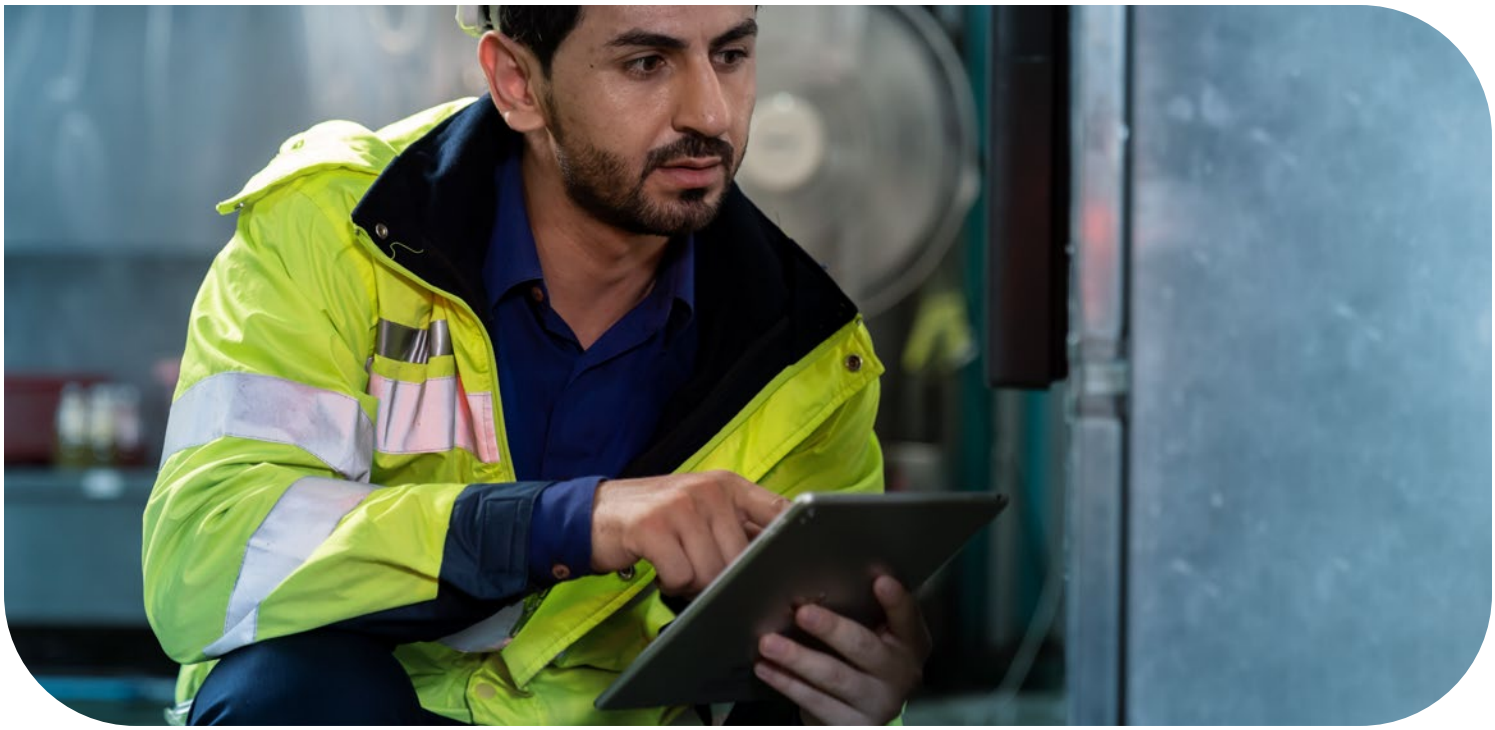


WHITE PAPER

How to Maximize the ROI of Your EHS System

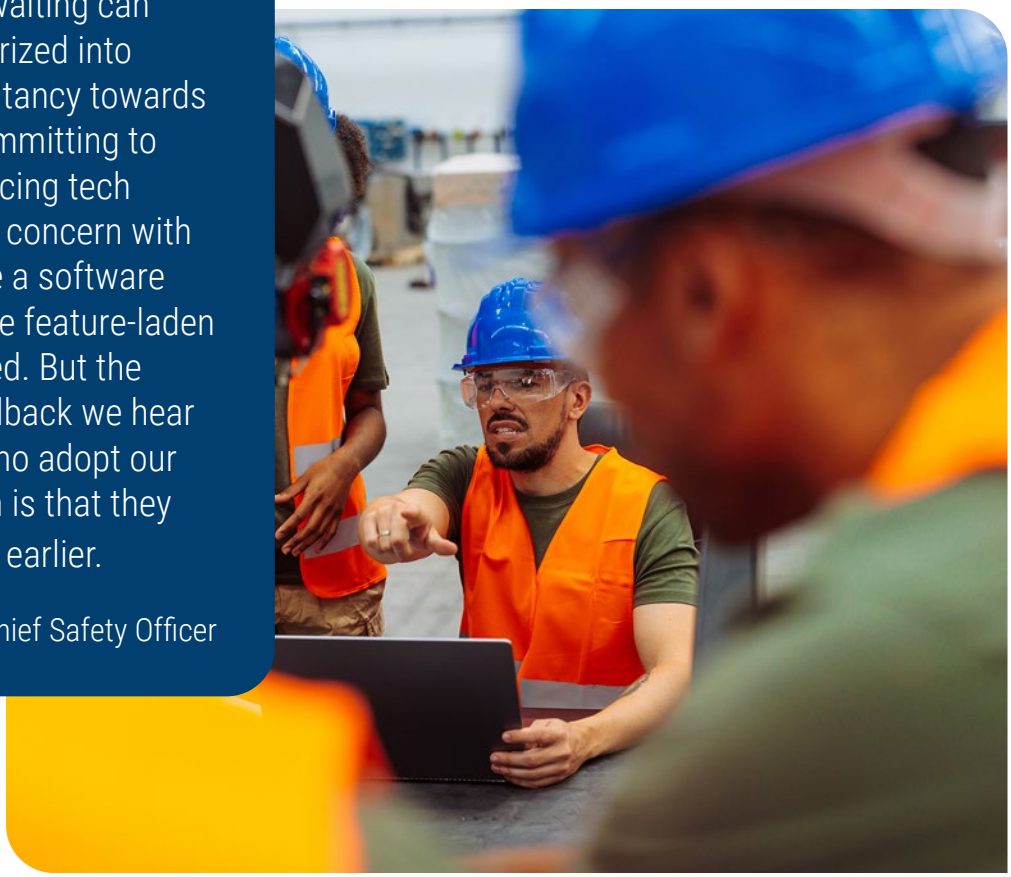
Introduction

If your organization hasn't yet explored deploying a modern EHS software, you may be at risk of falling behind. Cloud-hosted solutions have become the standard across industries, offering the scalability, analytics, and real-time data management today's safety and ESG programs demand.

According to recent market research, **the global EHS software market is expected to grow at an annual rate of over 11%, reaching $3.1 billion by 2028.** In fact, more than half of surveyed organizations have increased their EHS budgets, reflecting a growing recognition that investing in technology is key to driving performance, ensuring compliance, and enabling predictive safety strategies.

Yet many organizations remain resistant to making the investment, citing a range of concerns with taking the leap.

> Their reasons for waiting can typically be categorized into organizational hesitancy towards change, fear of committing to a system, experiencing tech obsolescence, and concern with having to purchase a software solution that's more feature-laden than what's required. But the overwhelming feedback we hear from customers who adopt our digital EHS System is that they wish they'd done it earlier.
>
> - Jill James, Chief Safety Officer



To remain competitive, it's increasingly important to obtain the value that can be added by a more comprehensive, efficient, and effective EHS system. Properly deployed, it can easily pay for itself in a surprisingly short period through:

Improved Brand Reputation

Organizations are viewed as being sustainable and responsible by their people, customers, suppliers, and other stakeholders.

Enhanced Compliance

Moving beyond basic regulatory requirements, the system ensures all risks are addressed proactively with AI-powered hazard detection, corrective actions, and intelligent learning pathway recommendations to strengthen compliance and prevent incidents before they occur.

Cost Savings

The HSI EHS System system reduces, and in some cases eliminates, injuries, illnesses, and incidents thereby decreasing the associated expenses.

Improved Employee Satisfaction

Organizations that demonstrate their commitment to the the environmental, health, and safety of their employees can find that recruiting and retaining top talent is much easier.

Increased Operational Efficiency

Higher worker productivity leads to faster revenue growth and long-term sustainability.

Some Costs of EHS Failure

- Workers' compensation claims
- Lawsuits
- Fines and other penalties
- Lost productivity
- Damage to equipment
- Loss of materials
- Employee absenteeism and turnover
- Retraining employees
- Reputational damage

The Biggest Risk is Waiting

The benefits of deploying an EHS software are significant savings in both direct and indirect costs as well as a substantial reduction in operational risks.

It's estimated that the total cost of workplace injuries and illnesses in the U.S. reached $181.4 billion in 2024. This includes both direct costs, such as insurance premiums, medical expenses, wage replacement, regulatory fines, job retraining, light-duty work, civil lawsuits, and the inefficiencies tied to outdated or siloed EHS systems.

The human impact behind these numbers is even more profound. Life-altering injuries and illnesses affect not just employees, but their families, communities, and livelihoods, sometimes permanently.

What's even more striking is that indirect costs from lost productivity, absenteeism, employee turnover, training of replacements, investigation, and root cause analysis, to corrective actions are estimated to be up to 20 times higher than direct costs. These hidden drains on operational efficiency often go unrecognized until it's too late.

Modern EHS software directly addresses these challenges. By identifying and correcting risks early, the system helps prevent incidents before they occur. It reduces injury and illness rates, ensures regulatory compliance, and protects against the financial and reputational consequences of workplace failures.

Reputation, in fact, is no small risk. According to a Deloitte survey, **41% of companies that experienced a negative reputational event reported loss of brand value and revenue.** Prevention, visibility, and quick response are critical, and EHS software delivers all three.

Beyond risk mitigation, a well-functioning EHS system also supports employee engagement—a proven business driver. **Disengaged employees cost U.S. companies between $450 and $550 billion annually,** yet organizations with engaged workers see higher productivity, improved morale, and reduced turnover.

Whether it's reducing direct costs, minimizing indirect losses, or protecting long-term business value, the reality is clear: the longer you wait to adopt a modern, cloud-based EHS software system, the longer you risk harming your workforce, and your bottom line.

The Value of EHS Systems

There have been big advances in EHS software technology. It's created a far more effective approach to workplace safety and compliance.

Modern platforms have replaced what were time-consuming and complicated manual processes. Previously, each incident needed to be documented by hand, information was stored in binders and filing cabinets, and reports could be incomplete or even lost. The result was a significant lack of transparency, inconsistent follow-up, delays and errors in responding to issues, and unreliable reporting.

Many organizations still rely heavily on paper and spreadsheets to manage OSHA 300 logs and related record-keeping. Despite mandatory electronic reporting, now required for many employers, manual processes remain widespread. This creates inefficiencies, errors, and delays in identifying hazards.

By contrast, a modern, genuinely integrated EHS system offers a dramatically more efficient way to manage your entire safety ecosystem.

According to Verdantix's 2024 Global EHS Survey, **over 85% of EHS teams are now contributing directly to broader organizational goals,** such as quality management, operational risk control, worker well-being, and supply chain and contractor management.

Over 85% of EHS teams are now contributing directly to broader organizational goals

An EHS software platform streamlines compliance, proactively identifies and reduces risks, delivers real-time, AI-powered insights, and enhances visibility, accountability, and safety across your entire organization.

1. Instead of a manual, paper-based system (with its inherent potential for inaccuracy and lost data), a modern integrated EHS system brings everything together, including having the benefit of automated workflows and immediate notifications. It also opens up access and transparency to the leaders who need to have visibility.

2. When employees can report incidents using mobile devices, it's easier for everyone to speak up and help stop problems before they grow. It also means better, more detailed reports when something does happen. This builds a stronger safety culture by empowering workers to take part in keeping the workplace safe. It also boosts employee engagement and helps attract future talent, especially since **over 75% of workers say feeling safe at work is extremely important to them.**

3. The centralized nature of a unified platform allows data to flow seamlessly across the organization. This helps to overcome problems caused by the data, operational, and technology silos that are typically found in the old way of operating. Likewise, it provides an organization wide standardization of processes, reducing the likelihood of idiosyncratic, or different approaches by different departments (or even within them).

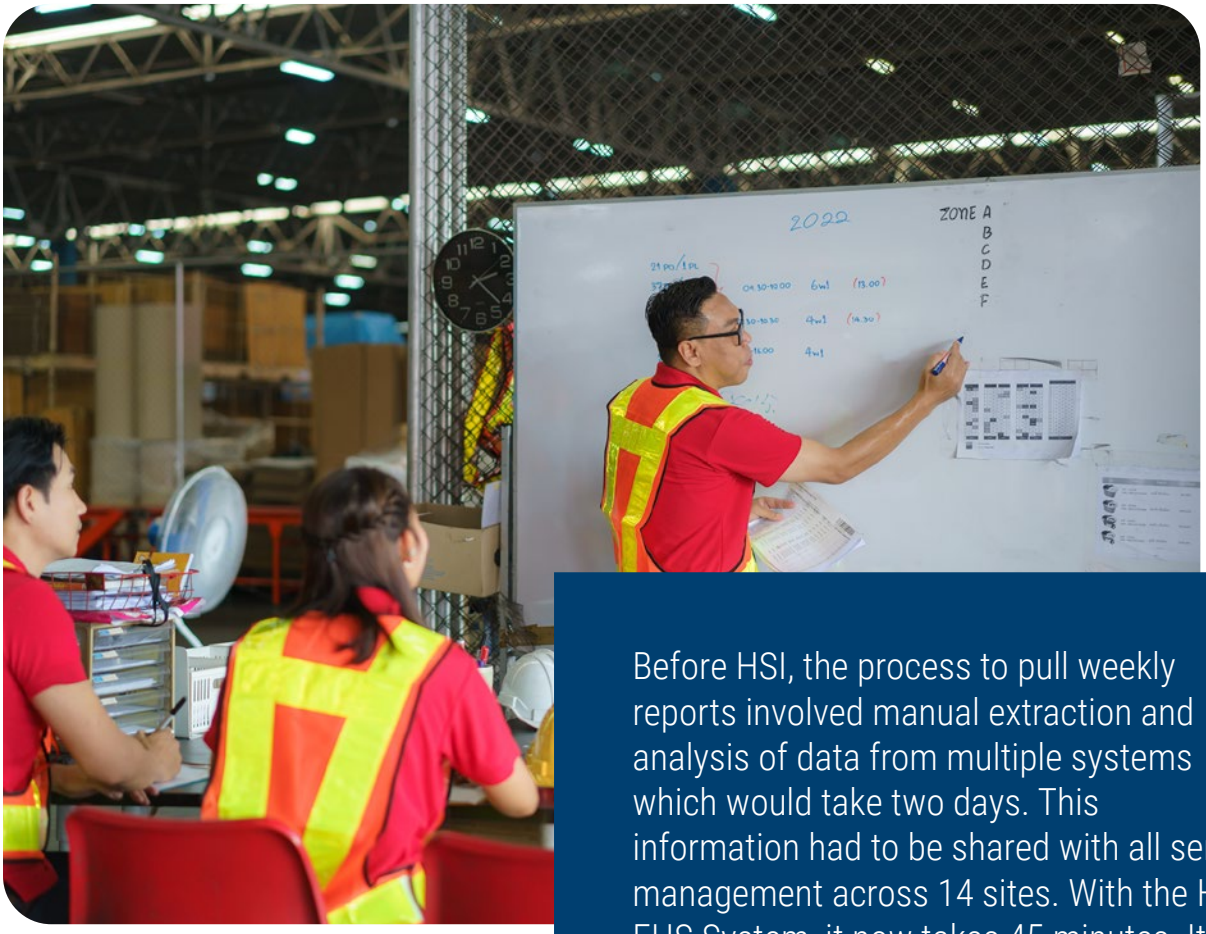
Modern EHS software can respond to required changes much faster and more easily. If, for example, processes evolve or regulations change, the system can be quickly configured to keep pace. Similarly, as the organization changes in size or relocates, the system can be readily scaled to respond.

When I first took over, the company was using spreadsheets, phone trees, and some email to track safety. There was very little sharing between regions so a preventable injury in one location may not get communicated to the other locations, and the same mistakes would continue to happen.

- Jon Liesmaki | Director of EHS at Harmon, Inc.

What Return on Investment Can You Expect from an EHS System?

Some benefits of a high-quality EHS system are immediately clear and tangible. A reduction in incidents and injuries means lower costs from claims, disruption, damages, and regulatory fines. Also avoided are the costs associated with accident investigations and training replacement employees. In a report from the International Social Security Association, **various safety measures were compared in terms of costs and benefits. The results were inarguable.**



Before HSI, the process to pull weekly reports involved manual extraction and analysis of data from multiple systems which would take two days. This information had to be shared with all senior management across 14 sites. With the HSI EHS System, it now takes 45 minutes. It's amazing!

- National Safety Manager, Aus Flight Handling

Prevention Costs vs. Benefits
(USD per Employee per Year)

Benefits for All

What a well-functioning EHS system provides to each department.

Safety Managers:

- Drive cultural change
- Reduce daily risks
- Meet compliance requirements

Operations:

- Safer staff – less absenteeism
- Greater productivity
- More engaged employees, easier recruiting

Finance:

- Cost savings – claims, insurance
- Risk – reduction of fines and legal ramifications
- Improved investment and buyer relations

(Numbers are in USD)

Prevention Measure	Cost	Benefit	ROI
Personal Protective Equipment	181.44	611.28	237%
Safety Technology Guidance and Company Medical Support	300.24	447.12	49%
Specific Prevention Training Measures	152.28	682.56	348%
Preventative Medical Checkups	62.64	476.28	660%

While insurance premiums and safety equipment can be costly, the return on investing in prevention is clear. And while fines and lawsuits may not impact every business, indirect costs from injuries like downtime, lost productivity, or employee turnover, can quietly erode your bottom line.

Investing in a modern EHS system isn't always a simple "dollars in, dollars out" calculation. **It also delivers hard-to-measure value: avoiding harm, improving morale, strengthening compliance, and building a culture of safety that drives long-term performance.**

Evaluate the Money Savings, and the intangible ROI

The ROI of an EHS system and improved processes is hyper specific to your business, your industry, your employee base, and more. Here are some real-world examples where both straight-line ROI calculations and intangibles are at play:

Harmon Inc.

Harmon, a large construction company, found that its incidents fell to 75% of what they once were.

Calculable: OSHA & safety literature note that medically consulted injuries typically range from $39,000–$42,000, with fatalities averaging well over $1million.

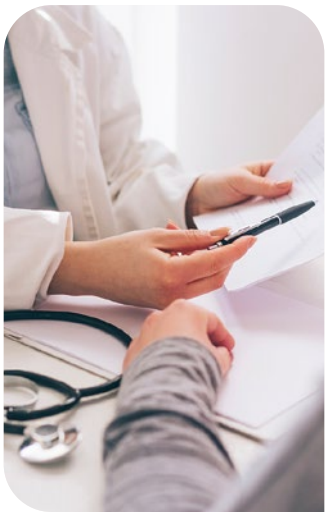
Intangible: A decrease in the incident management rate allowed Harmon to compete for bids it was previously excluded from due to compliance policies, leading to more business each year.

Comcare

Comcare the Australian Government's injury management authority, found an average return of $5.81 for every $1.00 invested by companies into workplace health programs.

Calculable: The straight calculation would then show that if a company invested $20,000 in an EHS platform, they would save $116,200.

Intangible: The average program resulted in sick leave absenteeism decreasing by 25.3%, workers compensation costs decreasing by 40.7%, and disability management costs decreasing by 24.2%, leading to many more hundreds of thousands in savings and other benefits



Electrical District 3

Electrical District 3 a large utility company in Arizona, reduced the time for manual logging of field operations by two hours daily for each technician.

Calculable: With just 50 field technicians at, for example $30/hour, their savings add up to $780,000 per year in hourly costs.

Intangible: With employees spending less time on "backoffice" work, they're freed up to do more of their core job in the field, to the tune of 100 hours per day, which improves the services they provide to the community.

McDonald's

McDonald's was able to consolidate reporting on incidents across hundreds of locations instead of looking at segmented store data, finally realizing the wide-spread burn issues with a specific grill.

Calculable: Burn incidents across more than 900 locations were reduced to nearly zero, saving $100,000s in burn treatment, lost worker time, and health penalties.

Intangible: Employee engagement in safety culture is up 500%, soaring to a 95% acceptance rate. McDonald's reputation as an innovator is reflected in its commitment to workplace safety.

Other benefits of a strong safety system have a more indirect effect on ROI but can still be significant and include:

- An organization with a robust safety record may be more attractive to potential employees, buyers, communities, governments, insurers, and investors. This enables it to more easily expand and evolve with fewer social or political barriers.
- Human and financial resources can be focused on growth rather than being distracted with health and safety and environmental incidents.
- In addition to the costs associated with illnesses, injuries, or deaths, the consequence of property and environmental damage can have a big impact on an organization's ability to operate.
- The financial repercussions of a major incident could result in insolvency or affect profitability for years to come.

The establishment of well-controlled and reliable EHS processes also creates a culture of responsibility for all employees which results in increased productivity and quality across the entire organization.

Finding and Calculating ROI Across the Organization

Realizing the potential

To truly recognize the value-added possibilities of an EHS system, it's important to consider just how broad its impact can be. Its ability to centralize all information, digitize it, and offer automation of various functions is, obviously, going to offer significant efficiencies. But these benefits are merely the beginning of the story.

Obtaining real-time data and marrying that with superior analytic tools will enable far more comprehensive and agile opportunities to both anticipate issues and respond to them faster.

How Does an EHS System Help with ESG?

The breadth of ways that EHS systems are offering ROI is ever-expanding. Organizations are discovering how their system can contribute to their environmental, social and governance strategies on top of the traditional focus on safety.

Environmental

When it comes to the environment, ROI can be extracted from EHS involvement in:

- Energy and Water Usage
- Waste Management (split by Recycled Waste and Hazardous Waste)
- Carbon Footprint and Greenhouse Gas Emissions
- Environmental Incident Management
- Sustainability and Climate Change Initiatives

Social

In social strategies, an EHS system offers value in:

- Employee Demographics (split by Gender and Race/Ethnicity)
- Inclusion and Belonging
- Employee Health and Safety Training
- Overall Incident Management
- Community Service (split by Volunteer Time and Charitable Giving)

Governance

And, in governance strategies, EHS can add value through:

- Ethics and Anti-Corruption Practices
- Harassment and Discrimination Training
- Data Privacy Policies and Procedures
- Cybersecurity Controls
- Board Member/Executive Management Demographics

Establishing Metrics

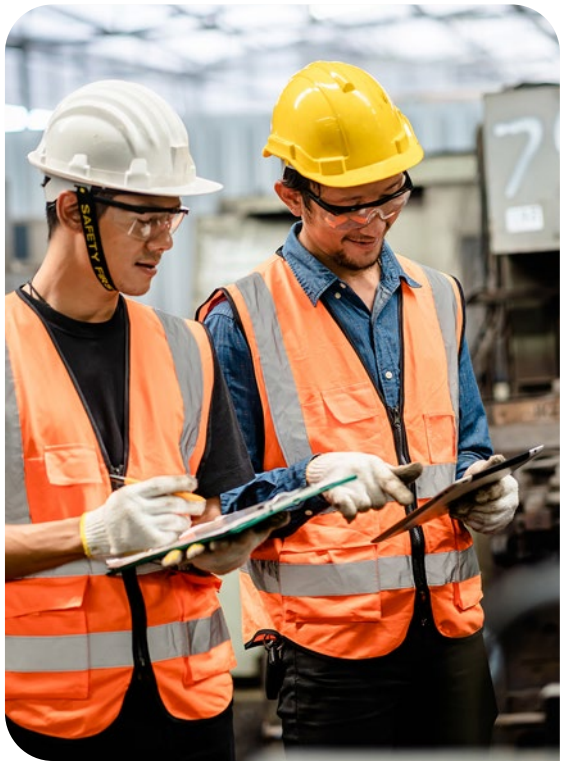
When calculating the ROI of a system, it's vital to focus on multiple outcome measures. As we've seen, the benefits of a well-run system offer value in all sorts of areas for the organization, and your ROI calculations should include the advantages relevant to your stakeholders.

It's also important to involve all levels of employees in defining and setting the measures to ensure there's an understanding of what the system is trying to achieve. And that there's an agreement with, and acceptance of, whatever KPIs or processes are being introduced.

Measuring Performance

Unlike most ROI calculations, when it comes to safety and the environment, you're actually trying to calculate the value of something that didn't happen. So, it's important to establish a benchmark for what workplace injuries or other incidents may cost your organization. These shouldn't just be the publicly available statistics for what injuries cost, but specific costs related to your organization's experience.

Consider choosing three or so of your organization's most common injuries and analyzing every possible related direct and indirect cost associated with those injuries. Once an internal benchmark is determined, it can be used as justification for further investment or as a way to determine the effect of improvements.



It can be useful to create a scorecard for your organization. This includes key metrics like your leading and lag indicators, details of equipment failures, numbers of inspections completed, and safety audits.

At the same time, implementing comprehensive KPI processes will enable you to accurately keep track of your organization's progress.

Accelerating Your ROI

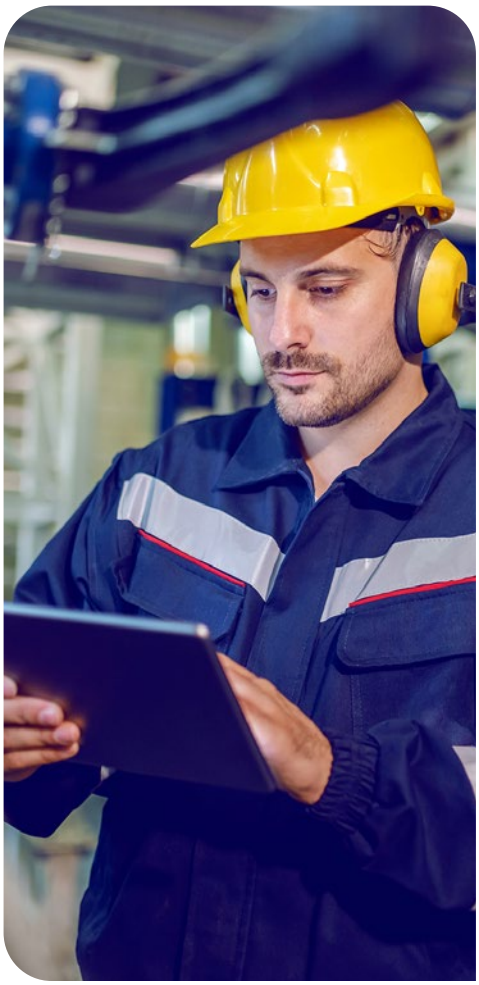
Effective Onboarding

An EHS system can only operate well if employees are engaged and using it correctly. Make sure that everyone understands the data requirements before its implementation.

Ensure that the new system is effectively integrated into existing processes so that it receives an accurate and full flow of data. Engage with all levels of the organization so that the system can be configured to accurately reflect your processes and systems. **Many companies start with 2–3 modules, to improve the processes of very specific workplace needs, then grow from there.** This allows you to focus on getting things right and getting all employees on board.

Four Keys from a Product Developer for Selecting a Suitable EHS System for Your Organization

1. Modular and customizable so the solution can scale with your business needs
2. Frictionless workflows and automations to realize business efficiencies
3. Seamless integration allowing single sign-on and a great user experience between training, chemical management, reporting, and more
4. Unified rollout into your existing systems, from the sales experience to customer success and implementation teams to ongoing account management



Empower Continuous Improvement

Improvements in workplace safety often require behavioral change. Encourage conversations about the introduction of the new system, explain why it's needed and how it'll help make your organization safer.

Enable your staff with planned, relevant training and make it part of a larger focus on education, including first aid, CPR, AED, and so on. Expand the concept of health and safety to include the need for action on mental health and psychological issues.

You should also consider the need for SDS management that's accessible to employees 24/7 and helps them make informed decisions about hazardous chemicals within the organization and manage them safely and sustainably.

Factoring in Scalability

When selecting an EHS system, ensure that it can easily scale as your needs grow or change. It should deliver immediate benefits upon deployment while continuing to evolve alongside your systems and technologies. **An AI-powered system can go even further by proactively identifying patterns, suggesting improvements, and adapting to your organization's safety needs over time to drive continuous improvement.**

Single-source platform

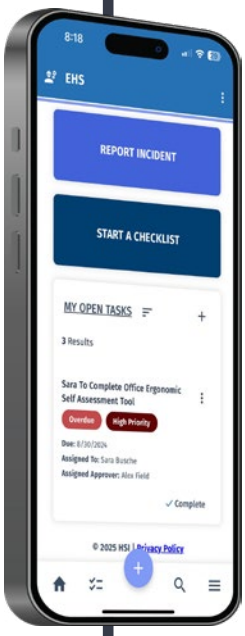
A software solution that provides a single-source system offering real-time data enables comprehensive, efficient, and accurate decision-making.

Make a Choice for Now and the Future

There's no doubt that the sooner you invest in a full-service EHS system, the sooner you'll start to see an ROI. And it's clear that delaying deployment can actually cause real damage to your organization's operations. But it's vital you choose a system that not only meets your current needs but can also expand to meet your requirements in the future.

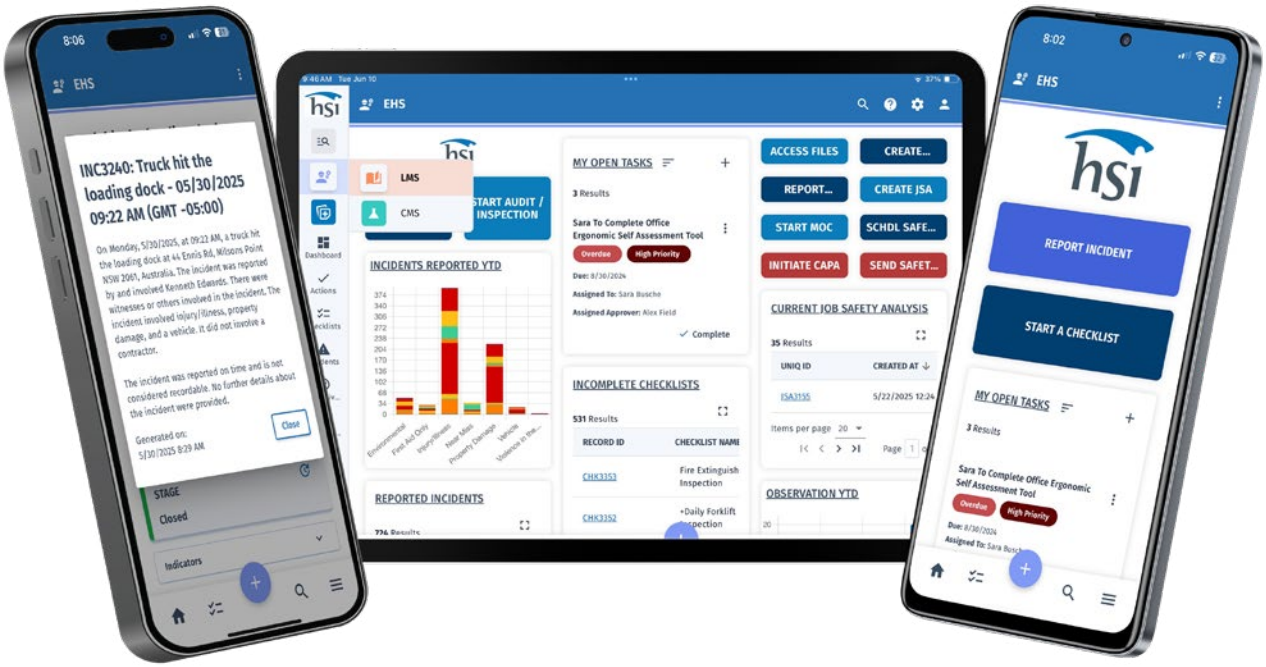
The best way to future-proof your EHS software is to select one that's modular and scalable. This allows you to lessen your initial investment by not paying for anything you don't immediately require but also means that you'll have the necessary infrastructure in place to easily expand the system as your needs grow.

It's important to research potential system vendors to ascertain they have both the expertise to integrate the new system flawlessly into your current processes and provide you with ongoing support and advice to facilitate ongoing system success.



1. How can implementing an EHS System improve our business process?
2. Or, in what ways could our current EHS system operate better?
3. What would those improvements look like?
4. What are the top 3-5 things you could start benchmarking today?
5. How would that change our organization as a whole?

The more you understand about your organization's specific requirements, the easier it'll be to choose an EHS software system that can **make a real impact on your bottom line.**



About HSI

HSI is your single-source partner for EHS, Compliance, and Professional Development solutions. HSI provides integrated e-learning content, training solutions, and cloud-based software designed to enable your business to improve safety, operations, and employee development. Across all industries, HSI helps safety managers, and technical employees, human resources, first responders, and operational leaders train and develop their workforce, keep workers safe, and meet regulatory and operational compliance requirements. HSI's focus is on training, software, and services for safety and compliance, workforce development, industrial skills, and emergency care. HSI is a unique partner that offers a suite of cloud-based software solutions including learning management, safety management, chemical SDS management, and more, integrated with content and training so businesses can not only monitor and manage multiple workflows in one system, but train employees via one partner.

For more information, visit **hsi.com**