TEN KEYS FOR ENVIRONMENTAL DUE DILIGENCE

GUIDANCE FOR SUCCESSFUL EHS PLANNING IN TRANSACTIONS

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Ramboll is a recognized leader in due diligence, assessing the environmental, health and safety risks associated with a transaction. Our globally integrated team represents broad experience across all major industrial sectors. We work seamlessly to meet tight deadlines with a high-quality, timely and cost-effective work product that supports decision making.

Our consultants are sought after not only for their interdisciplinary technical and scientific expertise, but for their business and transactional acumen. We ensure that clients are directly engaged with seasoned principal staff throughout the process, while facilitating long-term post-transaction support. We also draw upon our in-house experts in health and environmental sciences to address human health and environmental exposure and damage issues. This unmatched depth and breadth of expertise renders us an invaluable strategic partner in a complex and evolving arena.

Ramboll offers expert support in all stages of environmental due diligence, and reminds you to consider these 10 keys to success.

01 MATERIALITY
Environmental due diligence is not “one size fits all,” and no two transactions are alike. Make the most of your limited due diligence period by understanding the scope of work needed, from desktop screening to comprehensive due diligence.

02 REGULATORY COMPLIANCE
Environmental compliance matters can be material, and the costs significant. Know your primary areas of concern. Regulatory issues with potentially material, and the costs significant. Environmental compliance matters can be material, and the costs significant. Know your primary areas of concern. Regulatory issues with potentially significant vulnerabilities include air emissions, wastewater and stormwater discharges, hazardous and universal waste management, spill prevention and control, and community right to know.

03 BUILDING & ASSET CONDITION
Understand building condition liabilities, and consider undertaking surveys for hazardous building materials (eg asbestos, PCBs, lead-based paint), lead in drinking water and mold. While found with higher frequency in older structures, these materials may have been used (or missed) at any time.

04 REGIONAL VARIATION
State to state and country to country, regulatory requirements can vary for remediation and environmental standards, permitting, property transfer, self-audit policies and liability framework. Familiarize yourself with the regional regulations affecting your business.

05 PRODUCT COMPLIANCE
Understand the risks and compliance challenges associated with relevant chemicals, formulations and manufactured products. Changes in regulatory programs and product safety perceptions can create challenging situations. Are all product registrations in place? Can the target company’s products be sold in new markets or is registration or reclassification needed? Do food products, ingredients and packaging meet safety requirements?

07 ENVIRONMENTAL, SOCIAL & GOVERNANCE STRATEGIES
Perception matters, and investors are increasingly soliciting information on environmental, social and governance (ESG) performance. Primary areas of concern and opportunity include corporate sustainability, social obligations and performance, reputational risk, supply chain management, and health and safety management.

08 CLIMATE RISK
Understand how climate change may disrupt business operations. Think particularly about increasing global temperatures, sea level rise, increase in frequency and intensity of storms, drought and wildfires, and increases in human health risks, including disease, changes in food security and water access. Consider the adequacy of the company’s climate resiliency and adaptation planning.

09 OCCUPATIONAL HEALTH & SAFETY
A safe and healthful workplace is critical to successful, sustainable business. Is the target company’s health and safety performance supported by an effective management system? Evaluate the programs in place to help protect a company’s most valuable assets – its employees.

10 POST-MERGER INTEGRATION
What happens after the deal closes? Achieving a successful EHS post-merger integration - blending two dissimilar programs into one effective organization - can be challenging. Few companies accomplish this without careful planning and sufficient resources to deliver their integration objectives. Pay attention to issues such as EHS culture.

SPECIALIST SUPPORT FOR M&A TRANSACTIONS
We work with clients to develop a customized approach to environmental due diligence at each stage of the M&A process. Subject matter experts from across the firm collaborate to help clients understand risks and opportunities associated with each transaction.

Preparation for sale
• Seller Phase I ESA and compliance review
• Correcting EHS compliance deficiencies pre-sale
• Establishing a stand-alone EHS team
• Divestiture support
• Legacy site management strategies

Acquisition assessment
• Preliminary advice. “Red flag” report or pre-bid review
• Phase I ESA
• EHS compliance and management system review
• Hazardous building material surveys
• Liability/cost estimation and reserve analysis
• ESG issues and climate risk review
• Product compliance and food safety review
• Health and safety review

Transaction support
• Evaluation of disclosure schedules and proposed contract language
• Negotiation of indemnities
• Allocation of liabilities
• Interaction and briefing of lenders
• Coordination with insurance underwriters
• Structuring indemnity or escrow provisions

Post-merger integration
• Maximize asset value and minimize liabilities
• Integration roadmap and 100-day plans
• EHS culture review
• Baseline assessment

GLOBAL REACH

13,000 experts across 300 offices in 35 countries

Ramboll office
Countries routinely worked in

TRUSTED ADVICE FROM RENOWNED EXPERTS

DUE DILIGENCE & POST-MERGER INTEGRATION
ABOUT US

Ramboll is a leading engineering, design and consultancy company employing 13,000 experts. Our presence is global with especially strong representation in the Nordics, UK, North America, Continental Europe, Middle East and Asia Pacific. We constantly strive to achieve inspiring and exacting solutions that make a genuine difference to our clients, end-users and society at large.

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