

## THE LION GROUP

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# TLG CLIENT BULLETIN

September 2002

## The days of "fluffy word" descriptions are over!

### EDITORIAL

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Heightened awareness has the public, consumers, stockholders, and perspective stockholders scrutinizing the validity of any company's publicized accounting and environmental reporting. It is now expected that a company be environmentally aware; active; completely open for review, and be able to prove it in a factual and substantive way. The process of standardizing the methods of communicating has really started to redefine and emphasize the financial importance of environmental issues. A primary catalyst in the raising of a company's environmental status is the European Union (EU). There have been some major, and minor, studies published on this subject matter.

**THE LION GROUP** Regulatory Consultants provides our clients, and associates, with our complimentary regulatory information resource, " **TLG CLIENT BULLETIN** ". To be included on our master list for future issues, provide us with your e-mail address(es) for computer copy **or** postal mailing address(es) for hard copy.


A company's environmental program and performance is typically reported in various publications (e.g., annual report) and/or on their web site. It is assumed that the initial intent of the environmental section is to provide stockholders with some idea of the company's level of practiced environmental stewardship, and the commitment to compliance with the federal, state, and city environmental standards. Stockholders expect to be fully informed of any environmental issues that pose a negative or positive financial impact on a company's profit line.

Some companies do not have a complete understanding of accepted guidelines on disclosures. Companies should become more aware of the appropriate information that should be made available in their public reportings.

With years of experience in assisting clients with their Environmental, Health & Safety (EH&S) challenges, discussions with regulators, and reviewing some studies, I feel my comments on this matter are justifiable. The following are some major areas that a company should consider in properly communicating their environmental programs and principles:

- Include useful and reliable environmental information, and resist the tendency to make the section just a "green-wash".
- Make sure the provided environmental information matches the same financial reporting cycle as is provided in other sections.
- Use the same level of disclosure (e.g., details) for environmental issues as is provided in other sections.
- Present quantified environmental data and statistics, not just "fluffy word" descriptions, and reference other sources for further information on the environmental program.
- Produce a full stand-alone environmental report and reference its availability.
- Include environmental topics as vital parts of the business plan.
- Give actual statistical data that provides the reader with the assurance that environmental issues are considered, from "cradle-to-grave", for all the products produced, distributed, and sold.

- If your company has in place proven environmental management systems, define them and use performance data to benchmark any improvements.
- Provide the reader with some idea of how the environmental program is audited. *NOTE: Do not solely rely on certification programs. Use independent auditing resources.*
- Include the Chief Executive Officer's environmental statement on behalf of the company. *NOTE: The statement should include references to methods and systems of performance.*
- Disclose any violations that have been issued by regulatory agencies. The disclosure should include any actions the company is taking to address the violation(s).
- Provide quantified data on environmental emissions (Air, Water, and Waste), recycling efforts, energy usage and conservation efforts, and costs related to all aspects of the environmental program.
- Report certification program efforts. *NOTE: Explain to the reader that compliance certification does not ensure compliance to environmental law or regulations.*
- Compare environmental statistics versus production levels. Include performance of the environmental program versus established goals.
- Include references to any proposed environmental legislation that will have an impact on the company and how the environmental program will be changed. Include expected financial impacts.

I encourage readers of this article to consider my comments after reviewing their own respective company reportings. 

## TLG Projects AT A GLANCE

### United States of America

- Environmental, Health & Safety Compliance / System Audits in Alabama, Arizona, California, Connecticut, New Jersey, Florida, North Carolina, Pennsylvania, Illinois, Arizona, Texas, Puerto Rico, and Washington.

- Air Emission study to determine permit or exemption requirements.
- Authored Storm Water plans for clients in seven different jurisdictions.
- Environmental Permits (Air / Water) new/amended submissions in Texas, California, Puerto Rico, Florida, Pennsylvania, Alabama, and New Jersey.
- Established Environmental, Health & Safety, THE LION GROUP Footprint system modules, customized design and installations for companies in Texas, Pennsylvania, Arizona, California, Washington, North Carolina, Alabama, and Florida.
- Assistance provided in addressing regulatory agency (Air, Water, and Employee Safety) inquiries, inspections, or citations - (4) Federal EPA, (8) State Agencies, and (2) Municipal.

### Latin America: Mexico, Central and South America, and Caribbean Basin

- Mexico - Environmental Audits (3), Original Operational Permit Submission, Expansion Permit, Agency Inquiry Response (2).
- Guatemala - Green Site Audit and Original Operational Permit Application.
- Costa Rica - Final

negotiation relative to operational closure.

- Colombia - Environmental, Health & Safety Audits (2).
- Venezuela - Environmental Audits (3), Response to agency inquiry, Initial Closure Plan for manufacturing operation.
- Brazil - Expansion Permit Submission (2), Environmental Audits (6).
- Argentina - Submission of operational closure of manufacturing site.
- Chile - Guest lecture to Mercosur Symposium on Environmental Audit Systems.

### Europe

- Great Britain - Environmental, Health & Safety Audit.
- Belgium - Safety, Health, Environmental Design review for new manufacturing site.
- France / Germany / Switzerland - Assisting in multinational merger.
- Italy - Environmental Audit.
- Spain - Assistance provided in government agency inquiry.



## UNDER THE RADAR

The following discusses topics on regulatory initiatives in various regulatory jurisdictions. These topics have been researched by TLG Regulatory Research Team. For further information on any of these topics, please feel free to contact TLG by e-mail: [liongrp@worldnet.att.net](mailto:liongrp@worldnet.att.net) or Telephone #: **1.817.244.9107**.

*Denmark's* leadership in the EU has named some goals that include: agreements on carbon dioxide trading, draft environmental liability directive, sustainable development priorities, trade regulations on hazardous chemicals, and some final action and council approval on the new waste electronics recycling and hazardous substances.

*The European Data Interchange for Waste Notification (EUDIN)* has begun to develop an elaborate system to consolidate transportation requirements and data related to waste shipments in the EU. The EUDIN members are *Belgium, Netherlands, Germany, and Austria*.

In *France*, there are strong discussions regarding the merger between some environmentally related agencies in a "super agency". The new agency would also introduce issues such as lighting, noise, and environmental esthetics into more specific regulatory arenas.

*Germany* - The Ecological Tax Reform continues to encourage fossil-based energy efficiencies and the use of renewable energy. The new ordinance, on the management of municipal wastes of commercial origin, and certain construction and demolition wastes, has changed the way some companies are managing both their manufacturing wastes and wastes related to facility expansions.

In *The Netherlands*, a recent investigation indicated that one out of every ten shipments of hazardous materials was not properly documented, or was not being properly transported as required by the applicable regulations.

### *United States of America*

*The Environmental Protection Agency (EPA)* has published new rules on the Oil Pollution Prevention Rule effective 08/16/2002. The new rules have significant changes including the elimination of certain threshold requirements, changes timeline requirements for plan reviews and revisions, exempts containers that are less than 55 gallons, outlines inspection procedures and requirements, eliminates certain underground storage tanks, and defines employees who must receive training.

*Occupational Safety & Health Administration (OSHA)* has again begun hearings on their new proposed Ergonomic guidelines. A new review as to defining Multiple Chemical Sensitivity is underway.



**THE LION GROUP** *Regulatory Consultants* provides a diversity of services in the global Environmental, Health & Safety arena. Some of these are:

- **Independent Environmental, Health & Safety Audits**
- **Regulatory Permit Submissions**
- **Regulatory Negotiations**
- **Management Presentations Regarding Regulatory Activities Worldwide**
- **Original Submissions, Renewals and Amendments for Air, Water, Waste Permits**
- **Environmental, Health & Safety Management Systems**
- **Confidential Due Diligence on Acquisitions and Divestitures**
- **Environmental, Health & Safety Services Provided by Multilingual Professional Resources**
- **Environmental, Health & Safety Emergencies Serviced by Experienced Professionals**

**DISCLAIMER:** The intent of THE LION GROUP *Regulatory Consultants* "TLG CLIENT BULLETIN" is to provide the reader with information regarding regulatory activities. The topics are presented in a very general sense, and are combined with interpretations and opinions from THE LION GROUP *Regulatory Consultants*. The reader is encouraged to contact THE LION GROUP *Regulatory Consultants* for further information as it relates to their specific situation. THE LION GROUP *Regulatory Consultants* makes no warranty, express or implied, nor does THE LION GROUP *Regulatory Consultants* assume any legal liability as to accuracy, completeness, or usefulness of any of the information in THE LION GROUP *Regulatory Consultants* "TLG CLIENT BULLETIN."