

# **Current Trends and Issues**

**With**

# **Environmental Management Systems**

**9<sup>th</sup> ANNUAL GEORGIA ENVIRONMENTAL CONFERENCE**

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# Environmental Management System (EMS)

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## Environmental Health & Safety Management System (EHS MS)

# EHS MS VS. E MS

- **CURRENT TREND: TREAT AS UNIFIED DISCIPLINE**
- **ENTERPRISE RISK MANAGEMENT (ERM) FOCUS vs. SEPARATE EPA & OSHA (Labor) FOCUS**
- **RECENT HIGH PROFILE EVENTS INVOLVED LARGE SCALE CONTAINMENT LOSSES WITH FATALITIES/SERIOUS INJURIES + SUBSTANTIAL ENVIRONMENTAL DAMAGE**
- **LARGE GLOBAL COMPANIES WANT EHS, NOT JUST E or HS ADVICE; INTERNAL DEPARTMENTS HAVE UNIFIED FOCUS**
- **COMPLIANCE DEPARTMENTS AND CORPORATE BOARDS SEE AS UNIFIED FUNCTION**

**WHAT DO WE MEAN BY “SYSTEMS”?**

# EXAMPLES OF STANDARDIZED SYSTEMS AND WIDELY UTILIZED STANDARDS

- ISO 14001 SERIES EMS
- EPA COMPLIANCE-FOCUSED EMS
- OHSAS 18001 SERIES H&S MS
- OEMS/OIMS (POST-VALDEZ)
- API RECOMMENDED PRACTICES
- SEMS (codification of API RP 75)
- RESPONSIBLE CARE
- JOINT COMMISSION STANDARDS (HEALTH CARE)
- NFPA & OTHER CONSENSUS STANDARDS

# OLD VS. NEW

- **20<sup>TH</sup> CENTURY APPROACH**

- **EHS ENGINEERS & LAWYERS FOCUS ON PERMIT COMPLIANCE AND ENFORCEMENT AVOIDANCE/DEFENSE**
- **SMALL SPECIALIZED GROUP FOCUSED ON DISCRETE TASKS**

- **21<sup>ST</sup> CENTURY APPROACH**

- **BUSINESS/OPERATIONAL APPROACH**
- **STANDARDIZED EHS MANAGEMENT SYSTEMS USED TO MANAGE FROM INVESTMENT DECISION THROUGH DESIGN AND BUILD THROUGH LEGAL COMPLIANCE THROUGH RCA**
- **ENTERPRISE WIDE MANAGEMENT EFFORT**
- **MANAGEMENT REPRESENTATIONS ON EHS PERFORMANCE AS PART OF COMPREHENSIVE COMPLIANCE ASSURANCE**

# EMS/EHSMS PURPOSES

- EPA/OSHA COMPLIANCE
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- DOI COMPLIANCE
- CSB “COMPLIANCE”
- FCA AVOIDANCE
- MANAGEMENT OF CORE BUSINESS FUNCTION
- SOX/CORPORATE GOVERNANCE
- ENTERPRISE WIDE NORMS
- CRISIS MANAGEMENT
- CONSENSUS STANDARDS
- ENFORCEMENT OBLIGATION
- CORPORATE CULTURE BUILDING
- CONTRACTOR AND JV PARTNER GATE-KEEPING AND ASSIMILATION
- REPUTATION PROTECTION
- GLOBAL EXPECTATION



# RISK MANAGEMENT

- ENTERPRISE RISK MANAGEMENT (ERM)
- COMPLIANCE AS RISK MANAGEMENT vs. ENFORCEMENT AVOIDANCE
- ASSET INTEGRITY
- REPUTATION PROTECTION
- CRISIS AVOIDANCE and CRISIS MANAGEMENT
  - PREVENTION & PREPAREDNESS
  - MAKE GOOD DEFENSE RECORD IN ADVANCE OF EVENT
- PROCESS SAFETY – JUNCTION OF LARGE SCALE ENVIRONMENTAL AND HEALTH & SAFETY

# POST-ENRON “COMPLIANCE” ERA

- **BOARD CONCERN**
- **OFFICER CERTIFICATIONS**
- **COMPLIANCE DEPARTMENT FOCUS**
- **TREATMENT OF EHS AS CORE BUSINESS FUNCTION**
- **FCA LIABILITY AVOIDANCE**

# THE “BUSINESS CASE” FOR EHS MANAGEMENT

# INTEGRATION

- **“CALL CORP EHS TO HANDLE” NOT ACCEPTABLE IN TODAY’S CORPORATE CULTURE AND UNDER EXTERNAL EXPECTATIONS**
- **EHS MS MEANS FOR FULLY INTEGRATING EHS MANAGEMENT INTO BUSINESS UNITS**
- **LEADERSHIP ACCOUNTABILITY AND “CASCADING” IS VITAL: FROM THE TOP TO THE SHOP**
- **FINELY DRAFTED EHS MS NOTEBOOK AND BEAUTIFUL EHS MS DESIGN IS WORTHLESS IF NOT FULLY INTEGRATED**
- **MUST BE CUSTOM-TAILORED TO BUSINESS AND OPERATIONS**

# SOME CURRENT TRENDS

- SAFETY CASE
- PROCESS SAFETY (AND PERSONAL SAFETY)
- QUANT/QUAL RISK ASSESSMENT
- COMPLIANCE REGISTERS
- HUMAN FACTORS & HPI
- OEMS/OIMS
- SEMS
- EPA/DOJ ENRD & STATES LOOKING AT EMS/EHSMS OBLIGATIONS AS ENFORCEMENT RESOLUTION COMPONENTS

# EHS “PERFORMANCE”

- MANAGED – LIKE FINANCIAL PERFORMANCE
  - EHS “DONE BETTER” IF **MANAGED** ENTERPRISE WIDE RATHER THAN TREATED AS LEGAL MATTERS OR ENGINEERING PROJECTS
- METRICS vs. DISCRETE ITEMS
- PLAN/DO/CHECK/ACT
  - PERFORMANCE IS PLANNED, DONE, CHECKED (AUDITED) AND FIXED (CONTINUAL IMPROVEMENT)

# SUSTAINABILITY

- MEANINGFUL SUSTAINABILITY
- NOT JUST EMPTY SUSTAINABILITY CLAIMS AND RHETORIC
- SYSTEMS FOR MANAGING EHS-IMPACTFUL PROCESSES AND PLANNING vs. TRENDY INITIATIVES

**QUESTIONS?**