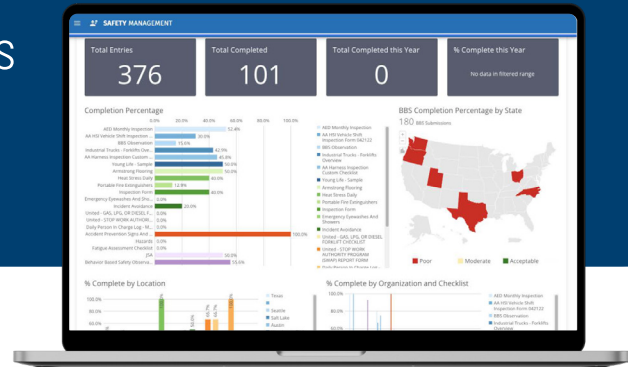


# Defining the ROI of an EHS System

The importance of being able to respond effectively to EHS issues is growing.



Verdantix reports that **44% of surveyed companies<sup>1</sup>** see investing in EHS systems as one of the most influential factors in improving EHS performance, driven by a focus on ESG and sustainability initiatives, total worker health, and increasing digitization.

**44%**  
Investment in EHS systems is most influential factor

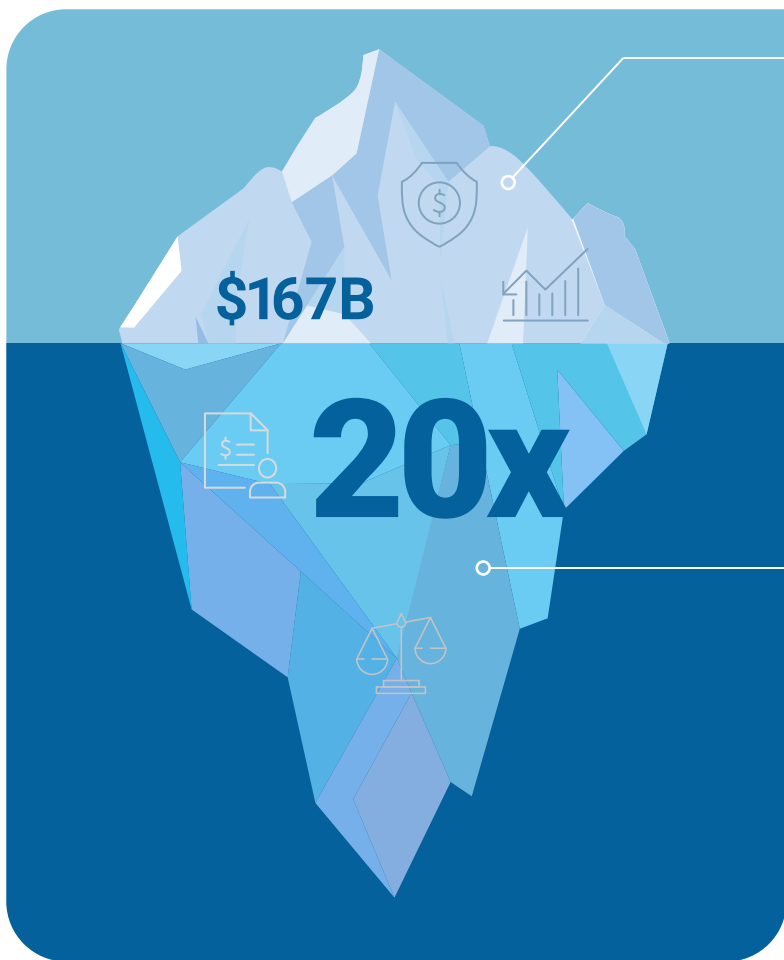
And while the **administrative and safety benefits of EHS systems are already well recognized**, it seems there's more to it than that.

Verdantix also found that more than **85% of EHS functions<sup>2</sup>** contribute to the broader management of quality, operational risk, worker wellness, and supply chain and contractor strategies.

**85%**  
of EHS functions have broader operational benefits

Clearly, **lacking a fully integrated, digital EHS system places an organization at risk of falling behind.**

That's because EHS software combats both significant direct and indirect costs...



## Direct Costs

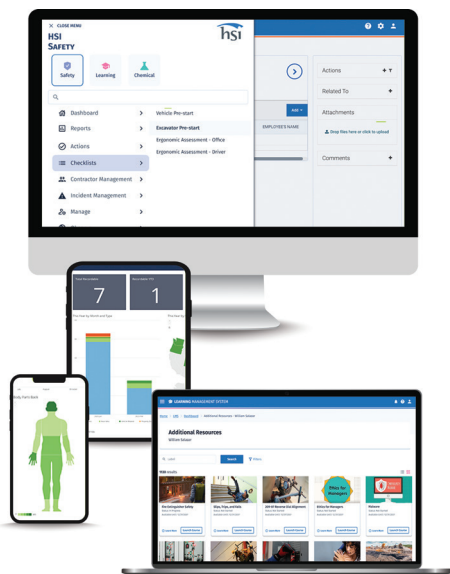
- **\$167 billion** – Cost of deaths and injuries to the US, employers, and individuals in 2022<sup>3</sup>
- **\$161,323 per violation** – OSHA fine for willful or repeated violations<sup>4</sup>
- Increased insurance premiums and potential civil lawsuits
- Costly inefficiencies from unnecessary paperwork replication, error-prone spreadsheets, and lack of transparency

## Indirect Costs

The indirect costs of injuries may be **20 times the direct cost<sup>5</sup>** due to:

- Reduced productivity
- Absenteeism
- Training and on-boarding replacement employees
- Accident investigation
- Implementing corrective measures

...as well as mitigating significant risks.



## Reputational Damage

41% of companies that experienced a negative reputation event reported loss of brand value and revenue<sup>6</sup>

## Disengaged Employees

\$450–\$550 billion per year estimated cost to US businesses<sup>7</sup>

## Difficulty in Recruiting and Retaining Staff

Millennials are 22x more likely to work or a company with a high trust culture<sup>8</sup>

## Equipment Damage and Materials Loss

Unplanned downtime costs manufacturers \$50 billion per year<sup>9</sup>

## An EHS system unlocks real value across the organization in a variety of ways:

 **20%**

### Reduction in Accidents and Injuries

>20% expected reduction in injury and illness rates<sup>10</sup>

\$4 to \$6 return for every \$1 invested<sup>11</sup>

 **50%**

### Reduction in Regulatory Fines and Penalties

40%–50% reduction in primary containment incidents<sup>12</sup>

 **52%**

### Increased Operational Productivity

52% lower days away, restricted, or transferred rate than industry average for organizations with exemplary safety management systems<sup>13</sup>

 **70+%**

### Greater Employee Engagement & Higher Talent Attraction

72% of Gen Zs and 71% of millennials say environmental credentials and policies are important when considering a potential employer<sup>14</sup>

75% of employees say that feeling personally safe and secure in the workplace is really important to them<sup>15</sup>

 **29%**

### Decreased Injury Rate

29% decrease in average injury rate after one year of implementing behavior-based safety through EHS software<sup>16</sup>

 **96%**

### Added Value to Your Business

96% of the world's largest 250 companies report on their sustainability performance<sup>17</sup>

85% firms planning to increase spend on environmental compliance in 2024<sup>18</sup>



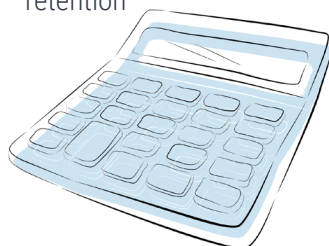
## The ROI benefits of EHS software impact on every department across your organization.

### EHS Managers

- Increased efficiencies through automation
- Greater effectiveness through incident analysis
- Acceleration of cultural change
- Reduction in daily risks
- Compliance requirements met more easily and comprehensively
- Seamless paper trail for audits

### Operations

- Deeper insights into enterprise
- Safer staff – less absenteeism
- Greater productivity
- More engaged employees
- Easier recruiting and staff retention



### Finance

- Cost savings from fewer claims
- Lower insurance premiums
- More efficient paperwork processes
- Eradicate rework across departments
- Risk reduction of fines and civil lawsuits

### Employees

- Safer work environment
- Opportunity to directly contribute to EHS culture
- Convenient access to policies, procedures, and safety data sheets
- Easy and efficient skill and compliance training programs
- Higher morale through active engagement

Businesses are already realizing the benefits.



↓ **78%**

Incident rate improved from 4.6 to below<sup>1</sup>



↑ **300%**

Threefold increase in reported events driven by worker participation



↑ **95%**

Safety culture is soaring, with a 95% employee acceptance rate

## Your competitors aren't waiting. **Can you?**

EHS systems are delivering tangible benefits to organizations. Beyond minimizing safety risks, ensuring compliance, and advancing sustainability goals, these platforms are transforming workplace well-being by addressing worker mental health and holistic wellness. Their ROI is evident across multiple areas daily. Every day you delay implementation is a missed opportunity to stay competitive.

Discover how an EHS system can add measurable value to your organization today. **[www.hsi.com](http://www.hsi.com)**



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