

A person wearing a purple long-sleeved shirt, khaki pants, a yellow helmet, and a teal backpack is rappelling down a dark, textured rock face. An orange rope is attached to their harness and extends upwards. The background shows a lighter, reddish-brown rock surface.

Make money, save money and manage risk

The potential benefits of well-designed
environment, health, safety and
sustainability programs

The EY logo consists of the letters 'EY' in a bold, sans-serif font. Above the 'Y' is a yellow chevron shape pointing to the right.

EY

Building a better
working world



The opportunities and risks associated with environment, health and safety (EHS), and sustainability issues are on the rise. Regulators have sharpened their focus, and entities must work harder than ever to protect their images and reputations. But the challenge posed by increased scrutiny also presents an opportunity. Leading organizations have learned that proactive EHS management and sustainability programs can help drive compliance and reduce risk – and they have also learned that such programs can make money and save money. Increasingly, our clients are asking, “Can we use our EHS and sustainability programs to drive not only compliance, but also savings and enterprise-wide process improvements?”

The enduring value of EHS and sustainability programs

Sustainability programs typically focus on the three bottom lines of economic, environmental and social indicators. Most EHS programs already focus on the environmental and safety/social aspects of sustainability. Leading EHS and sustainability programs highlight the economic benefits of sustainability. Well-designed EHS and sustainability programs can benefit organizations in three key ways:

1. Make money

A robust program positions an entity to increase its revenue by helping to enhance its reputation with customers, the public and other key stakeholders. In creating an atmosphere of improved employee morale, it can make it easier for companies to recruit and retain top talent – and put themselves in a better position to win in the marketplace.

2. Save money

Leading EHS and sustainability programs help companies reduce their use of raw materials, decrease waste per unit of production and reduce energy use – all of which can lead to significant savings. In addition, effective programs can reduce the cost of compliance, including the resulting insurance costs, and can reduce the likelihood of accidents. Finally, a well-designed EHS management system, as a sign of a corporate culture committed to compliance, may help mitigate penalties in the event of an EHS accident or incident.

3. Manage risk

In identifying and resolving EHS and sustainability issues, a well-designed program could improve regulatory compliance at a time of increasing scrutiny. It could help prevent disruptions in the supply chain. And while the goal is to have no accidents or incidents, should one occur, it could help organizations mitigate the downside with customers and regulators. Such programs may also help protect employees and can be instrumental in building better employee relations and morale. As the costs of non-compliance have grown in a time of economic and regulatory uncertainty, leading organizations are realizing that the best EHS management system is one that is integrated into the business as a whole.

EHS and sustainability in action

How we can assist clients across the value chain

Make money

Wastewater and disposal performance assesment



Ernst & Young LLP completed a performance assesment of several wastewater treatment plants and a solid waste transportation and disposal operation. We focused on cost-savings opportunities; services that could be reduced, eliminated or outsourced; gaps and overlaps between departments; pooling information technology systems; and performance measures. We identified more than \$78m in potential cost savings due to improved use of the landfill, an improved process for drying biosolids and nearly \$5m in revenue-generation opportunities due to additional revenue from sales of biosolids to farmers.



Save money

Waste reduction



Ernst & Young LLP was called upon by the CFO at a manufacturer owned by an investment bank to assess its facilities to identify energy, wastewater and solid waste/recycling savings. We identified more than \$500k in potential savings the company could generate by improving incinerator management, implementing supply chain rationalization, recycling construction and demolition debris, and proactively planning manufacturing runs to reduce waste.



ISO 14001 and OHSAS 18001 management system assesment



Ernst & Young LLP assessed the EHS management system and control processes for a gas pipeline, storage and power generation company operating in Canada and the United States. The client received findings and recommendations focused on cost savings and EHS process improvements based on our library of leading EHS management system practices and our team's experience with more than 150 similar sites and systems.



Manage risk

Gas company safety assessment



Ernst & Young LLP assessed gas safety operating and reporting practices for a leading gas company. We documented the current gas safety operating and reporting practices and identified potential safety operating and reporting process control gaps based on our experience with similar programs. We also assessed a facility's gas safety practices against the client's policies and procedures and the OHSAS 18001 safety management system standard and recommended performance improvements. The findings resulted in improvements to their regulatory compliance programs.



Process safety management (PSM)



Ernst & Young LLP assessed the effectiveness of a pharmaceutical manufacturer's Occupational Safety and Health Administration (OSHA) PSM audit process. We focused on leading practices for management commitment, scope and objectives, auditor selection, site selection and scheduling, protocols, field guides, reporting, documentation and compliance tracking. Our analysis and recommendations helped the client improve its procedure for conducting PSM audits and improve its regulatory compliance program.



Effective implementation is key to the EHS and sustainability management system integration process – the design of a system suited to the organization, its testing in pilot operations, its refinement as needed and its integration into the fabric of ongoing operations.

The next level

Integrating EHS and sustainability management into the business operating system – creating a single source of operating instructions and procedures for all company processes across facilities, regions and the entire organization – lays the foundation for compliance, consistency and continuous improvement.

Linking EHS and sustainability to corporate processes ties these objectives to those of the business and can drive progress in achieving those objectives. It also allows that progress to be quantified: improvement goals and nonconformance can be monitored, and corrective actions and risk reduction can be tracked, measured and reported.

Integrating EHS and sustainability management into the business operating system lays the foundation for compliance, consistency and continuous improvement.

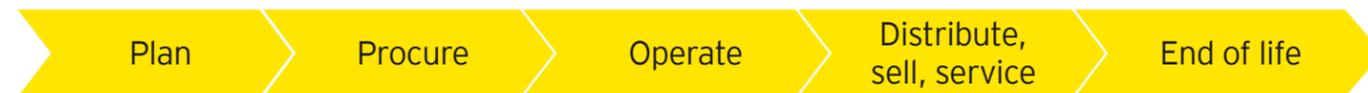
The end result is an organization that delivers goods or services in an environmentally sustainable and safe manner that is repeatable, standardized and consistent.

The first stage in a typical sustainability journey involves leveraging your EHS program to encompass the new sustainability metrics. The second stage focuses on driving cost savings and revenue opportunities. The ultimate stage involves integrating sustainability into your core business strategy and gaining board commitment.



How we can help

We perform EHS assessments across the value chain:



Ernst & Young LLP can assist clients with managing EHS and sustainability risks, identifying and generating cost savings, and implementing process improvements. Among the services we offer are the following:

- ▶ **Compliance and legal:** regulatory compliance assessments, audit program assessments, attorney/client investigations for the general counsel and others as needed
- ▶ **Health and safety:** management system assessments of health and safety programs, process safety management (PSM) assessments
- ▶ **Environment:** environmental programs and management systems assessments, waste reduction assessments, energy management systems based on ISO 50001
- ▶ **Competitive advantage:** benchmarking, strategy, performance improvement, due diligence, sustainable remediation, market studies related to carbon and new technologies

Our point of view

Download our current thought leadership and research findings at ey.com/us/sustainability



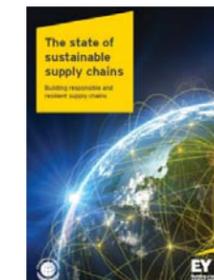
Is your nonfinancial performance revealing the true value of your business to investors?

Against the backdrop of recent environmental and social scandals and a greater call for organizations to create long-term value, EY surveyed more than 300 senior decision-makers at buy-side investment institutions from around the world to gain their insights on why nonfinancial performance must move up the corporate agenda.



Sustainable transformation services: moving sustainability business forward

Business wants to get the most benefit from their sustainability investments. EY's modular approach adapts to clients' specific needs.



Building responsible and resilient supply chains

Supply chains have become global and highly complex. Building and maintaining a resilient supply chain is a key success factor for businesses operating in a fast-changing world.



EHS and sustainability - data and analytics

For EHS and sustainability, data analytics and solutions increasingly are being used to improve operational efficiency, manage risk, reduce costs and drive innovation.



ES-RISK: environmental, health, safety (EHS) and sustainability risk services

ES-RISK offers a pragmatic approach to identify and assess EHS and sustainability risk management and performance.



EY mobile apps: insights anytime — anyplace

Our time-saving mobile and cloud-based insights can be accessed anytime — anytime. Free, install and share for growing to all mobile apps. Choose a platform below for more information and direct download.

Contacts

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About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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About EY's Climate Change and Sustainability Services

Governments and organizations around the world are increasingly focusing on the environmental, social and economic impacts of climate change and the drive for sustainability.

Your business may face new regulatory requirements and rising stakeholder concerns. There may be opportunities for cost reduction and revenue generation. Embedding a sustainable approach into core business activities could be a complex transformation to create long-term shareholder value.

The industry and countries in which you operate as well as your extended business relationships introduce specific challenges, responsibilities and opportunities.

Our global, multidisciplinary team combines our experience in assurance, tax, transactions and advisory services with climate change and sustainability knowledge and experience in your industry. You'll receive tailored service supported by global methodologies to address issues relating to your specific needs. Wherever you are in the world, EY can provide the right professionals to support you in reaching your sustainability goals.

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