The State of Environmental Compliance & Sustainability:

Insights on Challenges for Today's EHS Manager

2023 Industry Study

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About the Research

To better understand the challenges surrounding environmental compliance and corporate sustainability efforts, the J. J. Keller Center for Market Insights conducted an online survey of environmental, health & safety (EHS) professionals. **The insights from this study are shared throughout the upcoming pages to shed light on the struggles and responsibilities EHS professionals are dealing with on the job.**

The J. J. Keller Center for Market Insights is the collaborative research arm of J. J. Keller & Associates, Inc. Through historical data, proprietary studies, and partnerships with reputable, research-focused third-party organizations, the center publishes ongoing reports to spur discussion and advancements in safe, respectful workplaces, jobsites and highways.

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Environmental Compliance Isn't Easy

Environmental rules and regulations affect every business in the United States, and as we've seen in our survey results, trying to keep up with them is a real challenge. **Environmental, health & safety (EHS) professionals need to be aware of, and comply with, all applicable regulations for air, water, waste, chemicals and more.**

Depending on a company's activities, it may need to comply with numerous Environmental Protection Agency (EPA), state and local requirements, including:

- Resources Conservation and Recovery Act (RCRA)
- Clean Water Act (CWA)
- Clean Air Act (CAA)
- Emergency Planning and Community Right-to-Know Act (EPCRA)
- National Environmental Policy Act (NEPA)
- Tier II Reporting
- Spill Prevention Control and Countermeasures (SPCC)
- Superfund Amendments and Reauthorization Act (SARA)
- Toxics Release Inventory (TRI) Reporting
- Spill Prevention, Control and Countermeasures (SPCC) Plan
- Risk Management Plan (RMP)

These requirements can pose day-to-day challenges for the EHS professionals who have to interpret and comply with them all, possibly without the proper understanding, resources or assistance.

This study highlights a number of those challenges in an attempt to shed light on the state of the industry, and opportunities for improvements.

The Greatest Environmental Compliance Challenges

The EHS professionals we surveyed shared a wide variety of challenges they face when managing environmental compliance.

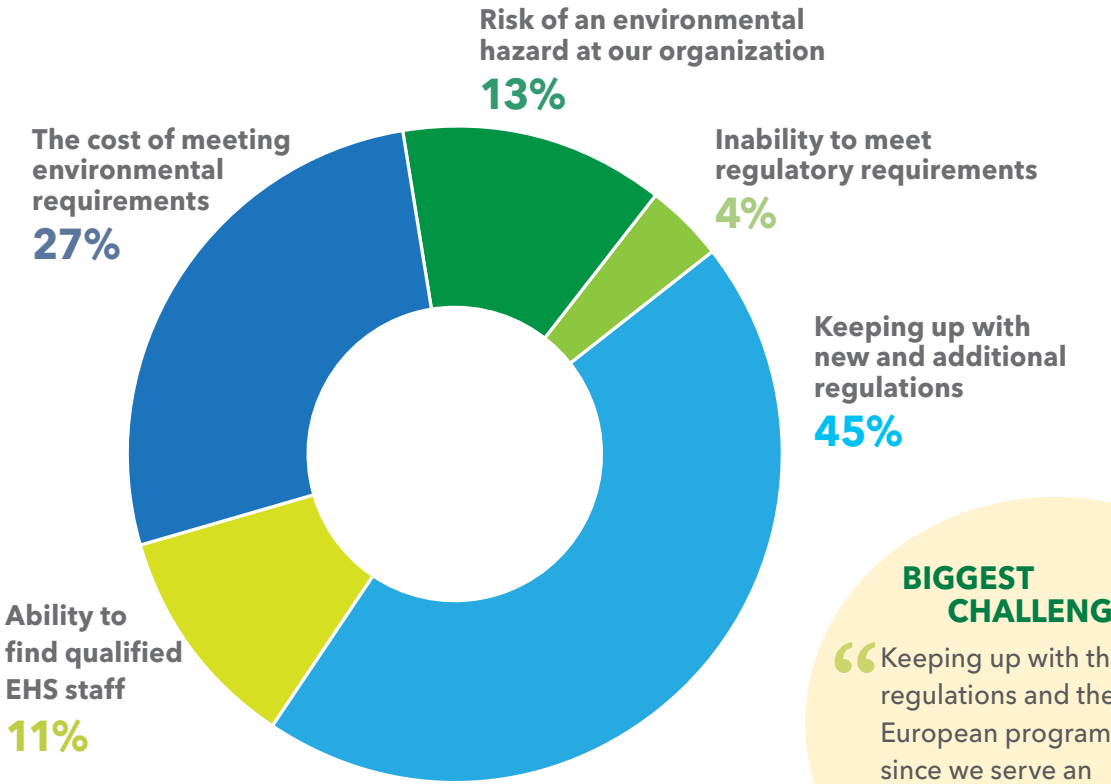
However, **almost half of respondents identified that keeping up with new and additional regulations was their biggest pain point.**

This indicates an ongoing issue that EHS professionals will need to address if they are to meet environmental requirements, which not coincidentally was the second greatest challenge faced.

5 Ways to Keep Up with Environmental Regulatory Changes

1. Visit the websites of state and federal regulatory agencies
2. Follow the state and federal regulatory agencies on social media
3. Join industry associations that track regulatory activity
4. Subscribe to state and federal regulatory agency listservs
5. Work with a third-party consulting firm to ensure awareness of all changes and apply them correctly

What Is Your Greatest Compliance Challenge?



BIGGEST CHALLENGE

"Keeping up with the regulations and the European programs since we serve an international base."

Survey Respondent

The Most Common EHS Requirements

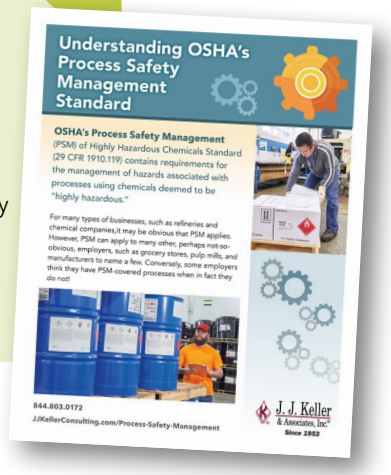
While EHS professionals are required to follow a variety of regulations, **the requirement most commonly cited as applying to their operation was the General Duty Clause**, followed by OSHA's Process Safety Management Standard.

These two related requirements apply to companies producing, processing, handling, or storing regulated substances or other extremely hazardous substances.

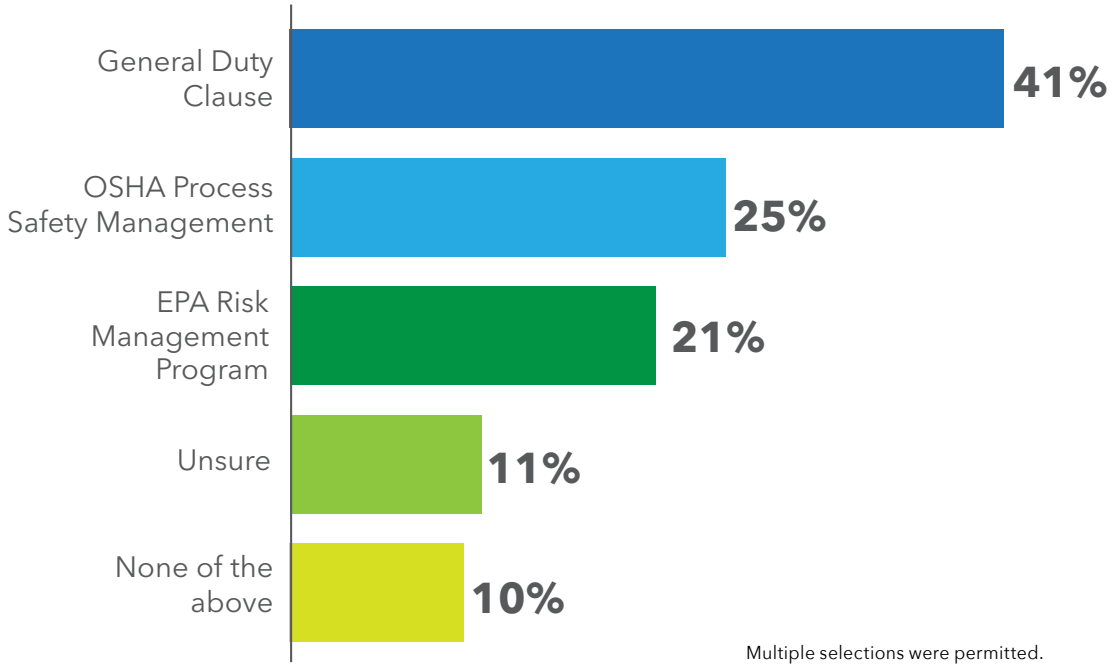
FREE Process Safety Management Compliance Brief

Gain a better understanding of the requirements of the Process Safety Management (PSM) Standard and how they may apply to your company.

DOWNLOAD NOW



Which Common EHS Requirements Apply to Your Operations?



Multiple selections were permitted.

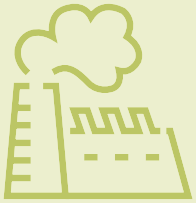
What's in Your General Duty Clause Program?

Of those survey respondents subject to the General Duty Clause (GDC), 27% do not have a formal program in place.

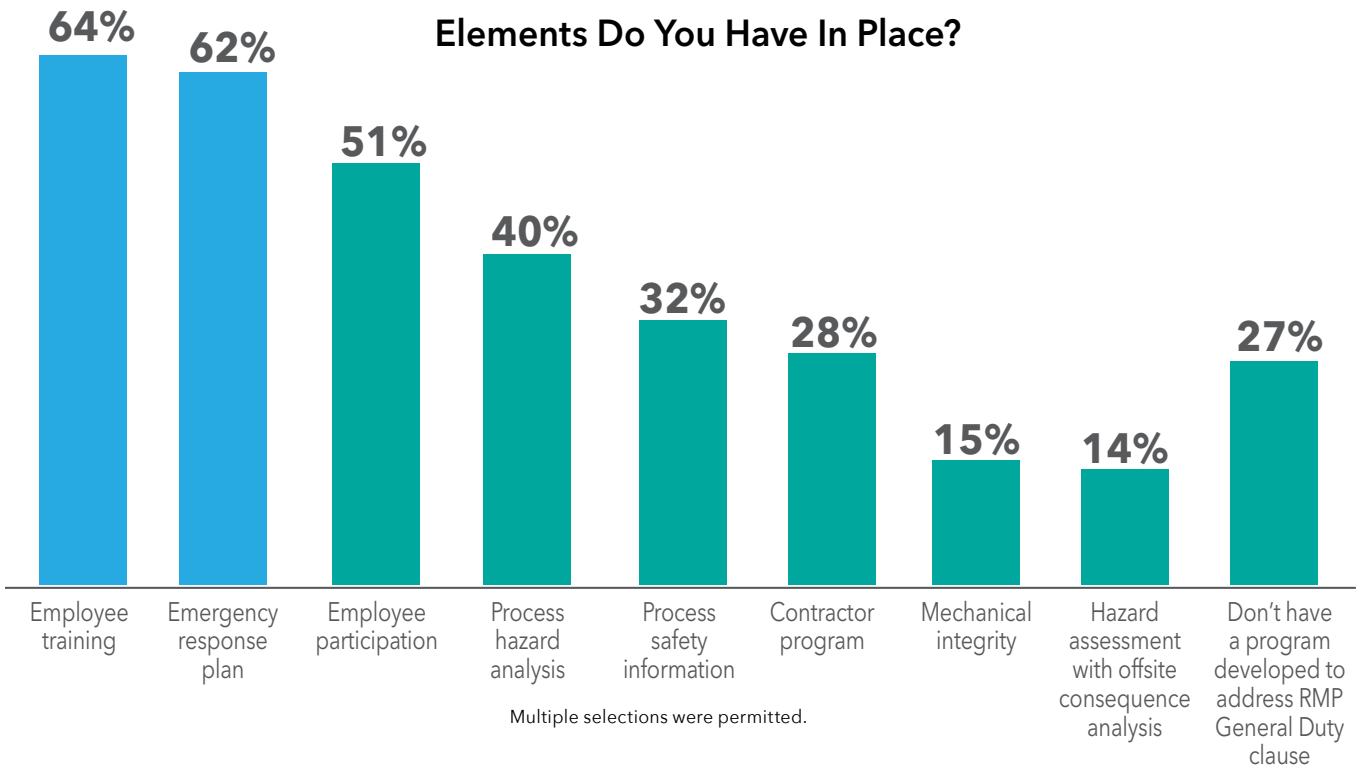
Of those who do have programs in place, **employee training (64%) and emergency response plans (62%) are the most-commonly included elements in GDC programs, with hazard assessment (14%) being the least common element.**

What Does the GDC Require?

The General Duty Clause requires companies to identify hazards their facility may present from the accidental releases of hazardous substances, to design and maintain a safe facility, and to minimize the consequences of accidental releases which do occur.



What General Duty Clause Elements Do You Have In Place?



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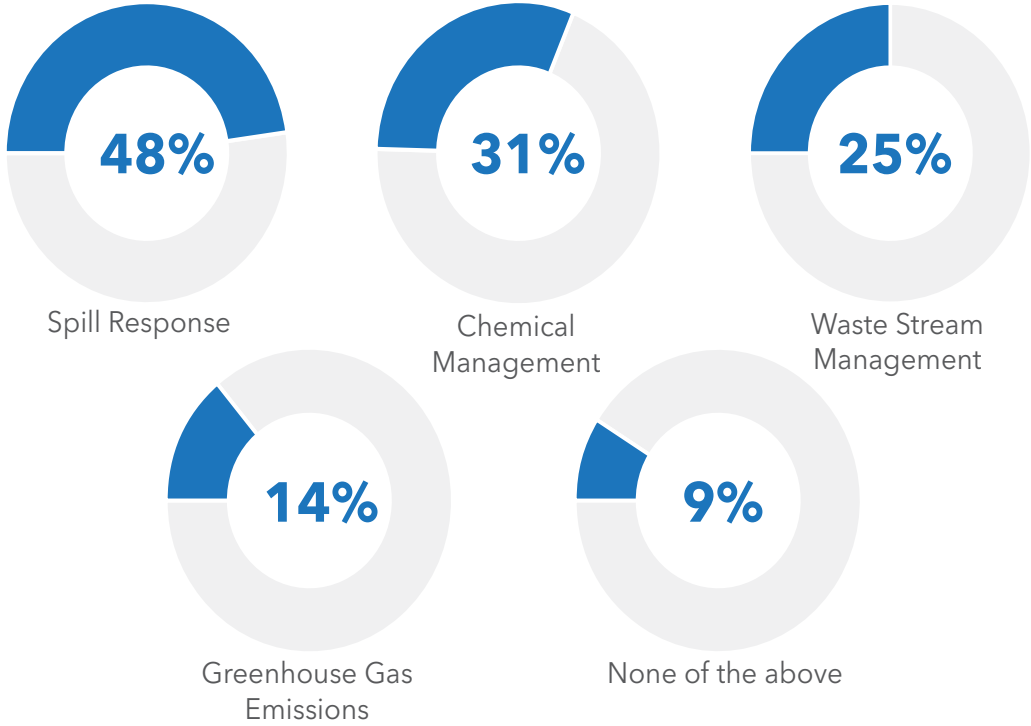
Putting Environmental Plans in Place

Of the environmental plans that respondents have in place, **spill response plans are the most common (48%), followed by chemical management (31%) and waste stream management plans (25%).**

A **Spill Prevention, Control and Countermeasures (SPCC) Plan** must be in place for companies that store more than 1,320 gallons of oil in containers 55 gallons and larger, or if they store more than 42,000 gallons of oil underground.

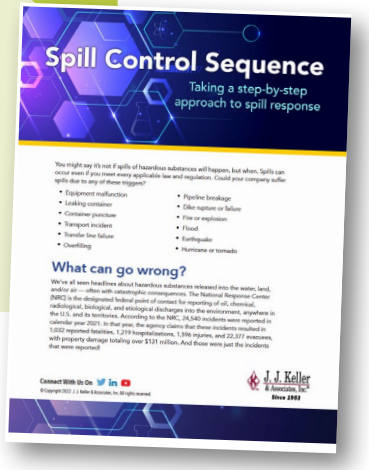
What Types of Environmental Plans Do You Have In Place?



FREE Spill Control Compliance Brief

Learn the step-by-step approach you should take in the event of a hazardous substance spill.

DOWNLOAD NOW



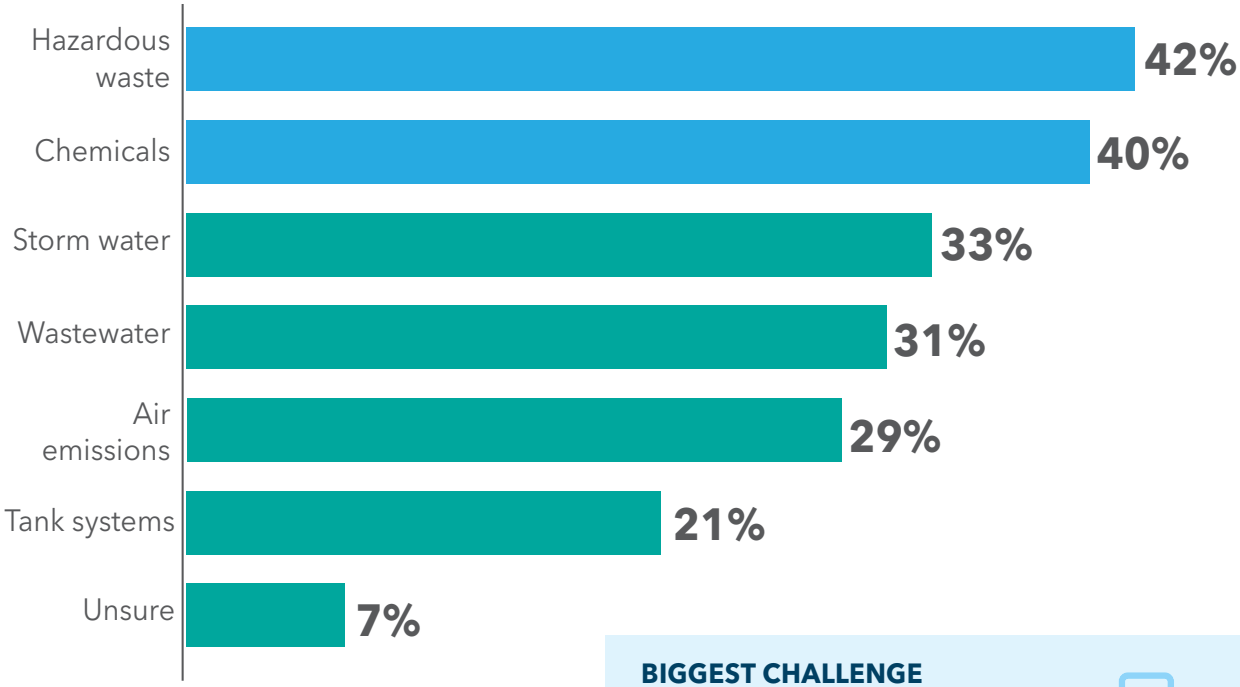
The Most Common Regulated Waste & Equipment

When we asked EHS professionals what types of waste or environmentally-regulated equipment are found in their facilities, **hazardous waste was the most common response (42%), followed closely by chemicals (40%) and storm water (33%).**

Simply defined, **hazardous waste** is a waste with properties that make it dangerous or capable of having a harmful effect on human health or the environment.

Under the Resource Conservation and Recovery Act (RCRA), generators of such waste must ensure and fully document that the hazardous waste they produce is properly identified, managed and treated prior to recycling or disposal.

What Types of Waste or Regulated Equipment Are in Your Facilities?



Multiple selections were permitted.

BIGGEST CHALLENGE

"The volume and wide variety of types of waste we receive and the logistics surrounding their disposal in an ecologically friendly manner."

Survey Respondent

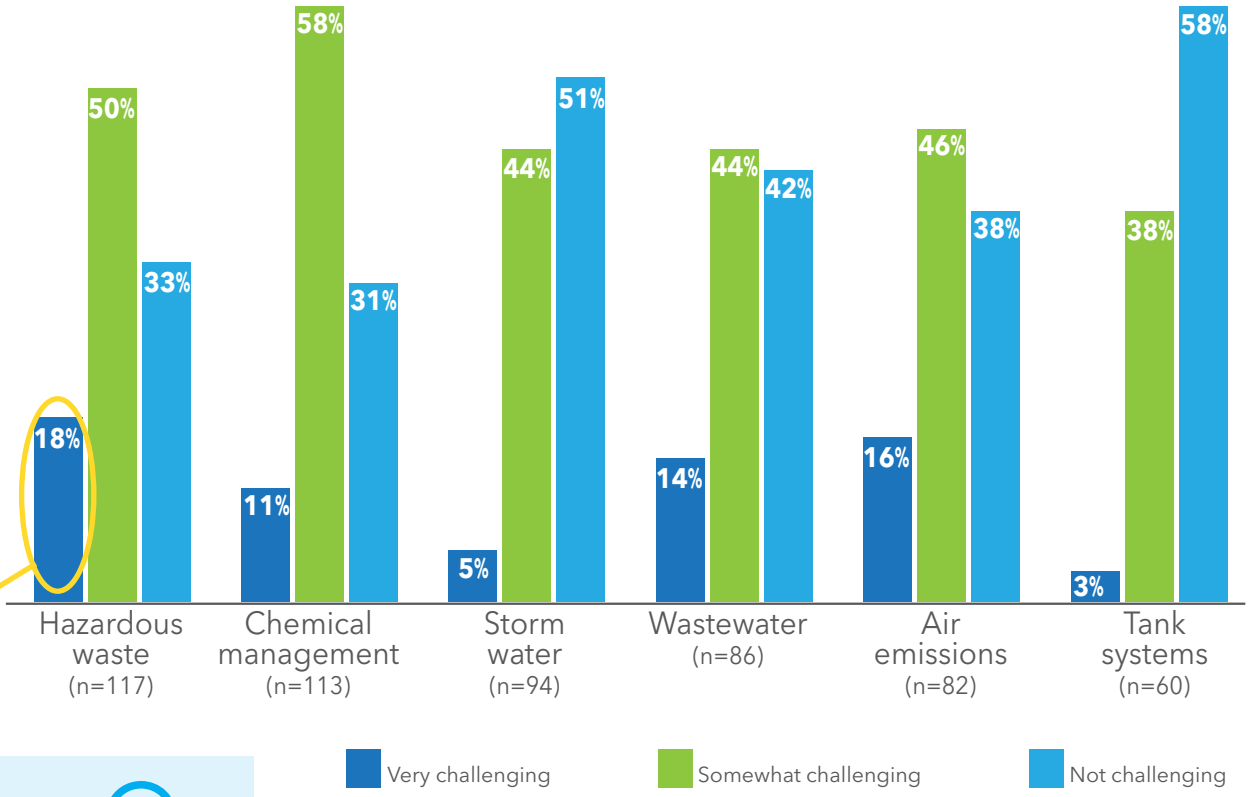
The Most Challenging Environmental Regulations

Most survey respondents feel that **managing the regulations associated with the hazardous waste at their facilities was very challenging (18%),** with **air emission** (16%) and wastewater regulations (14%) close behind.

Chemical management topped the list of being somewhat challenging (58%), with hazardous waste again noted as a problem area (50%).

Hazardous waste received the highest percentage of *very challenging* responses.

Which Regulations Are the Most Challenging to Manage?



Clearing Up the Air

Under EPA regulation 40 CFR 68, facilities with more than a threshold quantity of a regulated substance must develop and submit a Risk Management Plan to prevent its accidental release into the air.

Driving Sustainability

Sustainability in business terms is the strategy whereby a business delivers its goods and services in a manner that is both environmentally sustainable and supports its economic growth. In other words, a company prioritizes long-term growth through sustainable methods as opposed to focusing on only short-term financial gains.

Of the EHS professionals surveyed, **almost half (48%) of respondents cited the company's brand as the driving factor in their sustainability efforts.** Another 49% cited outside forces, such as customers or state and federal regulations as the driving factor.

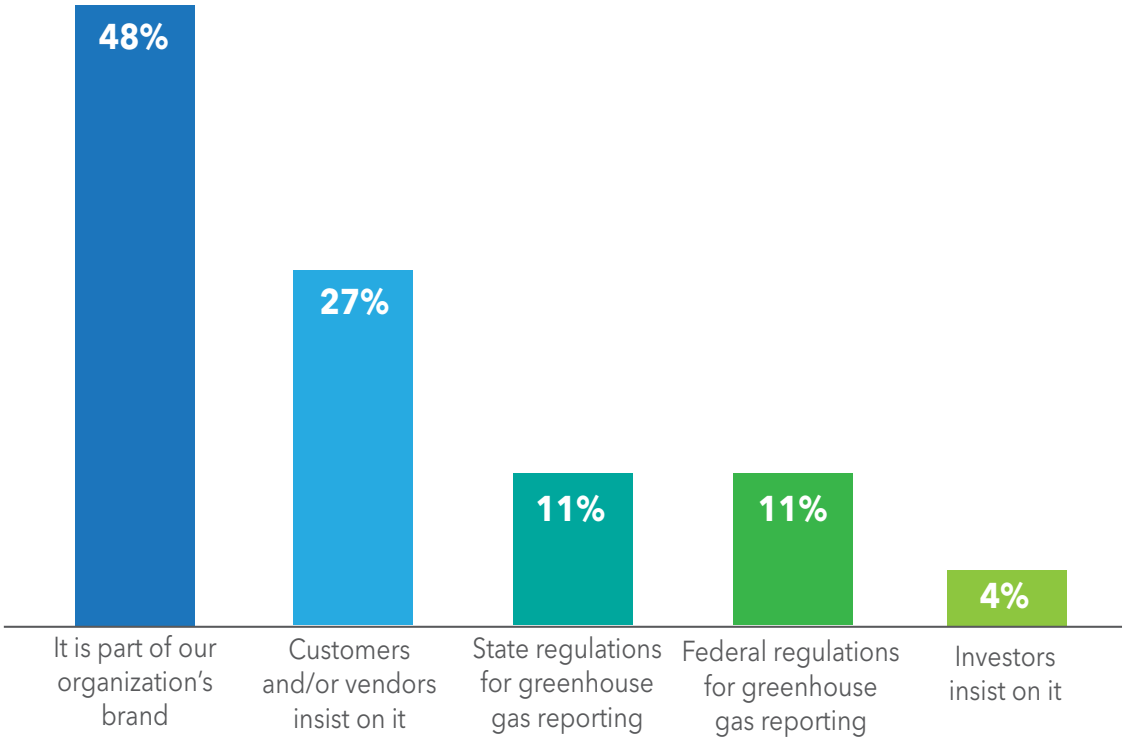
Have a Long-Term Sustainability Strategy?

47% of respondents (that stated they have sustainability responsibilities) work for organizations that have a long-term strategy for sustainability in place

36% of respondents (that stated they have sustainability responsibilities) work for organizations that plan to create a long-term strategy for sustainability in the near future

17% of respondents (that stated they have sustainability responsibilities) work for organizations that have no long-term strategy for sustainability in place

What Drives Sustainability at Your Organization?



The Challenges of Corporate Sustainability

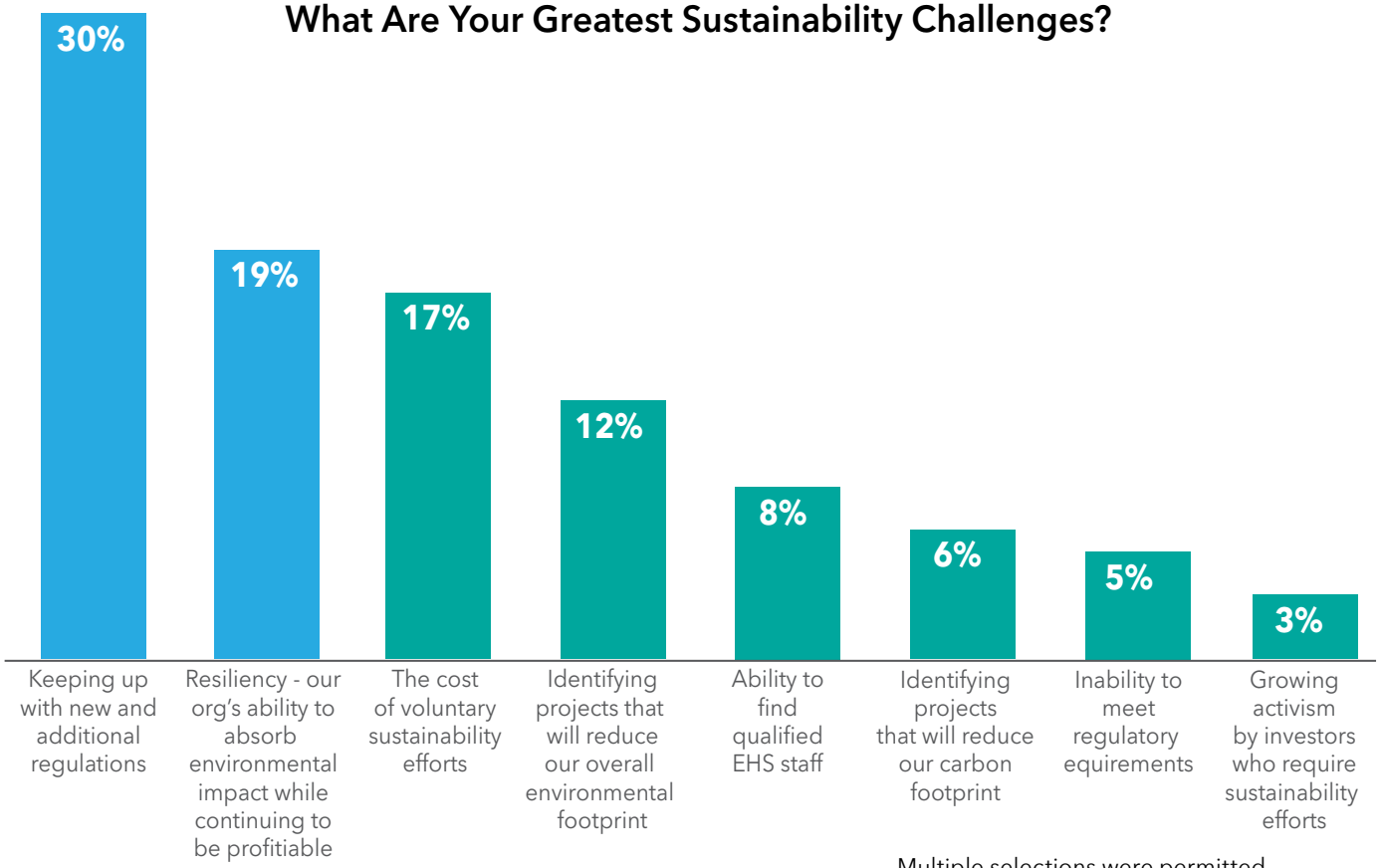
When it comes to their organization's greatest sustainability challenge going forward, **EHS professionals selected keeping up with new and additional regulations (30%), absorbing the cost of environmental impacts (19%), and the cost of voluntary sustainability efforts (17%) as the primary challenges.**

BIGGEST CHALLENGE

"These additional environmental expenses are a burden to staying competitive in a global marketplace"

Survey Respondent

What Are Your Greatest Sustainability Challenges?



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How Does Your Carbon Footprint Measure Up?

Of those who have sustainability responsibilities at their organization, **66% responded that their organization does not measure their carbon footprint.**

A carbon footprint measures the impact company actions have on the environment in terms of carbon pollution produced. The lower the footprint, the less harmful a company's impact on the environment and the more efficiently they're using energy and/or water.

Of the respondents that do measure their carbon footprint, 81% measure scope level 1, 49% measure scope level 2, while 23% measure scope level 3.

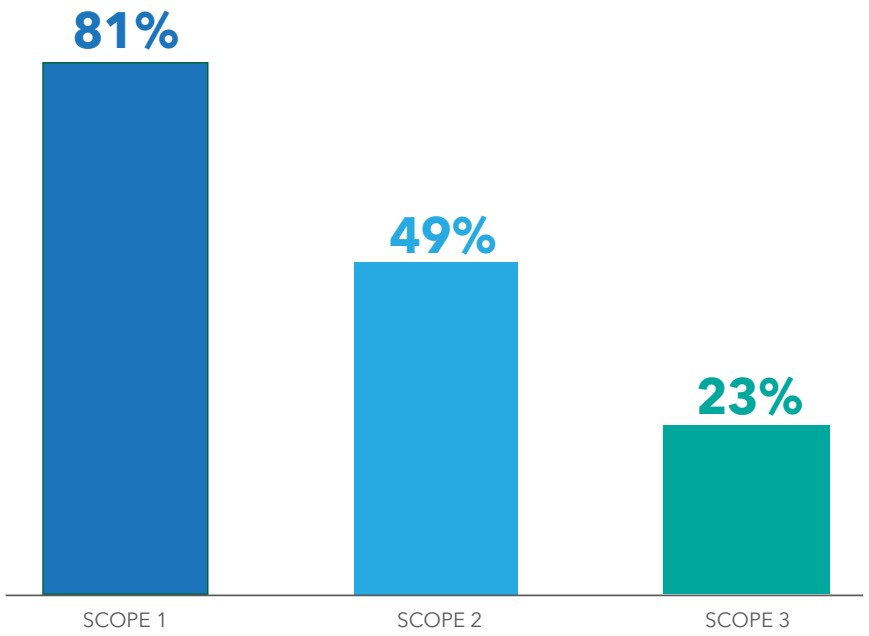
Scope Levels Explained

Scope 1: Direct emissions from company-owned and controlled resources.

Scope 2: Indirect emissions from company controlled resources such as power plant emissions from electrical usage.

Scope 3: Indirect emissions that are not controlled by the company, examples include vendors, customers, and employee commuting.

What Levels of Your Carbon Footprint Do You Measure?



Note: Respondents can measure more than one scope level; therefore, percentages exceed 100%.

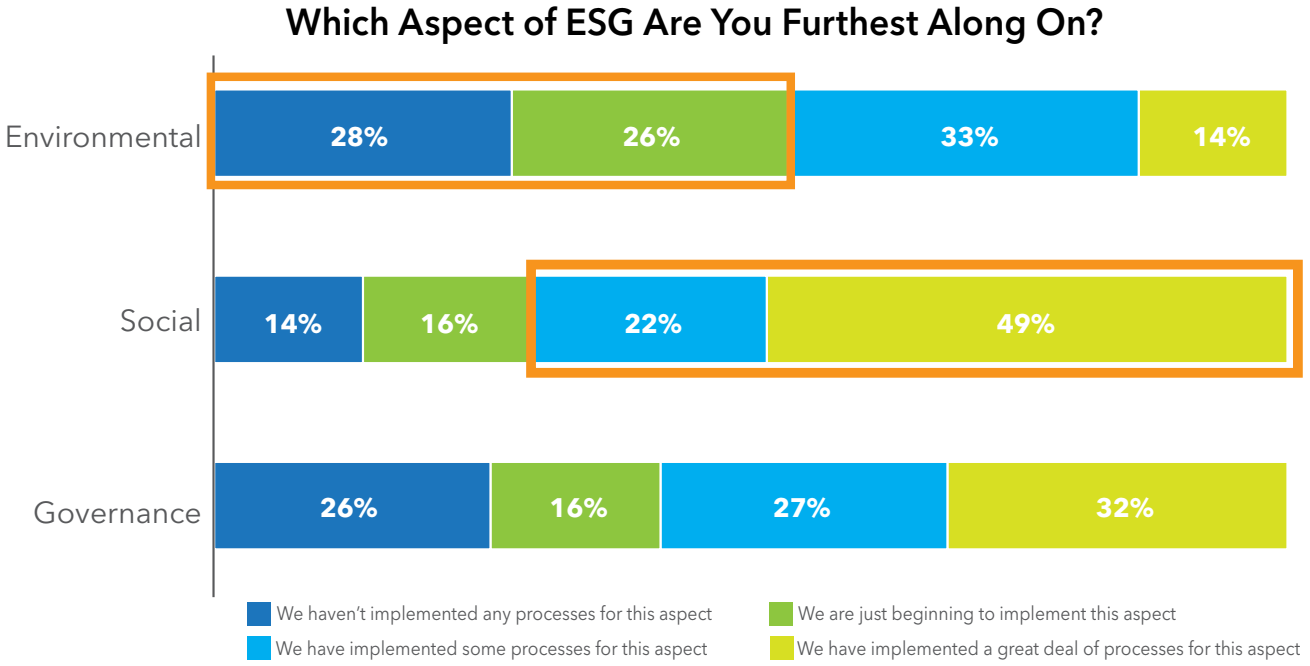
Is Your ESG Report Complete?

An **ESG (Environmental, Social and Governance) or Sustainability report** is published by an organization to disclose its ESG-related activities, improving investor transparency and inspiring other organizations to also take sustainability actions.

Among the aspects of ESG, **respondents' organizations are furthest along on the Social aspect of ESG (71% implementation of some or a great deal of processes), with the most room to grow in the Environmental aspect (54% having little to no implementation), followed by Governance (42% with little to no implementation).**

Who is Completing ESG Reports

48% of respondents complete their ESG reports on their own, with 33% doing it consistently every year and 15% not completing them on a regular schedule.



BIGGEST CHALLENGE

"We are careful with regards to both safety and environmental concerns, but the reporting requests are impossible to keep up with."

Survey Respondent

Respondent Demographics

The 417 survey respondents represented industries ranging from manufacturing (42%) and transportation (12%) to construction (6%) and others (17%), which included aerospace, mining, and oil & gas. **Just as environmental compliance applies to these many different industries, EHS professionals must manage the many different regulatory challenges these industries face.**

Of the companies represented, the majority are privately owned (76%), with a wide range of employees on staff.

The survey was conducted October 11-18, 2022.

Maximum sampling error at 95% confidence is +/-4.76 percentage points.

Industry	%
Manufacturing	42%
Other	17%
Transportation	12%
Construction	6%
Petroleum-Chemical	4%
Business Services	3%
Healthcare	3%
Retail	3%
Utility	3%
Wholesale	2.5%
Food	2.5%
Education	1.5%

Organization Type	%
Privately Owned	76%
Publicly Traded	19%
Government Entity	4.5%
Non-Profit	0.5%

Employee Range	%
Less than 10	5%
10 - 100	27%
101 - 500	39%
501 - 1000	9%
1,001 - 2,500	5%
More than 2,500	15%

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- Policy and procedure development

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