

Global Environmental Due Diligence





Environmental, Health and Safety (EHS) issues can have a significant impact on CAPEX and operational costs, create reputational risks, divert management resources, and reduce asset values. Our international Environmental Due Diligence (EDD) presence means we can readily engage the most appropriate expertise to support any transaction wherever it is in the world.

Our Transaction Team

Due diligence work is time critical, and our team are leaders at completing rigorous analysis within tight transaction timeframes. We also understand that each transaction is unique, and we listen to our clients and build relationships to understand their needs and ambitions.

Each year we complete hundreds of assessments; giving clear commercially-focused transaction advisory services to leading investors, corporations, financial institutions and other professional advisors. To our clients, transactions represent opportunities, and our environmental due diligence specialists look to identify additional value and opportunity, while also addressing risk and liability.

In-House Skills

The focus of Environmental Due Diligence is changing; traditionally, the emphasis was on legacy issues such as contaminated land and asbestos. Increasingly, attention is shifting to quantifying the risks associated with climate change and flood risk, and looking at the impacts of new energy legislation that is driving energy efficiency measures. Our experts assist investors to ensure their businesses are future-ready, and provide solutions to safeguard investments through the investment lifecycle.

WSP looks for opportunities, such as savings through energy management, resource use reduction, best practice improvements, and the commercial merit of renewables and other technologies. Having our in-house remediation division enables us to assign robust costing scenarios associated with aged assets, or address contamination issues associated with sites set to be decommissioned. These costings can then be factored into the overall cost plan and bid price.

Our Approach

We cover a comprehensive range of sectors, and complete audits at single sites or across multiple-site portfolios. Our assessments evaluate the historical, existing and potential liabilities associated with the Target, and potential impacts to adjacent facilities. Through data room review, background assessment and site inspections (as appropriate) we include assessment of operational compliance, waste management, water and wastewater management, and environmental permitting. We can provide costed initiatives to improve EHS management efficiency, providing the opportunity to initiate change and cost savings post-transaction.

Our Services

Our worldwide specialists provide a full range of due diligence services to support commercial acquisition, refinancing and divestiture, including:

- Asbestos services
- Climate preparedness/readiness
- Corporate sustainability strategy support and sustainability reporting (including business resilience and natural capital)
- Data room reviews
- Desk studies
- EHS due diligence assessments (Phase I)
- Energy audits, energy management and smart metering
- Environmental compliance and permitting
- Environmental and Social Governance (ESG)
- Fire engineering and risk analysis
- Flood risk assessment advice
- Insurance risk assessment / premiums advice
- Intrusive ground investigations (Phase II)
- Health and safety advice
- Life Cycle Assessment (LCA)
- Non-financial reporting
- Post acquisition/merger integration support
- Pre-divestment reviews
- Risk management support
- Remediation advice and costing
- Renewable energy and climate change impact
- Speciality technical due diligence
- Water audits, legionella assessments and water management

Our Track Record

DD Provider for Fortune 500 Global Manufacturer

We regularly provide environmental, health and safety due diligence services to a Fortune 500 global electronics manufacturer, and have worked with this client and their legal counsel for over 20 years.

DD Provider for Fortune 100 Financial Organization

Our team has provided EHS DD for commercial and industrial investments in locations worldwide for this client. WSP's deliverables adhere to applicable in-country standards as well as the client's internal stewardship and sustainability requirements.

Environmental Liability Advice, Puma Energy (Paupa New Guinea)

Puma Energy sought urgent contaminated land advice regarding the potential environmental liability associated with the proposed purchase of the mid-stream and down-stream petroleum assets of InterOil.

We provided pragmatic and timely advice regarding the potential environmental liability of each asset in a manner that allowed our client to approach the acquisition with comfort, and apportion funding to address existing and future liabilities.

Our work comprised a desktop risk assessment of the vendor's data room and public resources, followed by rapid mobilization of personnel to PNG for site inspection and groundwater sampling activities at higher-risk sites.

Project Chess, European Breweries Acquisition (Europe)

WSP provided technical environmental advice to Asahi Group who became the successful bidder in the purchase of beverage assets in a €7.1 billion deal. Our EDD team completed rapid, thorough gap analysis of the vendor due diligence documentation. We assessed whether there were any potentially material or business critical concerns with aspects such as flood risk, energy use, water scarcity and wastewater treatment. The team provided estimated costs and legal implications to feed into the bid process.

Large Scale Light Industrial Portfolio (USA)

Our team was commissioned on behalf of a buyer's legal counsel to complete 250 Phase I ESAs at retail automotive operations across 47 states. The visits were completed within eight weeks and draft reports issued within four weeks of a site visit. The relationship has been maintained post-acquisition to assist with EHS support and provide additional due diligence.

EDD Review and Red Flag Reporting, Oil Storage and Transfer Business (Europe)

Our team was commissioned to undertake acquisition due diligence of various operational oil storage and blending facilities across Europe, as well as all associated marine and fixed asset transfer facilities. This required a combination of operational permitting, asbestos consultancy and remediation appraisal to assess CAPEX and OPEX provisions for the business over a five-year lifecycle. The environmental DD team worked closely with technical DD professionals, legal counsel and insurance specialists to ensure a robust financial model was built to finalize the bid price for this confidential client.

Environmental, Health and Safety Due Diligence, Libstar (South Africa)

We were contracted to undertake an EHS DD assessment of Libstar, comprising 22 manufacturing operations across South Africa, focusing on food and beverages, consumer chemicals and the production of consumer hygiene products.

The assessment was undertaken in line with local legislation, the International Finance Corporation Performance Standards and World Bank Group EHS Guidelines. Our reporting resulted in material changes to the structuring of the deal, as a result of specific liabilities identified - improving the deal outcome for our client. The Libstar transaction was the largest private equity deal in South Africa and third largest in Africa for 2014.

Environmental Site Assessments, One Automotive Parts Manufacturer (China)

We were engaged to complete ten Phase I ESAs for potential acquisition, lease, and divestment properties in 2015 and 2016, and we assisted in identifying environmental risks/liabilities resulting in improved business continuity.

EDD Phase I Site Assessments, Valve Manufacturer (India)

The objective of our assessment was to highlight environmental considerations, predominantly with respect to legal compliance and ground contamination, of a portfolio of manufacturing sites associated with oil valve production as part of the acquisition process by the client.

Contact

Get in touch with your local expert to talk about how we can provide Due Diligence support to you.

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About WSP

WSP is one of the world's leading engineering professional services consulting firms. We are dedicated to our local communities and propelled by international brainpower. We are technical experts and strategic advisors including engineers, technicians, scientists, architects, planners, surveyors and environmental specialists, as well as other design, program and construction management professionals. We design lasting solutions in the Property & Buildings, Transportation & Infrastructure, Environment, Industry, Resources (including Mining and Oil & Gas) and Power & Energy sectors as well as project delivery and strategic consulting services. With 43,000 talented people in more than 550 offices across 40 countries, we engineer projects that will help societies grow for lifetimes to come.

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