ENCAMP

The Annual
Tier II Playbook

FOR 2022

A detailed recap of RY 2021 with key insights and best
practices from EHS leaders for driving continual compliance
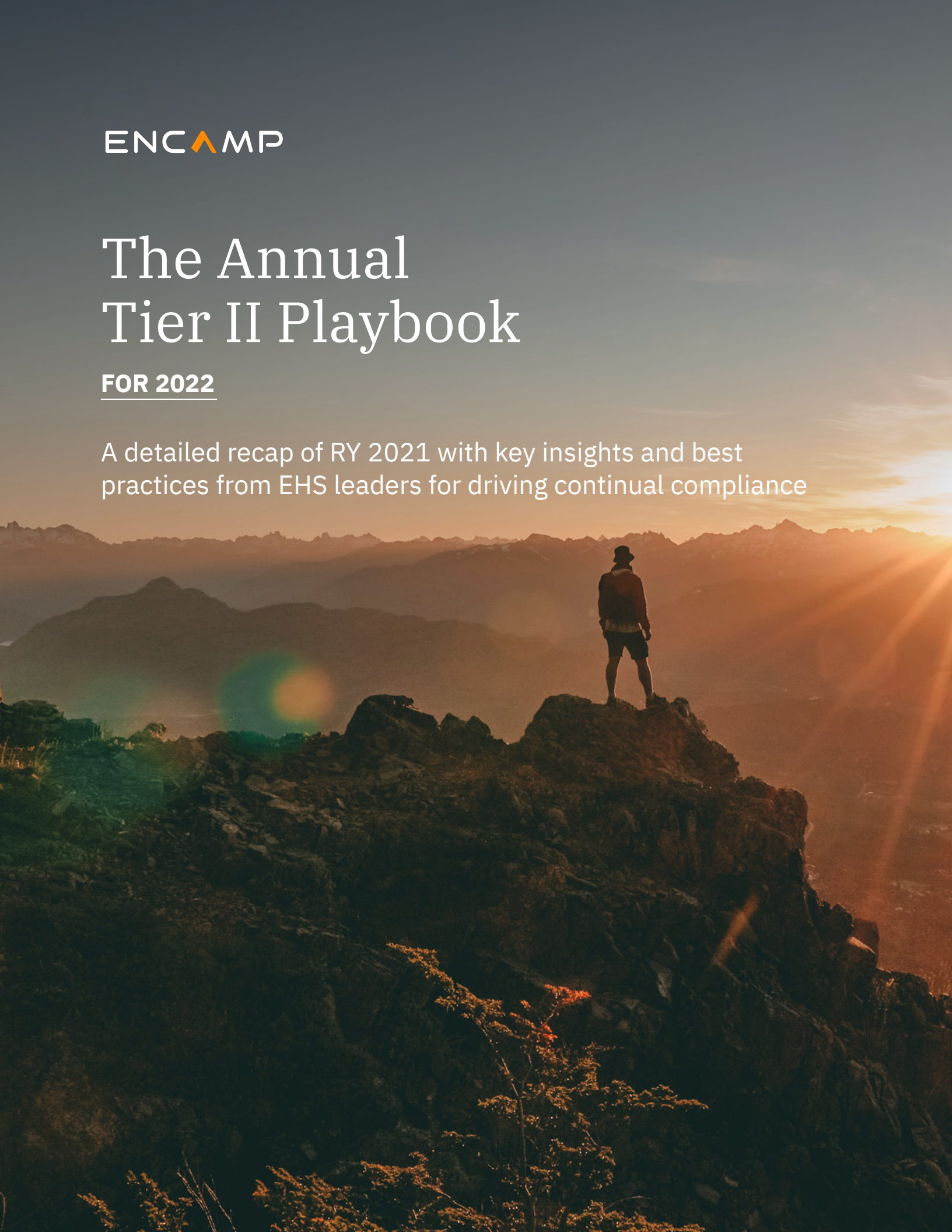
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Introduction: Adapting to a Changing Compliance Landscape

"The only thing constant in life is change."

In the past two years, EHS professionals have been subjected to a myriad of changes, from a global pandemic that resulted in the remote management of compliance programs, to a growing political perspective for environmental justice.

In 2021, the EPA issued 47 Safe Drinking Water Act (SDWA) orders and concluded 117 administrative penalty actions to reduce the risks of accidental chemical releases, the most since 2017.

How can you then successfully adapt to ongoing change?

In an effort to keep up with the strengthening enforcement of environmental violations and the global sustainability pressures, innovative EHS leaders have leveraged digital technology to help take proactive measures and build a more resilient future.

## More than ever, the need for digital transformation is clear.

POINT OF INTEREST ———

In 2021, the EPA assessed **$1.6B in penalties**, the highest amount since 2018.
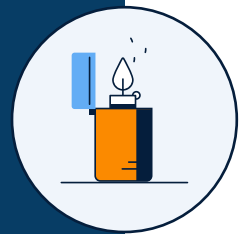
EHS leaders in high-risk, highly-regulated industries pioneered using technology to form a single source of truth. This gives them visibility across all their facilities and chemical inventories, allowing them to better track what they are obligated to comply with, and streamline processes crucial to the success of their compliance programs.

As shown in the graph below, results from a customer survey conducted after Tier II RY 2021 indicated that 62% of the respondents found utilizing technology was extremely helpful in fulfilling their reporting needs.

62% of respondents gave a rating of 7 out of 7 when asked whether technology fulfilled their Tier II needs.

62% gave a rating of **7**

3% gave a rating of **5**

6% gave a rating of **4**

29% gave a rating of **6**
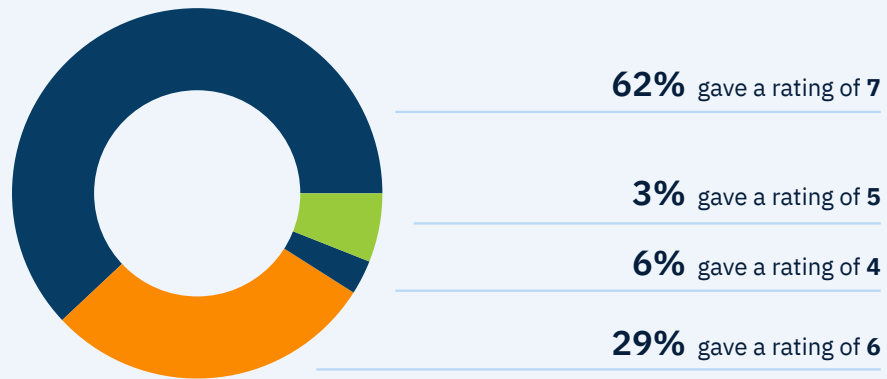
Source: Encamp Customer Survey Results RY 2021

POINT OF INTEREST ———

IDC forecasts **global spending on digital transformation** between 2020 and 2023 is expected to total a whopping **$6.8 trillion**, as business adapts to 'the new normal'.
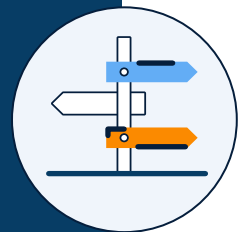
Best Practices for Continual Compliance

EHS professionals are no stranger to the scrambling chaos reporting season brings — and every year it keeps growing.

Displayed in the graph below is an example of how businesses and EHS professionals experience rapid growth each and every year. From 2019 to 2021, facilities being managed grew by about 253%. Furthermore, reporting submissions grew by 101% in a span of three years.

Facilities and Tier II reports submitted for 2019-2021

	2019	2020	2021
Facilities	2,500	5,235	8,842
Reports submitted	2,340	3,766	7,135

Source: Encamp Tier II RY 2019-2021

Ensure consistency by collecting data at a continuous and massive scale

As the number of distributed facilities increases year after year, EHS professionals and organizations have streamlined the process of aggregating their data by keeping information and processes standardized.

In one instance, a leading chemical company was spending countless hours managing and updating their large and growing chemical inventory. As the business continues to grow and scale, tracking and updating hazardous chemicals through scattered spreadsheets and manual processes will become increasingly time-consuming and could put them at risk of inaccurate reporting. As shown below, you can see how large quantities of chemical reporting can be increasingly challenging, especially as business operations continue to grow.

Average number of chemicals reported for RY 2021

		5,088
108	1,184	
Below 50 facilities	50-249 facilities	250+ facilities

Source: Encamp Tier II RY 2021

As this company grew, they implemented a centralized platform that allows them to digitize their product catalog and consolidate their inventory across all their facilities - all in one system. They were able to streamline bulk data collecting, updating, and reporting for their large volume of hazardous chemicals, which not only saved them time but it also ensured that the data they have remains consistently accurate.

Guarantee oversight by centralizing data across a growing and distributed organization

In addition to ever-evolving environmental regulations, EHS professionals can also be subject to rapidly changing business operations, whether it's the addition of new sites or personnel.

Traditional oversight measures often lack the capability to supervise large quantities of data, especially as volumes of facility data continue to grow. Innovative EHS teams have learned to embrace technology to increase effective oversight into their entire compliance process across their distributed organization.

> The Transportation and Warehousing industry in the US has grown **9.9% per year** on average between 2017 - 2022.

A particular industry-leading retailer was experiencing exponential growth, adding new sites on a monthly basis. Previously, they were utilizing consultants who weren't able to provide them the transparency they needed to see where their data lives and reporting status for their individual facilities.

With the help of a unified platform, they were able to centralize their facility information into one location, which allowed them to track each site's reporting status in detail. By doing this, they gained visibility of the reporting progress per site, which allowed them to determine which sites needed additional support.

POINT OF INTEREST ———

EHS professionals were able to submit **7,135 Tier II reports** and save an average of **232 hours** this RY 2021.
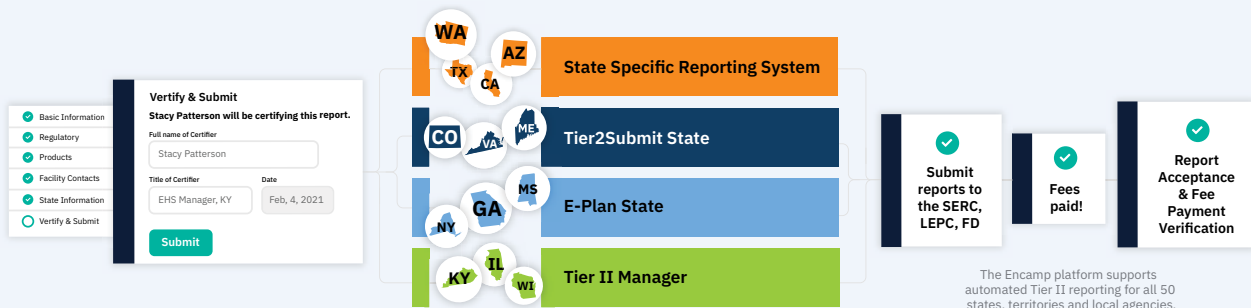
Foster efficiency by automating the reporting process for complex levels of regulations

Ensuring continual compliance is equally important for organizations and EHS professionals managing a minimal amount of chemicals. Managing sites across different jurisdictions still introduces the complexity of reporting and paying fees to various state and local regulatory agencies.

Leading EHS professionals facing the complex and ever-evolving nature of regulatory compliance utilize technology and automation to help remove friction points from the reporting processes.

In particular, a leading organization and global provider for telecommunications manages sites in more than 30 different jurisdictions but does not have to report a lot of chemicals per facility. Their specific complexity was the sheer volume of reports they had to submit to complex state portals and managing various state and local regulatory requirements.

The Encamp platform supports automated Tier II reporting for all 50 states, territories and local agencies.

By harnessing the power of automation, many EHS professionals today are able to stay knowledgeable about regulatory changes. They are also able to automate the collection of data and submission of new facility, new chemical, and new EHS notification requirements to regulatory agencies in all US states and territories across federal and local jurisdictions.

BEST PRACTICES ———

Sustain continuous and streamlined environmental compliance programs

Environmental data is typically scattered across various disconnected enterprise systems, facilities, and jurisdictions. EHS teams who are currently leading the way in unlocking their organization's potential for economic growth and environmental sustainability, are utilizing technology to transform their processes, one compliance program at a time.

Unifying facility environmental data in a single system ensures that businesses can transform their environmental compliance monitoring across different program areas such as EPCRA and RCRA into a continuous and automated process that enables risk management and high performing sustainability initiatives.

76.84% of respondents agreed that they would utilize technology to assist in other environmental reporting areas.

76.84% would utilize technology

23.16% would not utilize technology

Source: Encamp Customer Survey Results RY 2021

Key Take-Aways for Compliance Reporting in 2022

Together with digital technology, receiving expert compliance support has been the pillar that has propelled EHS professionals towards continual compliance.

Here are some important expert takeaways and insights observed from this past EPCRA reporting season that helped organizations and EHS professionals navigate and achieve accurate and continual compliance.

1 Localizing data into one system establishes a unified foundation of information across all facilities, making sure there is a centralized reference for facility location, contacts, permit/ID numbers, and other business information.

2 By ingesting and digitizing all compliance documents such as safety data sheets, innovative EHS leaders are able to easily automate the process of pulling specific hazard data and product-related specifics to update certain product catalogs and report on the chemicals above the applicable threshold.

3 When dealing with large volumes of chemical data, being able to keep up with adding and updating has become increasingly complex. By digitizing their product catalog and consolidating their entire inventory, EHS professionals were able to easily visualize, bulk update, and accurately determine reporting thresholds across their facilities and data.

4 Non-reporting obligations are becoming more essential for EHS professionals to use as justification for non-reporting status that needs to be available for audits and inspections. If a site is audited and asked why a report was not submitted when they have in the past, they can utilize a central source of truth to demonstrate due diligence and produce any required non-reporting documentation.

Forging the Path

It's an exciting time for environmental compliance.

The landscape of environmental compliance is always changing. And though it brings with it a few complexities, they are necessary to advance environmental justice and to contribute to a cleaner, better future.

Global standards and technology will be part of the bigger equation as more and more companies prioritize environmentally-responsible products and embrace the challenge of quantifying their carbon footprint.

But how does continual compliance reporting impact sustainability and carbon footprint initiatives?

As we see it, compliance and sustainability goes hand in hand. Continuously maintaining accurate compliance processes and managing their risks with technology has allowed industry-leading organizations and EHS professionals to progressively show proof that their compliance processes work to become more responsible about their environmental impact.

Although making every reporting season better has always been the goal, achieving continual compliance goes beyond successfully submitting reports. It remains critical across industries to view environmental compliance as a long term goal, ensuring that compliance programs can withstand the test of time and produce beneficial outcomes for the community and the environment.

POINT OF INTEREST ————

When asked which technologies are the top priority for firms, **94%** stated **health and safety management systems**, **88%** said **environmental management information systems**, and **84%** said **ESG platforms**.
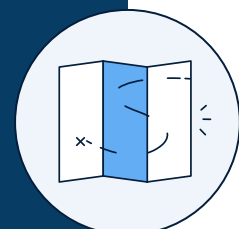
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Transform Your Environmental Compliance

Encamp's unified environmental data platform is designed to help businesses and EHS leaders efficiently have control over the full lifecycle of their environmental compliance data, using software automation and high-touch service support from industry experts.

We are currently the technology leader in enterprise compliance reporting automation in the United States, helping some of the nation's largest companies to gain visibility and stay in compliance across 8,000+ regulated locations.

ABOUT US   CONTACT   WOMEN OF EHS