

Environmental Update for Safety Professionals from the Service Provider Perspective

GOSH

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What way is the wind blowing?

- **Organizational Trends**
- **Environmental Service Needs**
- **Sector Trends**



Organizational Trends

- **Manage EHS risks systematically**
- **Key Performance Indicators**
- **Be more efficient (do more with less)**
- **Looking for partners that can handle multiple locations and services**

Environmental Service Needs

- 1. Mergers and Acquisitions**
- 2. Contaminated Site Management**
- 3. Compliance Assessment**
- 4. Impact Assessment and Planning**
- 5. Strategic Advice**

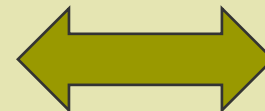
Mergers and Acquisitions



- **Number of deals has dropped dramatically**
- **Volume of Environmental Due Diligence work has declined to lowest in years**
- **Price pressure on projects**
- **Opportunistic buyers looking for bargains**
- **Don't expect business to pick up until late 2009**



Contaminated Site Management



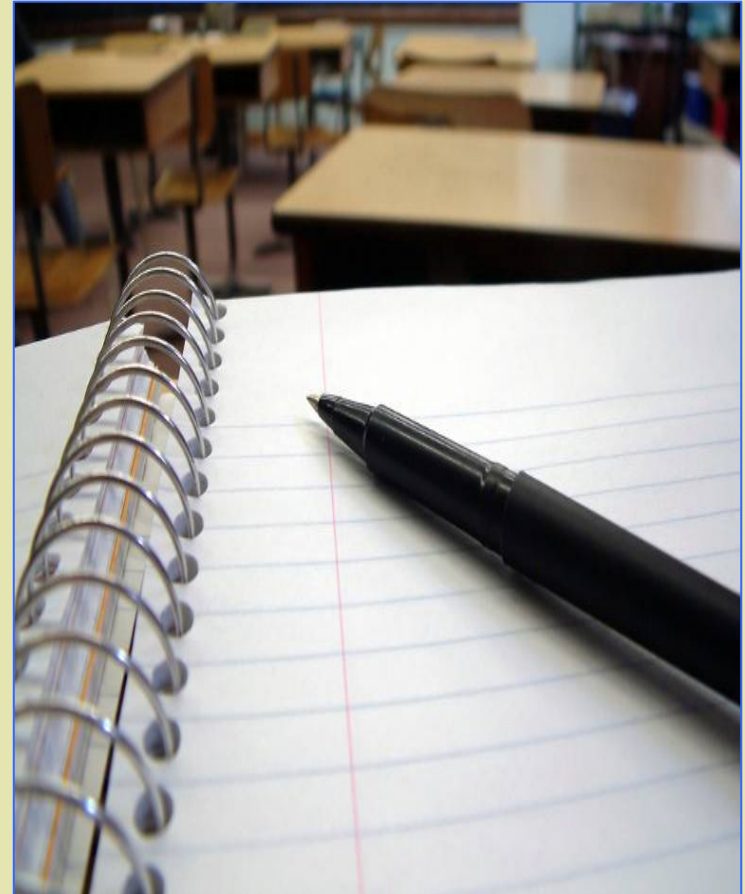
- **Voluntary Site Cleanups** may slow due to economy
- **Developers delaying** startups, withdrawing from sales
- **Sites under Agreed Orders** have to meet predetermined schedules



Compliance Assessment



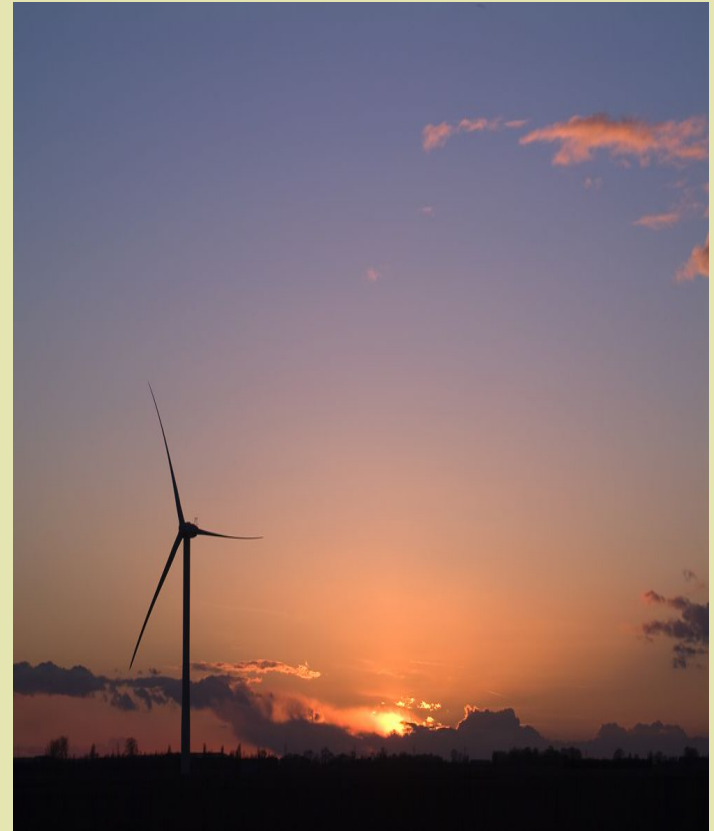
- **Reduced budgets to minimum required for compliance**
- **Increase in calls for outsource compliance support as a bridge until EHS hiring can resume**
- **Compliance and audit work continues – price pressures**
- **Evaluation of management system certifications**



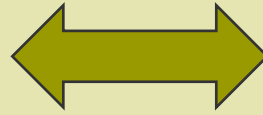
Impact Assessment and Planning



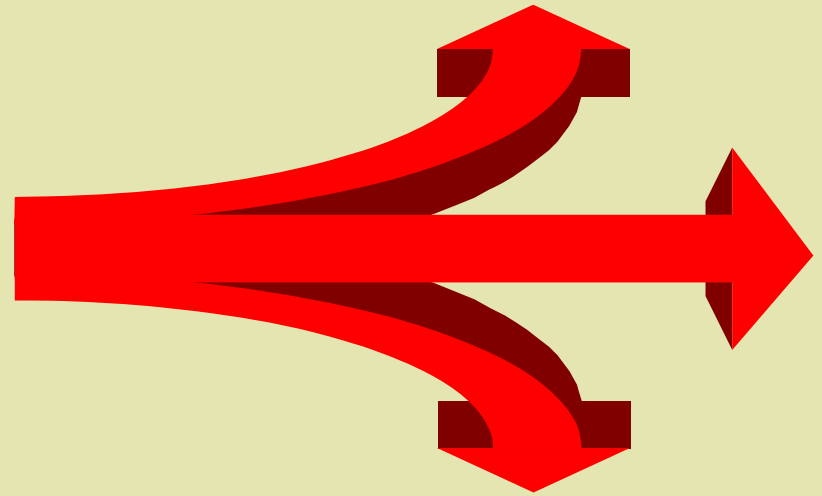
- **Linear projects (electric transmission, pipelines) with requirements for environmental impact assessments are active**
- **Renewable energy planning and permitting active**
- **Closure and reclamation projects active**
- **Infrastructure and commercial/residential construction down**



Strategic Advice



- Sustainability strategy programs being scaled back or delayed
- Carbon foot printing and reduction plans proceeding in anticipation of carbon tax
- Root cause analysis of EHS related issues occurring where these have been identified as a business risk



Sector Trends

- **Financial – reduced transactions**
- **Manufacturing – cost reductions, outsourcing**
- **Oil and Gas – exploration activity continues**
- **Electric Utilities – building T&D and generation**
- **Government – infrastructure spending**

Challenges to the Environmental Business

- **Narrow service focus – *go wide, team***
- **Limited staff capabilities – *see above***
- **Poor cross servicing to clients – *listen to needs***
- **Ability to execute new delivery models – *learn fast***
- **Lack of standard tools/processes – *a must have***
- **Staff shortages – *less graduates last 5 years***