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ONE-ON-ONE INTERVIEW

EHS RISK AND COMPLIANCE IN THE NEXT NORMAL



Christine Adeline

Vice President, Product Management, EHS and OpRisk
SAI Global
T: +61 (8) 6222 2727
E: christine.adeline@saiglobal.com

Christine Adeline, vice president of product management and product marketing at SAI Global, has worked in the EHS software industry for more than 14 years. During this time, she has worked for some of the largest organisations in the EHS software market in numerous capacities from implementation, project management and advisory roles through to her current position. Through working closely with leading industry analyst firms such as Verdantix, Gartner and Forrester, she has an enviable knowledge of the EHS software industry and its vision for the future.

R&C: Could you provide an overview of the additional risks the coronavirus (COVID-19) pandemic is posing to environmental, health and safety (EHS) compliance?

Adeline: While the very nature of the EHS function is to identify and understand risks that your diverse workforce may face, and to be prepared to support the needs of a safe and healthy work environment, the pandemic has redefined what readiness and operational resilience means for organisations. We all have faced the unknowns about COVID-19 – how to protect workers and prevent spread, from the physical workspaces that people touch to the concerns involved in person-to-person interactions that we now have come to understand are more important. Work practices and the composition of the workforce have also changed, in addition to managing a remote workforce. Workers may have been furloughed or not working due to facility closures. This changes familiarity with the workplace and work tasks and introduces risks. The workplace may have been redefined and new procedures introduced, so changes must be effectively managed to reduce risks. Companies may have less resources, support and supervision. Meanwhile, with so many companies struggling to remain viable, supply chains are being impacted. This introduces additional risks. Companies need to ensure employees and contractor employees are fit to work, aware of new

risks, trained or retrained and competent to do a task. Companies still have a duty of care for workers working from home and need to also ensure their health and safety. So, in a way, managing EHS risks is now more complex with the redefinition of the workplace. And while COVID-19 is a physical illness, it has increased psychological injury and illnesses. Workers are more stressed and anxious, as there is a lot of uncertainty. Companies need to adapt and find new ways to communicate and engage with workers to understand needs and concerns while also ensuring they stay focused on key risks – new and existing ones. As overwhelming as it sounds, there is tremendous opportunity here coming out of the pandemic. Every organisation will need to review and reset their management of EHS during and post-COVID. This truly is a time when you can increase your risk agility, reduce bureaucracy and elevate your preparedness. Agility and adaptability will be invaluable to the future resilience of your business.

R&C: In what ways has the COVID-19 pandemic changed the functional roles of risk managers and EHS managers? What do risk managers need to know about EHS to be effective?

Adeline: COVID-19 is putting the spotlight on worker health and safety and has elevated the importance of the EHS practice and status of EHS professionals. Companies are increasingly relying on

the expertise of EHS professionals to be a guiding source of reliable information during the crisis. Through the experiences of the pandemic, EHS business continuity, legal, human resources (HR) and operations teams have, by necessity, formed enduring partnerships. Business operations need their workforce safe and healthy to move forward, but employees need to know they are safe, too – whether they are working in a plant or warehouse or working from home – and that they have the tools, technology and support they need to perform their roles effectively. Having plans and being prepared are important tools to have at the ready whether you are a risk or EHS manager, but being able to adapt and create new programmes, to get necessary points of view, build consensus and act quickly, to take advantage of technology to build bridges where face-to-face interactions are not possible – these are all part of the new normal. Everyone's roles are adapting quickly, and so are the tools and methods they use to approach their jobs. With the pandemic, whether you are a risk manager, a business continuity manager or an EHS manager – your roles now are indefinitely intertwined and interdependent for the foreseeable future. What COVID-19 has brought to light is that EHS management is required for sustainable and productive business operations. Risk managers should therefore view EHS as an integral part of successful businesses and have awareness of the value EHS adds and delivers.

R&C: What advice would you give to risk and compliance professionals on identifying and assessing EHS risks in the 'next normal'?

Adeline: The current systematic approaches for identifying and assessing EHS risks in the next normal will still be largely applicable. You must think about what could go wrong at your workplace and what the consequences could be. As a minimum, obligations from acts and regulations, permits and licences can serve as a useful checklist for hazard and risk identification, risk assessment and risk control. Similarly, understanding standards and frameworks like ISO45001 and ISO14001 can provide the foundation to understand EHS obligations and risks, as well as EHS outcomes. However, what is important in the next normal is the need to consider your risks holistically over a siloed approach. Knowing how EHS risks interact with other risks and impact business operations will maximise the effectiveness of your enterprise risk management programme. The more we understand about how EHS risks and controls interact with other risks, the lower the likelihood that we will leave the back gate open for other risks resulting from otherwise siloed or 'pure COVID-19' risk thinking. Consultation and collaboration will be important in identifying and assessing risks. You will need to work with employees, business operations, suppliers, regulators and your networks. One of the most

positive things we have learned is that EHS and business continuity professionals recognise that they are part of a community, and for many global manufacturing companies, they know they can lean on each other for support. Some companies are using tools like social media groups and apps to create informal alliances with EHS managers at other companies. COVID-19 has disrupted our lives and so we should additionally not forget that managing EHS risks should also be an ongoing process that needs attention over time.

R&C: Once these risks have been identified, how should these results be incorporated into the broader enterprise risk management (ERM) programme?

Adeline: EHS hazards and risks should be integrated within all operational, strategic, reputational and compliance risks that support the strategic objectives and mission of the organisation. Once EHS risks have been identified, the impact, severity and consequences at the enterprise level, including brand and operational impacts, should be determined. As a basic example, EHS is concerned with preventing workplace injuries and illnesses, and will identify the hazards, risks and controls to do so. To bring it into your ERM programme, you would analyse the hazards considering the additional types of risk. From a reputational risk standpoint, a fatal injury would most likely result in negative

media attention, which would most likely adversely affect profit. Additionally, this may cause business disruptions and loss of production. While insurance may cover the actual claim costs, the negative impact on the brand could impact the organisation's ability to fulfil its vision or even jeopardise its ability to stay in business.

R&C: In your experience, what difficulties might businesses face when implementing a risk management system to effectively mitigate EHS risks in the post-COVID-19 environment? How can they overcome these challenges to maintain compliance?

Adeline: One of the difficulties stems from the fact that EHS has a tendency to be siloed and seen as required for mostly compliance and ensuring worker safety. COVID-19 has greatly reduced that perception and highlighted how EHS should be an integral part of successful business operations. EHS and risk professionals should seize this opportunity and use it to identify and articulate the wider business benefits of EHS management. A well-equipped team of EHS and risk professionals who are informed, agile and risk-ready may also be a challenge. EHS and risk professionals need to have the right tools and information to make critical decisions to effectively mitigate EHS risks. EHS and risk professionals often find themselves buried with

administrative burdens such as data collection, data verification and regulatory reporting. By streamlining and digitalising these tasks, they can be 'freed' to focus on managing EHS risks and maintaining compliance. You can overcome this challenge by carefully considering the technologies that can be paired with modern ethics and compliance learning content. Having the right resources, budget and people, as well as management-level support, is critical but often poses a challenge. Think about how you can engage with stakeholders from around the business and get buy-in for improving EHS risk management within your business. However, it is important to articulate these benefits in terms of their relevance to the stakeholder. For example, for HR, you might articulate this in terms of employee retention. For an operations manager, articulating this in terms of reduced absenteeism and fewer disruptions. For a marketing manager, brand reputation might be the benefit you use. Aligning the benefits of an effective EHS risk management system with business stakeholders will gain the support you need to be successful and overcome challenges.

R&C: In what ways can companies use technology to tackle EHS risks posed by the pandemic? What kinds of innovative solutions are available?

Adeline: Software and even mobile applications can be used in a variety of ways to tackle the EHS

risks of the pandemic. Business tools today are designed to ensure you have visibility across your organisations right down to the facility level so you can act quickly. As a baseline, your goals are to identify hazards that might increase the risk of virus transmission or other health and safety incidents and to add actions and controls to reduce or eliminate the risks, among many others. To accomplish this, technology can be used, for example to send alerts and SMS-style notifications in real-time to facilitate information sharing and engagement, to conduct pre-start and readiness audits before reintroducing workers to a facility, and to ensure tasks are done on time and findings are rectified. Some example of the tasks that can be performed by EHS mobile apps include performing employee health screening checks to identify potential COVID-19 infections before recommencing work, conducting self-assessments that enable workers who must come into workplaces to continue operations, evaluating whether work conditions are safe and pose no risks to their health, like checks that relate to social distancing and the new PPE and hygiene requirements. For remote workers, an EHS app can be used to get workers to self-assess their home office environment, identify hazards and ergonomic effectiveness using various checklists. In addition to mobile applications and workflow-based software, there are many IoT device technologies that can be useful for EHS monitoring, such as wearables for real-time tracking

and communications, temperature sensors, lone worker solutions, video analytics to ensure social distancing is observed, air quality sensors, white light disinfection technologies and more. It is important that companies invest in technology that will help tackle the EHS risks posed by the pandemic, as well as ensure they have the best return on their investment now and in the future.

R&C: Going forward, how can risk and compliance professionals ensure new EHS risk management processes are being effectively monitored and enforced?

Adeline: Regular communications and transparency have been proven to be key factors in successful risk management.

Continuous engagement with workers underpins the continued success of EHS risk management programmes. It is important to allow for two-way communication so workers can be encouraged to report hazards and near misses while providing feedback on EHS programmes. In return, all feedback loops must be closed so workers feel they are part of the solution. Providing easily accessible tools, such as mobile apps and online learning courses, can greatly enhance a company's ability to monitor and enforce EHS processes. Having a dedicated multi-functional team that is informed, available and

empowered to work on real-time responses, and taking advantage of expertise from every business function and discipline, makes a huge difference in the ability for organisations to adapt at breakneck speed during crisis events such as the pandemic and our evolving understanding of its health, safety,

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*Christine Adeline
SAI Global,*

economic and operational impacts. If you have built a good company culture, in times like this it is going to pay off because your people are going to be more risk aware and ready to trust company leadership. We have also learned that organisations that had digitalised workflows to monitor EHS performance and risks prior to the pandemic were much better placed to respond and recover.

R&C: How do you expect EHS risk management processes to evolve in the ‘next normal’? What do businesses need

to do now to ensure they are prepared to meet the demands of this risk landscape?

Adeline: There are many unknowns in our future, including when and how effective and how accessible a COVID-19 vaccine will be for workforces around the world. COVID-19 has dramatically changed the landscape for many industries and its impact on businesses and the timing of a full recovery remains uncertain. We know that technology makes a difference. EHS risk management processes will evolve to be more digitalised and the adoption of innovative technologies to mitigate EHS risks will increase. Companies need to ensure that they have the right technology in place to support them during and post-COVID. Companies are more cost-conscious, but the demands on EHS professionals to help keep organisations focused on preparing and

sustaining best practices to be ready for not only this crisis, but the next one, are increasing. We have to be open to doing things differently and more efficiently, with processes and tools that can lead us through whatever comes along. Finally, EHS risk management should also evolve so it is part of business operations and not operate as a silo. The lessons learned, collaboration and partnerships formed during COVID-19 should continue to ensure that EHS remains core to safe and sustainable business operations. With the growing focus on environmental, social and governance (ESG) risks by investors, companies that are successful in making EHS integral to their business will be better placed to survive and thrive in the next normal. **RC**