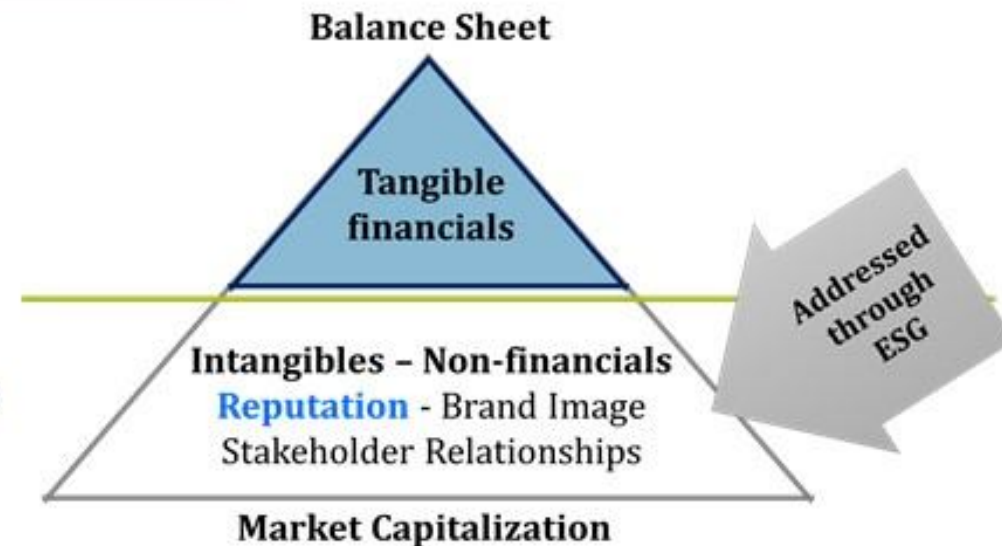


Business Value

- **Environmental, Social and Governance (ESG) safeguards** are used for **modifying or strengthening** the business procedures in a formal and systematic manner with clear allocation of responsibilities for implementation, monitoring & reporting mechanism.
- ESG Safeguards are tools for **Risk mitigation**
- **Environment, Health & Safety (EHS) is one of the key elements of ESG safeguards**

All unmitigated environmental and social issues could lead to business risks. These risks arise due to:

- **Unforeseen environmental mitigation costs**
- **Loss of market**
- **Lower competitiveness**
- **Reduced profitability**
- **Liabilities such as compensation to affected people**



Leading to Reputational Risks!!

What is Risk, Risk Assessment and EHS?

What is **Risk**?

The **potential consequence(s)** of **hazard** and their **likelihood/ probabilities**

What is **Risk Assessment**?

The formal process of **evaluating** the **consequence(s)** of **hazard** and their **likelihood/ probabilities**

What is **EHS**?

EHS stands for **Environment, Health, and Safety**. It's a general term used to refer to **laws, rules, regulations, professions, programs, and workplace** efforts to **protect the health and safety of employees** and **the public** as well as the **environment** from **hazards** associated with the **workplace**.

Hazard: Source, situation, or act with a potential for harm in terms of human injury or ill health, or a combination of these



The information gained during EHS review will inform the organization of its true state, uncover opportunities and drive then in right direction



Making better decisions based on accurate information



Preventing incidents such as injuries, illnesses, and harmful environmental releases



Estimates the adverse consequences of exposure to workplace and environmental hazards to both human health and environment



Systematic identification of risk pathways linking proposed activities with potential ecological, social and economic impacts

Regulations to be referred

The following broad areas shall be looked into for EHS assessment

Environment

Health & Safety

Labour Practices

Key laws and regulations that should be referred for assessment

- Environment (Protection) Act, 1986
- Water (Prevention & Control of Pollution) Act, 1974 and the Air (Prevention & Control of Pollution) Act, 1981
- Environmental Impact Assessment Notification, 2006
- The Waste Management Rules (Hazardous waste, E-Waste, Plastic Waste, Bio-Medical Waste, Solid Waste etc., as applicable)
- The Indian Forest Act, 1927 and The Wildlife (Protection) Act, 1972
- Manufacture, Storage & Import of Hazardous Chemical Rules, 1989
- Factories Act, 1948 and State Factories Rules
- Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010
- State Specific Shops and Establishment Acts
- National Building Code 2016 and State building bye-laws
- State Specific Fire related Acts and Rules
- Contract Labour (Regulation and Abolition) Act, 1970
- Minimum Wages Act, 1948
- Workmen's Compensation Act, 1923

The assessment shall not be limited to the referred list and a detailed list as per applicable rules shall be developed

About ISO 14001:2015 Standards

ISO 14001:2015

- ISO 14001 is an internationally agreed standards that sets out the requirements for an environmental management system
- It helps organizations improve their environmental performance through more efficient use of resources and reduction of waste, gaining a competitive advantage and the trust of stakeholders
- ISO 14001 is suitable for organizations of all types and sizes, be they private, not for profit or governmental

Benefits of ISO 14001:2015

- Conforming to compliance obligations
- Increase leadership involvement and engagement of employees
- Improve company reputation
- Achieve strategic business aims by incorporating environmental issues into business management
- Provide a competitive and financial advantage through improved efficiencies and reduced costs

About ISO 45001:2018 Standards

What



1

ISO 45001 is the first globally developed standards for health and safety management systems

2

It reflects current occupational health and safety management trends and techniques and is expected to eventually replace up to 24 national safety standards around the world

Applicability



ISO 45001:2018 is applicable to any organization that wishes to establish, implement and maintain OH&S management system to improve occupational health & safety

Benefits



1

Reduction of workplace incidents

2

Reduced absenteeism and staff turnover, leading to increased productivity

3

Reduced cost of insurance premium

4

Ability to meet legal and regulatory requirement

5

Enhanced reputation and improved staff morale

About OHSAS 18001:2007 Standards

OHSAS 18001:2007

- Occupational Health and Safety Assessment Series for Management Systems - Requirements (officially BS OHSAS 18001) is an internationally applied British Standard for occupational health and Safety management systems.
- It exists to help all kinds of organizations put in place demonstrably sound occupational health and safety performance

Benefits of ISO 18001:2007

- Identify and control health and safety risks
- Reduce the potential for accidents
- Aid legal compliance
- Improve overall performance
- OHSAS 18001 provides a structure to incorporate health and safety into the business
- Reinforcing a responsible and well-managed reputation with customers, stakeholders, and communities

Approach and Methodology

- **Environmental Audit** shall have focus on:
 - A **practiced methodology** shall be developed to address the requirement of EHS assessment
 - **Conduct desk review of EHS documents and interviews with the top management** to assess **EHS implementation**



Planning

- Review of existing policies and commitments
- Review of documents and records
- Interact with site management to understand level of implementation of controls and initiatives
- Finalize project plan and deliverable milestone

Delivery

- Develop Information Request List (IRL) to assess the EHS implementation
- Conduct evaluation strategy based on the response on IRL
- Assess risk of significant process
- Conducting on-site audit for physical verification

Completion

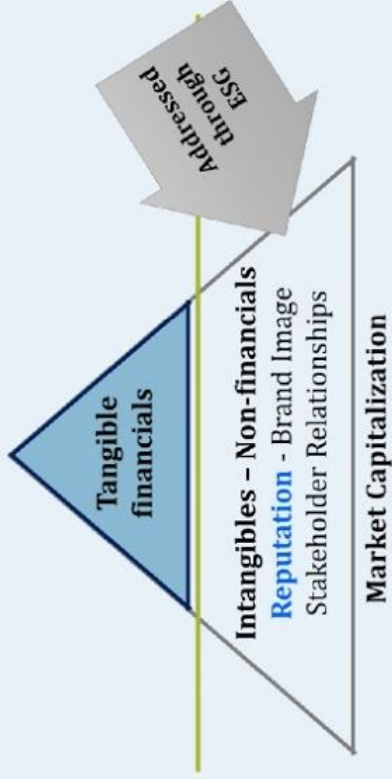
- Compile key findings into draft audit report for submission to management for comments/ feedback
- Revision of draft report based on the any comments
- Presenting the final audit report including an action plan with risk classification, detailed timelines and indicative costs
- Continued support for implementation

Environment, Health and Safety Assessments (Environmental Audit)

Business Value

- **Environmental, Social and Governance (ESG) safeguards** are used today for modifying or strengthening the business procedures in a formal and systematic manner
- Apart from risk mitigation, they provide companies with competitive advantage and can potentially be a game-changer for businesses in terms of accessing finance and impacting profitability
- **Environment, Health & Safety (EHS) is one of the key elements of ESG safeguards**

Balance Sheet



Cost of unmitigated ESG risks

- Unforeseen environmental and social mitigation costs
- Loss of market
- Lower competitiveness
- Reduced profitability
- Liabilities such as compensation to affected people



**Reputational Risks!!
Business Continuity Risks!!**

EHS Value to an Organization



Information gained during EHS review will inform the organization of its true state, uncover opportunities and drive in right direction



Preventing incidents such as injuries, illnesses, and harmful environmental releases



Estimates the adverse consequences of exposure to workplace and environmental hazards to both human health and environment



Systematic identification of risk pathways linking proposed activities with potential ecological, social and economic impacts



Making better decisions based on accurate information

EHS Assessment shall include

Comprehensive, Effective and Customized EHS Risk Assessments as per

Indian Environmental, Social and Occupational Health, and Safety related regulatory requirements and various nationally and internationally recognized standards such as

- ISO 14001:2015
- ISO 45001:2018
- OHSAS 18001:2007
- International Finance Corporation's Environmental and Social Performance Standards
- World Bank Group Environmental, Health and Safety Guidelines