmental, Health and Safety (EHS) managers have successfully led these kinds of transformations, others may be reluctant, fearful, or inexperienced with this level of transformation. The well-meaning, but often confusing and constricting array of local, state, and federal regulations can be overwhelming. These regulations, which are both environmental and health and safety-related, include OSHA, toxic gases, industrial wastewater, hazardous waste, and blood-borne pathogens, as well as cancer-causing chemicals emitted by industrial facilities.

In one example, the neighbors of a Pacific Northwest glass manufacturer sued the company claiming their properties were being contaminated with dangerous levels of metals being emitted from the manufacturing process.¹

Investigations by state regulators found arsenic at levels **159 times above** the state's benchmarks, and cadmium levels **49 times higher**, both of which increased the likelihood of cancer among longtime neighbors of the facility.¹

The state's finding pinpointed the glass manufacturer as the likely culprit to the increased levels of arsenic and cadmium in the area and the company was given a timeline to make changes, which they did. The manufacturer reported making the changes in the local media and in community meetings, and also struck a settlement with local citizens in the immediate neighborhood resulting in \$2000 to \$4000 per family. Additionally, the company spent over \$2 million on a "state of the art" emissions control system.²

This example illustrates a key lesson: before transformation can begin, it's critical to be aware and understand the motivation to change your company from one that's simply reactive to EHS compliance to one that's pro-active with a leadership culture in place.



Setting the Stage for Change

Like all programs that lead toward transformation, there are stages. By adhering to a proven set of guidelines, your company can learn to recognize where the organization currently stands, and can evaluate where they would like to be in the future. By taking incremental steps, companies can make improvements right away without taking staff off-task or away from current responsibilities.

While there are three distinct phases in the transformation process — reactive, responsive, and proactive — before any real work can be done, it's critical to conduct a situation analysis as it's important that an organization knows where they currently are before they can move forward. Some companies take the opportunity to conduct internal audits to support the situation analysis.¹



Audits

How to conduct an internal audit? First, form an internal group to interview all key departments. Use both quantitative and qualitative questions. Be brutally honest with your questions. Let people know that it's okay, and encouraged, to talk about weaknesses and to be open about where, when, and how improvements can be made. Extensively document the results of this internal review; it's better to take a critical view internally before outside parties critique the organization.

Internal audits need to be conducted in a positive manner, as a **valuable learning experience**, and shared openly so everyone can learn from the findings.

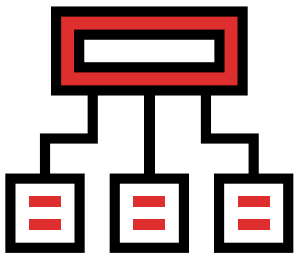
To find fault and place blame are counterproductive to a positive culture. Training is key to knowledge so all should know the goals. Internal audits are also a great leading indicator to the organization's culture.

For example; moving down the road toward greater compliance began for one company with an internal audit following the departure of a safety manager. The audit revealed significant EHS gaps. Through the establishment of training programs, a compliance calendar and a formal, on-going audit schedule, team members began to communicate better with each other and grew to better understand one another's roles.¹



Ideally, internal auditors should be in a position to provide an **unbiased** and **objective view** of the corporate culture, the team's awareness of hazards, mistakes that have been made in the past, and where improvements can be made for the future.

Additionally, these internal auditors should be independent from the operations they evaluate and report to the highest levels in an organization, including the board of directors or the board of trustees, the accounting officer, or the audit committee and other C-Suite personnel. Internal audit activity must be conducted by highly qualified, skilled, and experienced people who can work in accordance with the company's code of ethics and other standards.³



Three Process Phases

Reactive

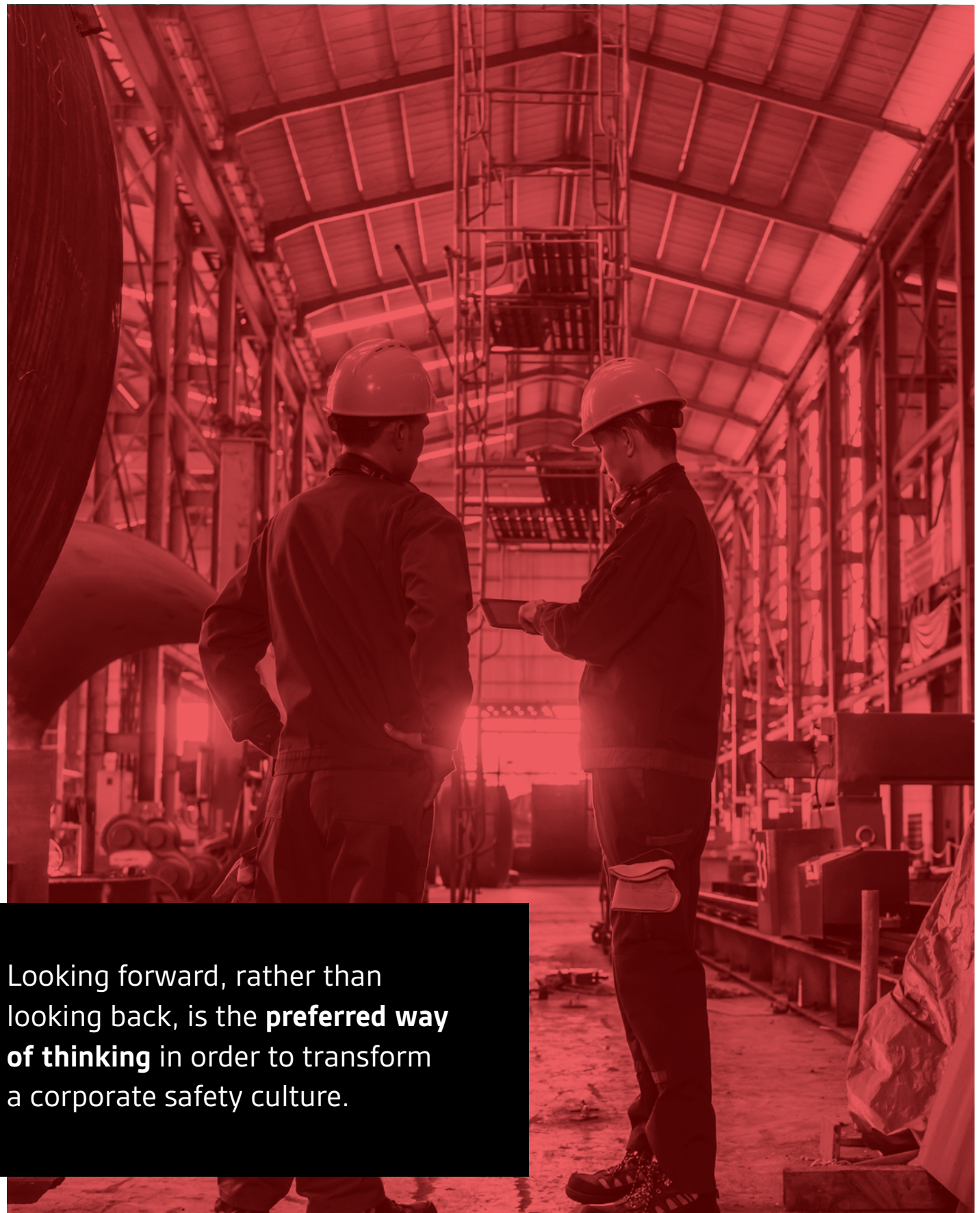
In the reactive phase, the company may be working toward compliance, but there are usually few written programs in place; knowledge is shared informally, but lessons may be easily forgotten or misplaced; and there may be few EHS professionals aboard in leadership roles.

Responsive

The second stage is the responsive phase. This is where organizations begin addressing problems such as record-keeping and documentation. Compliance and basic management are in place. There are regular updates of EHS programs, and the organization has established a team of EHS professionals.

Proactive

The third stage is the proactive phase — achieving best in class status. People are pro-active, regular meetings are conducted, and communications flow freely from the front lines to the C-Suite and vice versa. In many cases, companies are now prepared for OSHA and outsiders look to the organization for inspiration and lessons. There's a culture where EHS and sustainability are clearly tied to competitive advantages.



Looking forward, rather than looking back, is the **preferred way of thinking** in order to transform a corporate safety culture.



Key Components to a Successful Program

Looking forward, rather than looking back, is the preferred way of thinking in order to transform a corporate safety culture. In other words, prevention rather than reaction; proactively identifying and fixing problems and hazards before employees are harmed is always the best approach.

A growing public awareness of environmental concerns and with more and more customers expecting, and demanding, to work with companies that are compliant with environmental policies and standards are proven business reasons to push companies to change internally — ones that even C-Suite executives, who are often focused on the bottom-line first, can embrace.

Throughout the change process there are literally thousands of details to master, from making sure hazardous waste labels are completed properly to following complex ISO 14001 guidelines.

However, it's imperative to **not be overwhelmed** and to be open to accepting that there's **always room for improvement** no matter how large or small your company is, or what phase you're at within the process.

The essential components include:

Record keeping provides a clear history and path forward. Good record keeping, at every stage in the process, should encompass a system of collecting and recording accidents, incidents, close calls, and injuries. Accurate information is critical for informed decision making. In addition to requiring accident and injury reporting, and collecting specifics, data needs to be analyzed and the results distributed to staff who need to maintain regulatory compliance.



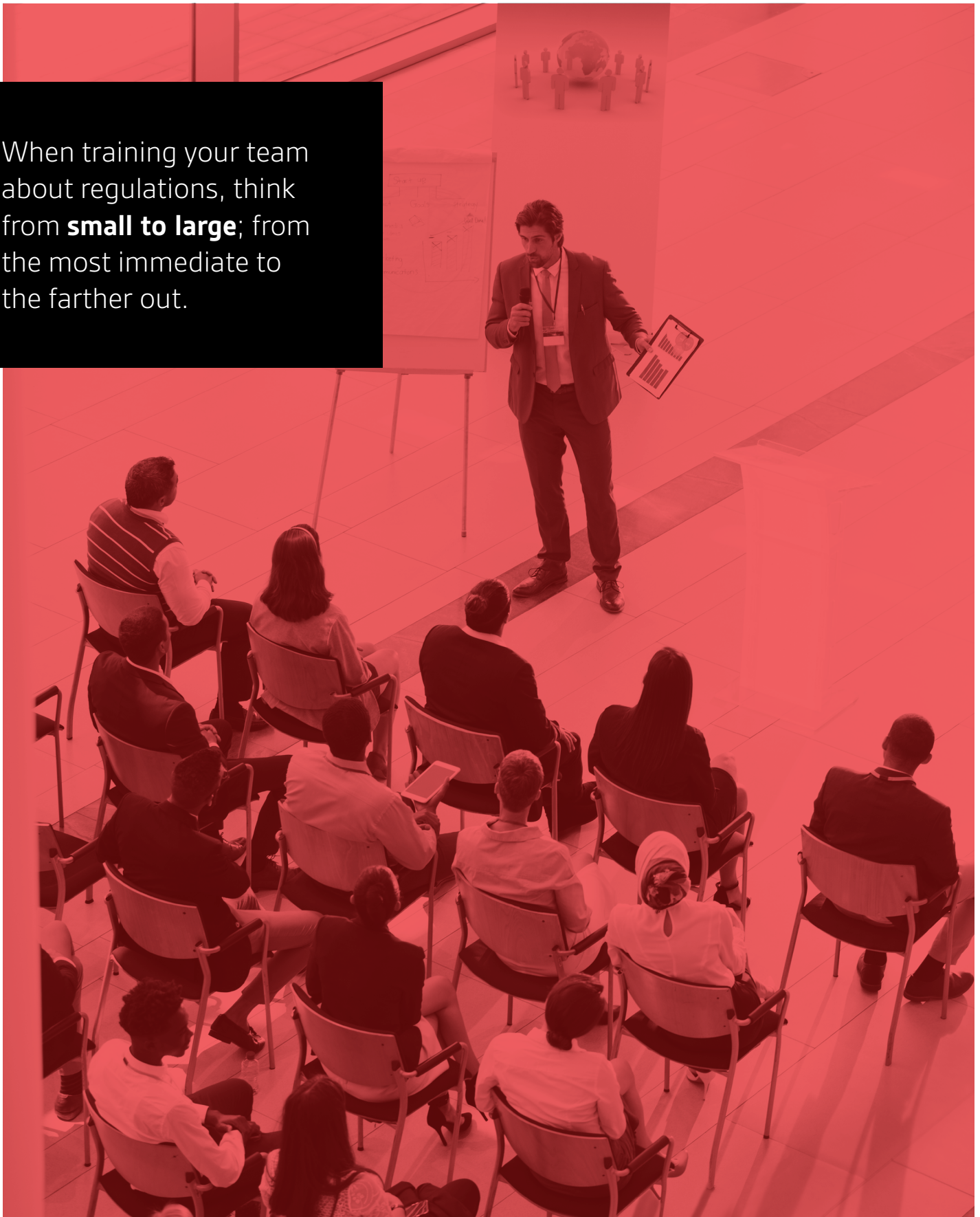
Clear communication helps tap into existing knowledge through open dialogue, choosing roles, and setting milestones. Attentive listening to staff on the front lines is critical. Understanding what works and what is difficult can help form workflows that build compliance internally. The easier it is for staff to ask questions and to make suggestions about regulations and processes, the more likely they are to adapt to the needed changes and adhere to necessary standards.

Keep in mind, employees must be at the forefront of regulatory compliance. Their daily tasks are what keep the company compliant and taking the time to discuss the importance of their jobs and how they fit into the big picture is a key part of developing a compliance-friendly work culture. Taking this approach will help to develop a consistent standard of work across all job descriptions and levels of the organization, from new employees to seasoned workers. The goal is to hold everyone to the same standard and decrease human error in compliance reporting.

Training both frontline and C-Suite employees on local, state and federal regulations is crucial for success. An example of a key C-Suite executive is the Chief Compliance Officer (CCO); this is the person in charge of overseeing and maintaining compliance within an organization. In most cases, the CCO reports to the Chief Executive Officer (CEO) and works with outside regulatory bodies to keep a company up to date on compliance. Ideally, the CCO would be proactive with the compliance program; preventing fires before they happen. But, understanding how to do the job is only the first step. The right skills are what make a great CCO effective in leading the organization's compliance initiatives.

When training your team about regulations, think from small to large; from the most immediate to the farther out. Local issues are more likely to directly affect people's own lives as well as those of their friends and families.

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Next, expand out to the state-wide issues because it is important to know about both urban and rural concerns.

Finally, move on to focus on the federal regulations as these may touch on and/or encompass local and state regulations, though often state regulations are more specific and pinpoint with greater accuracy toward what affects lives on a daily basis.

Technology tools to train and track compliance tasks and goals. There are several ways technology can help companies increase compliance and efficiency at the same time, including promoting regular staff communication through email, video, text messages, or other internal communications methods such as newsletters and company-specific social networks.

Another great benefit of technology are solutions, such as BSI's Entropy™ Software, which can aggregate and store the data from business processes and generate custom compliance reports from that data so users don't have to manually search for and compile the information. This solution offers real-time insight on all audits, actions and automated compliance activities.

Regulatory compliance is a big challenge but using technology can give businesses a big boost in staying compliant. If a task proceeds without comprehensive record-keeping and compliance documentation, there's a huge time-loss effort to go back and correct the mistakes that were made.

Share your success widely to help foster new business relationships and elevate environmental health and safety awareness. Savvy companies leverage all forms of media (social and traditional) to get their stories told. Whether you're shooting to work with the media, or just to post to your website or social media outlets, it starts with great writing. Identify who's the best writer on your team, or make the investment in a freelance professional. Either way, this person should interview parties at several levels throughout the company to capture success stories and problems solved. The results can take form in press releases, case studies, and social posts. In some cases, and if budget allows, it may



make sense to hire a full-service outside agency to work directly with the media, arrange C-Suite interviews, place contributed articles, and arrange public speaking opportunities at trade shows and conferences.

When working with the media, it's important to develop mutually beneficial relationships; don't miss deadlines, promise and deliver, provide photos/images when necessary, and be available to comment on breaking news stories.

These efforts can take commitments in time and budget resources, but the potential rewards are immense, including: higher visibility, developing a reputation as a thought-leader, and an action taker on a global level.

Influencing a Positive Company Culture. To motivate organizations and stakeholders to be "in compliance," many believe it's necessary to change the company's culture, from the top down, to one that is focused on continuous improvement with respect to workplace safety. Others feel strongly that programs come and go, but training must be continuous — dependent on the trainer and the personal motivation of the trainee. While some feel that culture is often the biggest downfall to compliance, ultimately, the culture developed around the safety program will drive the overall health of the organization.

In other words, organizations must be driven to create a culture that understands there will never be a singular program or initiative that will keep them compliant, but rather they need to have a culture that is always striving to improve upon the current practices.

Conclusion

Want more proof that EHS management systems are beneficial both financially and operationally? According to research from Invest Strategic Value Advisors, firms investing in an EHS management system posted accumulated returns over 48.8% higher over a three-year period, and 6% higher returns over one year than those without an EHS management system.

Additionally, these firms reported that EHS management systems improved operational efficiency by 43%, business opportunities improved by 43% and future competitive positioning improved by 21%.¹

So, what's the hold-up? Now's the time to build your organization into a best-in-class, EHS management system leader and watch it thrive.



Visit **[Bsigroup.com](https://www.bsigroup.com)** or email **ehs@bsigroup.com** to learn more and get started.

1. Smith Penhall, Jessica (2019, May 2). Developing a Best in Class Environmental Compliance Program [Webinar] In EHS Today. Retrieved from <https://www.ehstoday.com/webinars/webinar-developing-best-class-environmental-compliance-program>. 2. Green, A. (2019, January 31). Bullseye Glass settles air-pollution lawsuit with SE Portland neighbors for \$6.5 million. Retrieved June 26, 2019, from <https://www.oregonlive.com/news/2019/01/bullseye-glass-settles-air-pollution-lawsuit-with-se-portland-neighbors-for-65-million.html>. 3. What is internal audit? (n.d.). Retrieved June 27, 2019, from <https://www.iaa.org.uk/about-us/what-is-internal-audit/>