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Staying Ahead of the Curve

Strategies for Managing Emerging Regulations

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In the EHS world, nothing stands still. If you're not setting a new vision or goals for the function, you're continuously improving your programs for hazardous materials storage, wastewater treatment, or chemical management. You play an essential role in your organization thanks to your unique skills at interpreting and transforming a vast amount of information and ideas into actions—specific, far-reaching actions that safeguard people's lives, the immediate and wider environment, and your company's ability to continue operating.



With everything you have to do on any given day, it can be challenging to personally track the regulations and rules that are constantly being established—and often revised—by the municipalities, states and countries in which your company does business. To do so effectively, you need a management system and a set of strategies that help you identify relevant emerging regulations and understand the path your company needs to take to reach compliance.

NAEM has prepared this report to assist you in that effort. Based on in-depth interviews with corporate EHS&S executives and industry consultants, this report offers concrete recommendations you can use to audit, build, or strengthen your EHS compliance management program. We trust you'll find at least one nugget of information in here that can help you stay ahead of the curve.

Sincerely,

A handwritten signature in black ink that reads "Carol Singer Neuvelt".

Carol Singer Neuvelt
Executive Director, NAEM



About NAEM

The National Association for Environmental Management (NAEM) empowers corporate leaders to advance environmental stewardship, create safe and healthy workplaces and promote global sustainability. As the largest professional community for EHS and sustainability decision-makers, we provide peer-led educational conferences, benchmarking research and an active network for sharing solutions to today's corporate EHS and sustainability management challenges. Visit NAEM online at www.naem.org.



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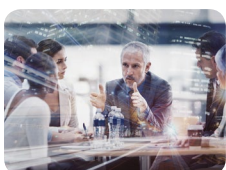
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Between 2006 and 2016, the U.S. Federal Register grew from 74,937 pages to 95,894 pages—an increase of nearly 28 percent during the decade. While some of those pages carried administrative notices and corrections, most pertained to proposed and final federal rules and regulations. According to one recent analysis of the U.S. Federal Register, the Environmental Protection Agency (EPA) and the Occupational Health and Safety Administration (OSHA) together have approximately 200 regulations under development every year.

Each of those emerging regulations may—or may not—have the potential to change how a company handles or transports a chemical, treats wastewater, tracks air emissions, or trains its workers. The key is knowing which potential or new regulations apply to your company's operations and then incorporating any needed changes throughout the entire organization. Failure to comply can result in legal, criminal, or stiff financial penalties, not to mention a public relations crisis, and ignorance of a regulation provides no defense.

In other words, it falls to the EHS function to keep abreast of the relevant regulations and legislation making their way through the government pipeline. Not surprisingly, 90 percent of respondents to NAEM's *EHS & Sustainability Staffing, Structure and Budgets Report* said regulatory tracking was one of the top 10 activities for their company's EHS function. Nearly 70 percent of respondents also said their EHS function takes the lead on regulatory tracking.

“Beyond the customized requirements that must be fulfilled, each country also has its own process and timetable for developing and communicating regulations.”

Complicating Factors

For companies with an international footprint, that tracking responsibility becomes more complicated because it extends beyond U.S. borders. Even if a company exclusively manufactures its products domestically, those goods must still adhere to a host of global requirements to be sold internationally.

In 2016, for example, the European Union (EU) had 1,423 regulations, directives, and decisions in force. In addition to those for the region as a whole, individual countries often added unique requirements of their own, particularly in the areas of greenhouse gases and sustainability. In China, air quality and water quality have typically topped the list of regulatory priorities, with the number of regulations growing in recent years along with the country's economic power. Other countries—including Vietnam, Nigeria, and South Africa—have also initiated more EHS regulations that often mirror, but don't exactly match, those issued by the European Union and the United States.

Beyond the customized requirements that must be fulfilled, each country also has its own process and timetable for developing and communicating regulations. As one EHS executive noted, “In the U.S., because of all the public notice processes, you know almost two years ahead of time before a new regulation takes effect. But in China, they'll make a change to a regulation and send you a note that it takes effect tomorrow. They give you time to come into compliance, but the regulation is initially in effect really soon.” This makes it all the more imperative for EHS leaders to keep up with the dynamic regulatory landscape: A company's access to global markets increasingly relies on the strength and agility of its EHS management system.



In addition, the regulatory language may require interpretation before an organization can implement changes to ensure compliance. “Each regulatory body operates a little differently, so the tone of how the regulations are written and the level of specificity are different across regions,” observed one industry expert. Whereas EHS regulations in the United States tend to provide strict standards and prescriptive expectations, for example, EU safety regulations are more often presented as guidelines, which often require interpretation by internal staff or outside experts.

Such variation in the format of regulations makes it impossible to take a one-size-fits-all approach to communicating these requirements. Further complicating the matter is the fact that local municipalities and states, in both the United States and abroad, are taking their own steps to regulate facilities within their borders. In Europe, for example, cities often set their own goals for wastewater treatment or reduction of greenhouse gases. In the United States, California has a long-standing reputation for issuing regulations that are more stringent than federal ones, and many other states and municipalities are following suit.

“On the local level, we’ve been seeing a trend in increased activity—not just in environmental issues but in all issues—since 2010,” reported one industry consultant. “When a state feels local governments are getting out too far ahead and could impact the state’s economy, then the legislature will gear up and preempt the local efforts.” This can result in a complex and possibly confusing layering of regulations, with national, regional, state, and local rules and ordinances not only stacked on top of but also, at times, in conflict with one another.

Trends to Watch

One reason state and local entities in the United States are ramping up their regulatory activity is that most environmental regulations on the books are showing their age. Introduced three or even four decades ago, major federal regulations dealing with hazardous waste, water, and air haven’t necessarily been updated to reflect technological or manufacturing innovations.

“The world hasn’t been standing still, and business processes have become more complex,” said one interviewee. “If there’s a gray area, the states can and will step in to make their own decisions about regulations, particularly if Congress is deadlocked.” As an example, the Obama Administration engaged in major rulemaking related to air quality, so most states did not want to replicate federal efforts. That approach could change, however, depending on the pace of federal rulemaking and the priorities of the current administration.

That said, here are several regulatory trends that industry experts said would likely continue unabated over the coming years:

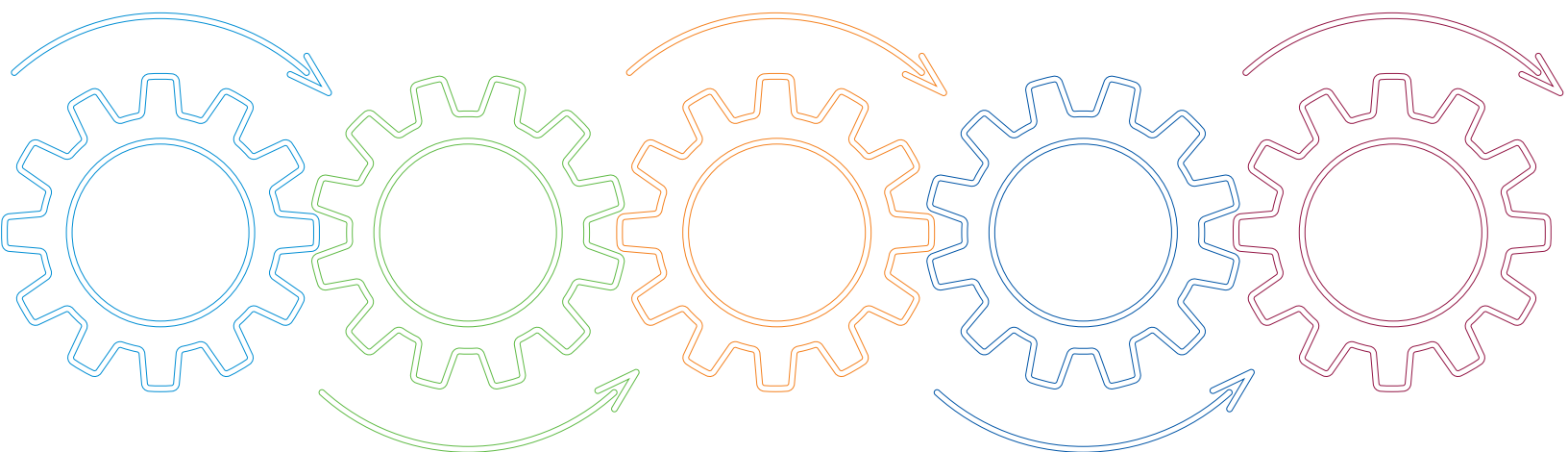
- **Greenhouse gas management regulations are expected to continue:** Despite the United States’ withdrawal from the Paris climate agreement, other signatories are expected to go forward with stricter regulations regarding greenhouse gases and energy efficiency.
- **Interest in water quality will continue to rise:** Thanks in part to the lead levels found in the drinking water supply in Flint, Michigan, the United States will likely have a renewed focus on clean water.
- **Manufacturing-heavy regions will start to strengthen air and water regulations:** China and India are increasing and stiffening their environmental regulations, predominately in the areas of water and air quality.
- **Product sustainability will become embedded into regulatory requirements:** Members of the European Union are placing greater emphasis on sustainable products and ecological packaging, with the goal of reducing usage of raw materials. EU regulatory initiatives often influence U.S. rulemaking within three to five years.

Because legislative and regulatory requirements can affect so many areas—from product manufacturing to materials transportation; from employee safety to air emissions—a comprehensive environmental management system (EMS) is critical for tracking and responding to emerging regulations. An ideal system encompasses the organization structure, staff responsibilities, planning practices, and policies and processes in place to develop and support an organization’s environmental policy.

Even if they do not pursue the official certification, many companies use the EMS framework outlined in the ISO 14001 standard published by the International Standards Organization. “ISO 14001 is the gold standard for a formalized environmental management system,” said one industry expert. Besides articulating management’s decisions about how to reduce environmental impact and comply with all the rules, the EMS should include a continual review and improvement process for environmental performance.

In the following sections, we outline five key strategies that EHS professionals are employing within their environmental management systems to handle emerging regulations:

1. Rely on relevant expertise
2. Tap into technology
3. Leverage staff capacity to manage risks
4. Establish strong internal standards
5. Demonstrate proactive leadership





Five Strategies

for Staying Ahead of the Curve
with Emerging Regulations



Rely on Relevant Expertise

Turn to credible resources rather than going it alone.



Monitoring the regulatory actions of local and state governments, plus national and international governing bodies, can appear overwhelming at times. Consultants, subject matter experts, trainers, and your EHS colleagues can provide valuable assistance.

Within any field, there are cautionary tales that can keep you on your toes. Within the compliance field, these might relate to the serious consequences regulations can have, particularly when they creep up on an unsuspecting or unprepared company. Even a small or simple-sounding change can have a profound impact on business processes or the bottom line.



One such anecdote is the story of a company that contracted with a consulting firm for several years to keep an eye on any legislation or regulations related to its area of business. Because nothing ever came up that required attention, the company assumed it was in the clear and ended the monitoring agreement. One year later, the consulting firm once again heard from the company, whose leaders were in somewhat of a panic: “A bill had just passed in one state that, worst-case scenario, could put them out of business,” an executive with the consulting firm recalled. “At the least, it minimized their ability to get business.” To be sure to reduce that risk in the future, the firm was quickly rehired and retained for the long-term.

That anecdote emphasizes the need for EHS professionals to have credible resources in their corner when tackling the colossal task of monitoring what’s happening within various government entities throughout the country and the world.

“The people who are most successful at keeping on top of regulations know what they don’t know,” one industry expert observed. In other words, they understand their strengths and limitations and enlist experts to fill in the gaps in their knowledge and skills.

Look to colleagues and peers

Sometimes those experts can be found internally. For example, regulatory affairs staff familiar with government-issued language might assist with interpreting a rule’s potential impact on operational processes. In other instances, employees with foreign language skills might do an initial translation of a regulation, providing a head start until an official translation is released. Within some industries, companies have the option of turning to their trade associations, which track and identify the ramifications of major regulatory developments. “We learn a lot from our peers in other companies, directly through the associations, in both the U.S. and Europe,” one interviewee remarked.

Get a consultant’s perspective

Oftentimes, however, EHS professionals turn to external experts with experience in the regulatory world to explain the ramifications of new regulations and offer recommendations on the best way to respond. As one industry expert explained, “Anybody can read regulations but may not understand them—it’s like knowing a foreign language. But once someone learns that language, it transfers to various industries.” The analysis provided by outside consultants and attorneys proves especially valuable in countries that are vastly different from the United States or have regulations that usually require interpretation.

Skills Required for Tracking Emerging Regulations

Whether internal or external to a company, the people with responsibility for keeping up with emerging regulations need the ability to:

- ✓ Analyze and understand complex technical problems
- ✓ Think strategically to identify the ramifications of a new or proposed regulation
- ✓ Interact comfortably with all levels of an organization
- ✓ Make sound, defensible decisions, often on short notice
- ✓ Communicate clearly and frequently with both technical and non-technical personnel

One executive, whose company operates in China and several other countries, noted: “We contract with a consulting firm that has a large presence in China. One of their consultants, on a quarterly basis, does a summary of new Chinese regulations that may affect our plants.” The consultant has visited all of the company’s Chinese locations and understands its business. That’s an ideal situation in the eyes of one interviewee, who said, “The consultant has to know the business—the raw materials, what’s being made, the processes—and the intricacies of the local areas. What works in one country is not necessarily what will work somewhere else.”

Aside from serving as interpreters and advisors, outside experts are arguably at their best when functioning as an early warning system—calling attention to regulations under consideration or already in the rulemaking pipeline. They keep an eye out for changes, updates, and revisions that their clients may overlook.

Finding a consultant who not only understands your business from the operational side but also has the requisite regulatory mindset can take time, however. If you need general answers to regulatory questions, you can often subscribe to free newsletters, reports, and white papers that many firms publish online. Some publications may be restricted to clients, but many are available free via firms’ websites.





Tap into Technology

Digital delivery provides the latest updates.



Information on regulatory and legislative actions is available through a wide array of websites, online portals, databases, and services.

Long gone are the days of inserting page upon printed page of updates into large binders stuffed with final regulations. Now, information on new and emerging regulations is either delivered directly via an email newsletter or link or can be found with a few mouse clicks.

Contract with a tracking service

Dozens of regulatory tracking and monitoring services have been launched, some specializing in local and state activities, some devoted to federal rulemaking, and others focused on the international regulatory scene. To some extent, all of these services distill the massive amounts of information found in publications such as the Federal Register and its local, state, and global counterparts. Some offer side-by-side comparisons of new regulations and

the versions being replaced, highlighting changes to facilitate compliance. It's not unusual for one company to use several services, to reduce the likelihood that their EHS professionals might miss a regulatory requirement or nuanced interpretation.

“The online services give you more of the trends and where things are going,” said one in-house EHS leader. “Their tools usually allow you to do an applicability analysis, to pick which areas apply to your business, and then the service sends you an alert if one of the regulations that’s applicable changes. You’re less likely to miss things because the information is coming in to you proactively versus reactively.”

Integrate data into internal systems

Most EH&S data management systems also have the capability of integrating information from a tracking service, to provide seamless access to regulatory updates and their resulting effects on compliance practices and processes. Other modules within a suite of software can help manage risk assessments, compliance with environmental regulations, safety and sustainability initiatives, and a host of other activities. Software modules that communicate with one another reduce the need for independent spreadsheets to be generated and distributed among EHS professionals; instead, there’s one repository so everyone sees the same information.

Download mobile applications

Mobile apps, for use on smartphones and tablets, are also growing in popularity. These often integrate with EH&S data management systems as well, providing on-the-go access to regulatory trends, in-house compliance data, audit checklists, and internal reporting. One free app even comes courtesy of the White House Office of Management and Budget: Reginfo Mobile provides details on U.S. regulations being reviewed by the Office of Information and Regulatory Affairs and offers a visual timeline of where those regulations stand in the review process.

“Managing the information is where technology is exceedingly helpful,” said one consultant, who nonetheless added a caveat. “But if you rely too much on technology, that will limit the value of the information you’re getting—especially on rulemaking, which is done all different ways.” Some states, for example, don’t publish all their regulatory information in a register or have discontinued publication of their registers. Relying strictly on a web-based service to identify emerging regulations could well mean missing out on crucial information.





Leverage Staff Capacity to Manage Risks

All EHS staff need to understand regulations and potential impacts.



While technology can expedite the aggregation and delivery of regulatory information, it can't replace the need for trained professionals who understand how to manage regulatory frameworks and can make sound judgments relevant to your operations.

Designate a lead staffer

Essentially everyone within an EHS function must, at the least, remain attentive to regulatory developments. Even so, it's important to ensure that you know who on your staff is responsible for actively tracking regulations.

At one participating company, for example, there is a designated person to receive and read all the information provided by various tracking services and then channel it to the appropriate individuals for review and action. Absent a centralized collection point, EHS staff could easily miss critical information that gets buried among non-relevant communications or lost in a flurry of emails.



Create a global network of 'local' experts

The more globally dispersed a company's facilities are, the greater responsibility on-site EHS staff are likely to have for tracking regulations. Given the variability of regulations around the world, "You have to rely on local teams, strategically placed, to understand what's happening," confirmed one EHS executive. "Each country will have a staff of EHS professionals, who are typically focused on keeping things running in the factory. We'll also leverage one or two of those people to engage in regulatory affairs.

"It's part of their job to understand the regulations so, as things become more complicated or sophisticated, we then would deploy more corporate resources to support them," the participant explained. "They have responsibility at the plant level, and it all rolls up to a corporate-wide management system." Any significant development that may represent a high risk for the entire company is then handled at the corporate level.

Embed updates into the accountability chart

Similarly, another company relies on its site-level EHS managers to focus on the here-and-now regulations, usually by checking government websites. Proposed regulations that may not be finalized for another year or two are typically tracked by regional managers, who travel to the sites frequently to talk with local employees. The regional managers then work with the company's top EHS executive on regulations related to environmental safety, process safety, and sustainability and with the company's regulatory affairs manager on product-related regulations.

"The communication goes both directions," both up and down, said the company's EHS executive. "Whoever hears about an issue first needs to raise it, so it gets to the right person." As an example, a local plant might learn of a municipal requirement to lower noise levels over the next two years. That requirement would be communicated to senior leaders so they could build the costs of acoustical fittings or lower-noise equipment into the company's capital plan.

In terms of staffing, EHS teams tend to be lean. According to *EHS & Sustainability Staffing, Structure and Budgets* (NAEM, 2016), EHS staff at the facility level average 0.31 per 100 full-time equivalent employees. The next highest staffing ratio occurs at the corporate level, with an average of 0.26 EHS staff per 100 full-time equivalent employees.

Create a consistent communications plan

On the other hand, the same executive acknowledged the need to share information obtained at the corporate level, particularly on developing trends, with local personnel. “I might first see an emerging regulation mentioned through an online service, talk about it at our management team meeting, and then go to the plants to find out whether they’re hearing the same thing,” said the company’s executive, who visits each global site at least once a year to stay connected. “If it looks like a whole area or country is heading in the same direction, then we need to be thinking of how to deal with it.”

Weekly or biweekly conference calls, with everyone focused on the same spreadsheets or data, can keep communication channels open. But in the view of one industry expert, nothing beats face-to-face meetings or training seminars for communicating emerging regulations down through an organization’s ranks. Noted the expert, “Webinars and newsletters are great, but if you can consistently get people together in a room, where they can ask questions of a subject matter expert, the information sinks in a bit better. The companies that do it well will talk about what’s been going well and what problems they are finding organization-wide. Seminars also give people the chance to benchmark with each other.”





Establish Strong Internal Standards

Embedding expectations into the compliance culture strengthens and sustains it.



In a dynamic, changing EHS environment, corporate policies and expectations—of employees, products, and services—provide a rock-hard foundation for how to respond to, or even anticipate, regulatory mandates.

Establishing a strong set of internal EHS standards enables a company to stay focused on its core business and future growth even as regulatory changes continually arise. As simple as that may sound, doing so can be anything but simple. Employees come and go—taking valuable knowledge with them—regulations and compliance requirements change, and societal expectations change as well.



Establish a leadership vision for EHS compliance

“Forward-thinking companies embrace regulatory compliance,” one EHS leader said. “However, they must have a culture that supports this, because it is a long way from the boardroom to the facility or plant floor. It has to come from support at the top.”

This alignment may begin with the company’s own EHS mission statement. For example, one pharmaceutical manufacturer articulates its EHS goals in one simple sentence: “We are dedicated to maintaining full EHS compliance.” Another company, a multinational conglomerate, abides by a corporate code of conduct that, in part, instructs employees to “Obey applicable laws and regulations governing our business worldwide.”

When a new regulation appears, the EHS team or committee might engage in a GAP analysis to identify how to come into compliance; the decided-upon actions would then be implemented through the company’s change management process and added to compliance materials.

Reinforce your culture through internal controls

The culture should be reinforced and communicated through checklists, registries of regulations, internal inspections, compliance calendars, trainings, reviews of audit protocols, and periodic compliance audits by independent third parties.

When conducted every one to three years, an audit “is the failsafe, to ensure a regulatory change has been recognized and implemented,” said one industry expert. In addition to using the audit results to benchmark facilities against one another, a company will discover whether regulatory-related changes made their way to all levels, throughout the entire enterprise. Self-reporting any insufficiencies to the appropriate authorities might reduce the fines or penalties imposed.

Depending on a company’s footprint, its compliance culture may be based upon meeting U.S. standards or a mix of global requirements. “Some people make the mistake of assuming the United States has the most stringent regulations. They figure they will just operate somewhere else in the same way they would in the United States and everything will be OK—but if you’re not keeping track of changes, especially in Europe, you can get yourself in trouble,” cautioned one expert.

Managing the Risk

CPKelco, a specialty chemical company that produces products for food and beverage applications, uses a six-step process to evaluate how a regulatory change will affect what it does to ensure safety and maintain compliance. The last step in the process involves incorporating newly identified changes into the company’s internal risk-ranking system, the results of which are reviewed annually.

The company uses a numerical (1-to-6) risk-ranking methodology, with 6 representing an unacceptable risk that carries both a high likelihood of occurring and severe consequences if it does occur. The goal is to reduce risk to a 1 on the scale—which represents acceptable or tolerable—for all activities. CPKelco uses a colorful, one-page matrix as a visual tool to help define, understand, and communicate EHS risks.

NAEM members can download a copy of CPKelco’s risk matrix by visiting <https://goo.gl/EBX7H6>.

Analyze your risks

One global company periodically identifies its specific risks in four areas (occupational safety, process safety, environmental compliance, and sustainability) and determines the best protections or controls for mitigating the risks. “We tend to take the best that we see around the world and adopt that as our overall standard,” explained the company’s chief EHS leader. “That could mean meeting compliance in one country and going above compliance in another. Particularly in areas such as process safety and human safety, we may go to a higher standard if we feel it’s necessary for protection of employees.”

Many OSHA rules, for example, are applied worldwide because they are more stringent than safety standards in some developing countries. In terms of regulating other risks, particularly greenhouse gases, the United States is still catching up to Europe.

Incorporate relevant external influences

Strong internal standards often go beyond regulatory requirements. In some industries, requirements issued by global customers rule the day. That could translate, for instance, into a company’s avoiding the use of certain chemicals throughout the world, even where their use is acceptable, to ensure all products comply with customers’ requests.

Another category of internal standards is also gaining traction—the desires and expectations expressed by consumers of products and services and, in some cases, company shareholders. “What’s happening, especially with the downstream consumers, is that they want really great products and a highly protected environment. They are less willing to compromise on either end of that scale,” said one interviewee. A public commitment to addressing consumers’ concerns, while not linked to regulatory developments, may still require internal changes in processes, raw materials, emissions, or worker safety.

Additional pressure to revise internal standards may come from corporate investors. Added the interviewee, “There’s more quantitative data now showing that large companies with sustainability programs financially outperform the companies that don’t have such programs in place. And the difference is significant.”





Demonstrate Proactive Leadership

To have long-term impact, invest in long-term relationships.



Government entities generally rely on companies to actively shape regulations and legislation. Corporate involvement can have a tremendous impact on final rules.

In 2016 the U.S. Congress passed major reforms to the Toxic Substances Control Act (TSCA), which had been enacted 40 years earlier. The new law governing chemical safety not only enjoyed bipartisan support but also had been developed with the assistance and buy-in of major industry players, including Dow Chemical Co. and 3M Co. In this successful collaboration between the EPA and the chemical industry, EHS experts see the start of a trend as other aging legislation comes under scrutiny.

“Regulators tend to want to work with the regulated community. They aren’t out to ‘get’ anybody but want to get to the common good,” said one consultant. “Being involved in developing regulations does help, rather than just waiting to see what you’ll have to deal with.” Ideally, sharing opinions and information with regulators or legislators can help shape the timing, scope, and compliance provisions of not-yet-finalized regulations. At the least, it will ensure your company isn’t blindsided when new rules are released.



Take the stance of a stakeholder

Earlier is better when it comes to taking a proactive stance. The best time to become involved in shaping a regulation is when an agency begins scheduling stakeholder meetings to gather input. “You want to be a stakeholder, not someone just responding after the fact,” advised an industry consultant. “If you wait until a proposed rule is being sent out for comments, the regulators have already written the rule or at least have a concept of what the rule is going to be. It becomes harder to become involved as the process moves along.”

Especially at the state and local levels, regulators are likely to invite large companies to preliminary workshops and hearings; however, smaller companies with an interest in an emerging regulation may have to take the initiative and request an invitation. “Unlike the federal EPA, most state environmental agencies have an economic development component as part of their charter. They want the expertise and advice of companies, because they don’t necessarily know how various operations run,” added the consultant.

Share data and clear examples

When participating in stakeholder meetings, EHS professionals should have facts about business operations and potential impacts at the ready, supported by back-up details and documentation that regulators may request. They might also want to bring along an engineer or industry expert, such as a consultant or lobbyist, to fill in any knowledge gaps.

“You need both depth and breadth of technical information,” noted another consultant. “Many times you’ll be meeting with technical people on the regulatory end, so you have to be able to talk their talk—especially if you want to explain why you can’t comply with something from a technical perspective.”

Take the time to comment

When a significant rule change is brewing, the EPA and other federal agencies typically distribute drafts widely throughout the affected industries, hold webinars, publish explanatory materials, and request comments. Even if a company waits until that point to engage in the rulemaking process, it’s worth submitting comments, particularly if the proposed rules would adversely affect business operations.

Smaller companies, or those with a mandate not to engage in direct advocacy, can always turn to their respective trade associations for support. As part of their membership benefits, most national and state trade associations provide advocacy on behalf of their representative industries. That may include staff or volunteer leaders participating in rulemaking meetings, testifying during hearings, or compiling comments from many companies into one submission.

Stay on message

Whatever its scope of involvement in shaping emerging regulations, a company needs to ensure its messaging remains consistent—from person to person, facility to facility, country to country—and its actions remain true to the corporate compliance culture. The inability or failure to comply with one regulation will mar a company’s ability to influence the development of others. As one interviewee noted, “The most important thing in any kind of advocacy is credibility. If you lose your credibility, it becomes an uphill battle.”



Parting Thoughts and Acknowledgments



By definition, EHS professionals have a lot to handle. While responsibility for developing and maintaining internal standards resides at the corporate level, local and regional staff often take the lead on looking out for new developments in their area of the operations.

To strengthen this decentralized approach to information gathering, frequent and clear communication is critical to ensuring that emerging regulations are well-understood up and down the organization. And the more engaged your organization is with the regulatory community, the better you'll be able to spot changes on the horizon.

The good news is that regulators are increasingly looking to collaborate with the corporate community on updates, revisions, or new rulemaking. Your company can embrace this opportunity by taking on an advocacy role, working with—and learning from—other businesses through industry trade associations, and forming coalitions to create voluntary standards that anticipate or even forestall emerging regulations.

Checklist for a Successful Management System

The more of these elements your EHS function encompasses, the more likely you'll be able to respond efficiently and effectively to regulatory developments. Here is a quick checklist you can use to audit your own internal systems. Does your company have...

- ☒ An environmental management system that incorporates, implements, and communicates the company's desired compliance culture?
- ☒ An online service(s) for regulatory tracking and monitoring, with a designated point person for reviewing the information provided?
- ☒ Access to information, interpretations, and risk management expertise contributed by external consultants, lawyers, and subject matter experts?
- ☒ A set of internal standards that not only fulfill regulatory compliance but also address requirements of customers, end-consumers, and/or stockholders?
- ☒ A set of compliance calendars for each media, facility, and region?
- ☒ Access to registries of regulations, updated at least annually?
- ☒ Internal checklists detailing the standard operating procedures followed in each area of regulatory focus?
- ☒ Updated audit protocols?
- ☒ Scheduled audits conducted by independent third parties, done every one to three years?
- ☒ Internal self-assessments, conducted in non-audit years?
- ☒ Regularly scheduled meetings of EHS-related committees or councils that focus on regulatory trends and potential responses?
- ☒ Alerts, newsletters, webinars, and in-person training seminars to explain proposed and new regulations to EHS staff and other relevant employees?
- ☒ Active membership in industry trade associations?



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