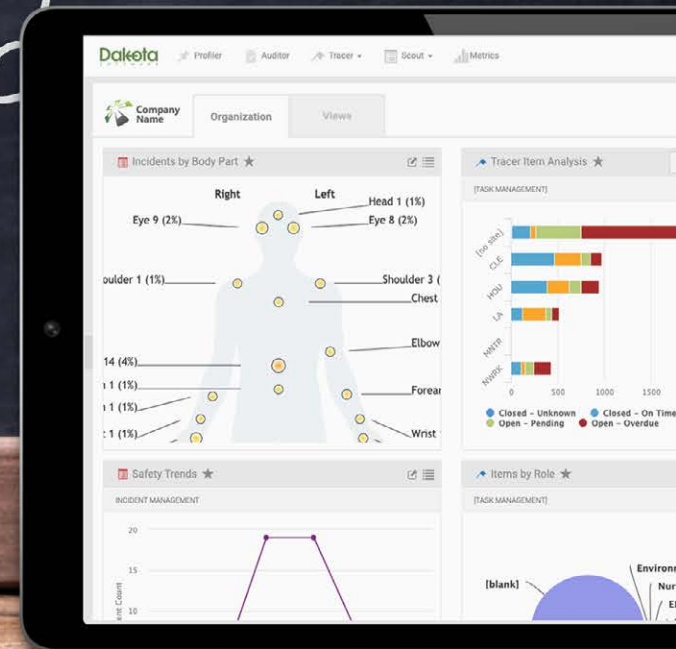


THE BEST DEFENSE IS A GOOD OFFENSE

A 5-STEP COMPLIANCE PLAYBOOK
FOR EHS MANAGERS



1. ESTABLISH GOALS
2. HAVE A GAME PLAN
3. CREATE A WINNING CULTURE
4. PRACTICE, PRACTICE, PRACTICE!
5. BRING IT ALL TO THE FIELD ON GAME DAY



Introduction

It's a time-honored sports adage that "the best defense is a good offense" and, in the end, the message behind this saying is even simpler. **Be proactive!** This same outlook can be put into action within your environment, health, and safety (EHS) program. A well-planned, organized, and properly implemented system is the best way to manage day-to-day EHS matters as well as demonstrate compliance on "game day"—that is, the day when a regulatory agency's inspector arrives on your organization's doorstep.

As in any sport, EHS professionals must constantly plan and prepare if they are to bring home a win for their organization. There are 5 key steps that every EHS manager should have in his or her compliance playbook:

1. Establish Goals
2. Have a Game Plan
3. Create a Winning Culture
4. Practice, Practice, Practice!
5. Bring It All to the Field on Game Day

Let's take a closer look at each of these steps to help you keep your EHS program in top shape so it is always ready to convert preparation into successful action.



1. Establish Goals

It goes without saying that productivity and financial well-being are top goals. Naturally, the specific goals of your organization depend on your industry, product, services, and policies. As it relates to EHS, however, there are several outcomes that hold true across almost every organization. Keeping these goals at the forefront of your compliance playbook is the first step.

Here are some primary goals to keep in mind:

- ✓ Protect the health and well-being of employees and the surrounding community. **Reduce costs related to workers' compensation and lost time.**
- ✓ Minimize any negative environmental impacts and strive for corporate sustainability.
- ✓ Protect the company's reputation and maintain good relationships with your community.
- ✓ Avoid citations, fines, and penalties from regulatory agencies (i.e., Occupational Safety and Health Administration (OSHA) and U.S. Environmental Protection Agency (EPA)).

World-class athletes visualize their goals before achieving them. Do the same with your EHS goals—visualize them, write them down, and begin planning.

Workers' Compensation Costs

Average cost for all claims in 2017–2018: **\$41,003**

TOP CAUSES OF WORKERS' COMPENSATION CLAIMS AND THEIR AVERAGE COSTS



1. Motor Vehicles
\$78,466



2. Burns
\$49,521



3. Falls or Slips
\$47,516



4. Caught In or Between
\$43,538



5. "Miscellaneous" Causes
\$34,732

According to the National Academy of Social Insurance, an estimated **\$62 billion**, including benefits under deductible provisions, was paid out under workers' compensation in 2017.

ADDITIONAL COSTS OF INJURIES ...



Total cost of work injuries in 2018
\$170.8 Billion

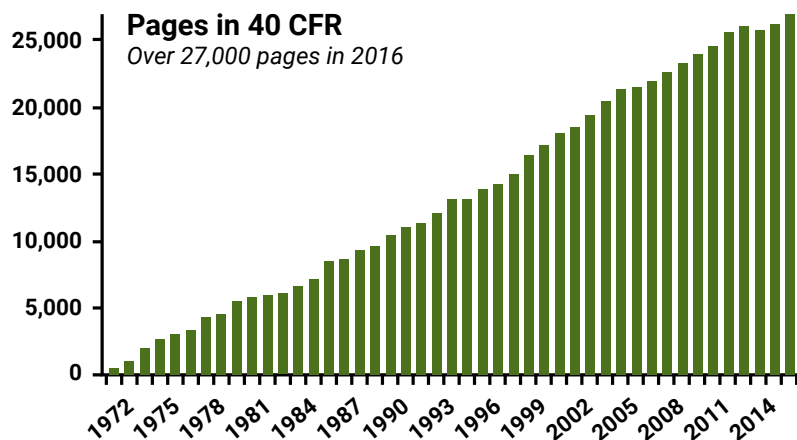


Total days lost due to work-related injury (2018)
133 Million

And remember: Lost productivity because of injury doesn't fall neatly into one year or another. **33 million** of lost days in 2018 were due to injuries incurred *before* that year ... and it's estimated that in subsequent years, injuries from 2018 have resulted in an additional **55 million** lost days.

Data source: The National Safety Council (NSC)

Growth of U.S. EPA Regulations



Source: U.S. Code of Federal Regulations



2. Have a Game Plan

If you don't know the rules, you can't plan effectively. It should come as no surprise that a failure to plan will result in failure. Therefore, **your EHS game plan needs to be solidly rooted in a keen understanding of compliance.** As an EHS manager, you need to be able to answer the following questions:

- ✓ What rules and regulations apply to your organization relating to environmental compliance and occupational health and safety?
- ✓ Do you need permits for any of your business processes? If so, do you have the appropriate permits and, if yes, are they current?
- ✓ What are your reporting obligations under federal, state, and/or municipal law? Do you have a system for compiling and submitting these reports?
- ✓ Do you have an effective and accurate documentation system to help you maintain compliance, keep track of successes, and correct errors?

This knowledge is the cornerstone of your game plan. Pass along the relevant points to your team as well as management and employees. Once everyone is on the same page with your plan, you can have greater confidence of assuring compliance.



3. Create a Winning Culture

In sports, you can have all the technical prowess and natural athletic talent in the world but still come up short if your team lacks a cohesive, winning culture. The same is true in EHS! Compliance is only part of the equation. The best-prepared organizations nurture cultures that go beyond compliance and **establish an atmosphere where EHS is an everyday value.**

Here are the essential steps for creating a winning EHS culture at your company:

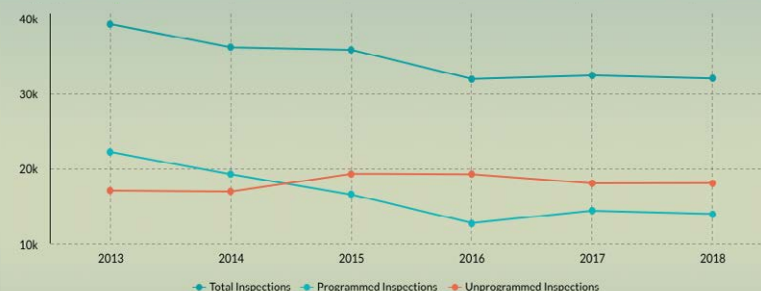
- ✓ **Gain management support.** Culture begins at the very top, and without management buy-in, your EHS efforts are put at a disadvantage. Persuade your executive team to come on board by showing how EHS is beneficial to the whole business. You can start with some of the key goals established above and the facts and figures depicted in the infographics included in this playbook.
- ✓ **Empower your frontline supervisors and team leaders.** While culture starts at the top, you also need the support of your frontline supervisors. Train and empower your organization's middle managers and team leaders to prioritize EHS in all tasks and processes.
- ✓ **Engage employees and recognize successes.** Recognition is a great motivator. Rather than penalize employees for safety violations, coach and guide them when you see an unsafe behavior; reward and recognize safe behaviors.



A Trendline of OSHA Inspections Fiscal Year (FY) 2013 to 2018

While OSHA inspections, and particularly programmed inspections, have trended down in recent years, there has been a slight uptick in unprogrammed inspections.

OSHA Inspections, FY 2013-2018



Unprogrammed inspections include employee complaints, injuries/fatalities, and referrals.

Programmed inspections focus OSHA's enforcement resources on industries and operations where known hazards exist, such as combustible dusts, chemical processing, ship-breaking, and falls in construction.



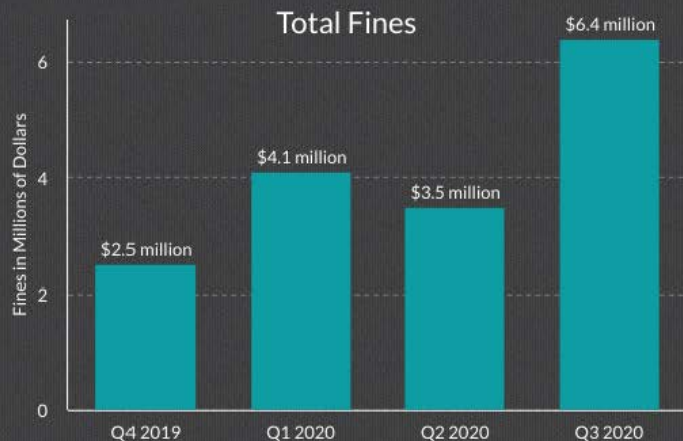
Source: OSHA.gov

EPA ENFORCEMENT BY THE NUMBERS--2019 TO 2020

WHILE THERE HAS BEEN SOME FLUCTUATION IN EPA SETTLEMENT AGREEMENTS AND FINES OVER THE COURSE OF THE PAST YEAR, THE GENERAL TREND IS UPWARD.



DON'T BE THE NEXT STATISTIC! STRATEGIZE RIGHT NOW FOR EHS COMPLIANCE.



Source: EHS Daily Advisor

4. Practice, Practice, Practice!

Since the time of the Ancient Greeks, Olympic champions are advised to never “rest on their laurels.” Regardless of whether you’re seeing great successes in your EHS compliance programs or you’re on a course that seeks improvement, never stop practicing. Your EHS practice regimen should include:

- ✓ **Staff training.** Make your training engaging, practical, and clear. Test or spot check to make sure it sticks with workers.
- ✓ **EHS audits.** Check the status of your EHS efforts with a comprehensive EHS audit program. Tour your facilities frequently, record observations, and share the results with everyone at your organization. Take corrective actions to prevent recurrence of identified issues.
- ✓ **A solid recordkeeping process.** Recordkeeping is necessary not only for reporting compliance, but also to serve as a data-driven guide for EHS managers. Does your system inform you of new applicable regulations and compliance calendars? What is your injury and illness rate? What corrective and preventive action has been taken?

Keep track of all information related to each of these activities and processes in an electronic system in order to identify any potential red flags and address them before a real-world inspection.



5. Bring It All to the Field on Game Day

For EHS leaders, every day is game day. Yes, planning and practicing are important but organizations that take their eye off the ball, even for a minute, can quickly discover that EHS success is a matter of preparation and execution. Like a quarterback stepping up to the line, EHS leaders must constantly assess the situation and adjust to what they see. They must measure successes and failures, even small gains or losses, and share their insights with the coaching staff. They must trust that these observations will help to inform a winning game plan and then communicate changes to their teammates if they wish to achieve victory.

Inevitably, mistakes will be made. Even with precise planning, exceptional execution, and constant communication, you're bound to have a flag thrown onto the field from time to time. As important as it is to avoid penalties, it's also important to respond appropriately when issues do occur. Whether a violation is technical or personal in nature, unsportsmanlike conduct will never improve the situation. So, when an OSHA or EPA inspector arrives at your facility, it's important to bring your A game:

- ✓ **Set the right tone.** Cooperate with the inspector, but also verify his or her identity and security clearance. Ensure that the inspector follows all EHS rules as well, including donning proper personal protective equipment (PPE).
- ✓ **Accompany the inspector.** Someone, preferably the facility owner, operator, or workplace supervisor, in addition to the EHS manager, should accompany the inspector at all times. Listen closely to any comments the inspector makes, and pay attention to any questions the inspector asks employees about EHS practices at your organization. Be courteous throughout. Talk less, smile more.
- ✓ **If possible, correct errors in the moment.** Should the inspector find any issues during your walkthrough, correct them right then and there if at all possible. Demonstrate that you are proactive and attentive when it comes to EHS compliance.
- ✓ **Document everything on your end as well.** Keep a duplicate of any samples, notes, or records the inspector makes. If the inspector requests corporate records, provide him or her with copies and make note of which records were provided.



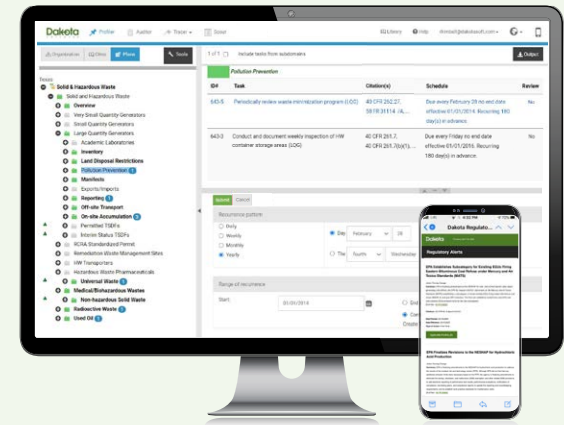
Coach Your Way to EHS Success: Plan, Do, Check, Act

An EHS manager is in many ways a coach, tasked with instructing, training, guiding, and inspiring the employees of his or her organization. Underlying the 5 steps described above, your compliance playbook must be supported by a core coaching philosophy, one that promotes confidence, positive attitude, preparedness, and execution. One proven strategy for success is what is described by the American Society for Quality (ASQ) as a plan-do-act-check (PDCA) approach:

- ✓ **Plan:** Recognize an opportunity and plan to make a change to address it.
- ✓ **Do:** Test the planned change by carrying out a small study.
- ✓ **Check:** Review your test study, analyze its results, and identify what you've learned.
- ✓ **Act:** Take appropriate action based on what you have learned.

The PDCA approach is the foundation of Dakota Software's ProActivity Suite, which makes it easier for companies to achieve and maintain EHS compliance by taking a proactive analytical stance supported by a comprehensive library of environment, health, and safety regulations.

When it comes to EHS compliance, your next game day could come at any moment—and you can't count on a bye week. But with the right support systems, EHS managers can draw up a winning game plan for their organizations ... and the next time a regulatory agency calls, you'll get complimented instead of fined.



Built on a foundation of Plan-Do-Check-Act, Dakota Software's **ProActivity Suite** helps organizations proactively manage compliance using site-specific regulatory profiles and compliance calendars. It's integrated regulatory library drives ongoing compliance by clarifying complex subject matter and notifying site leaders of relevant regulatory changes.

