PEER ROUNDTABLE SYNTHESIS · JUNE 2026



The EHS Investment Case in Pharma

How senior EHS leaders are turning EHS and waste management from a compliance cost center into a quantifiable savings engine, and redirecting the savings into the science.

About this synthesis

Triumvirate Environmental convened an exclusive, Chatham House Rules roundtable of senior pharma EHS, operations, and R&D leaders; this synthesis rolls up the discussion. Names and companies are withheld, and insights are presented as collective experience.

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Introduction

In the United States, senior EHS leaders in the pharmaceutical industry are operating under increasing pressure to do more with less, needing to support rapid growth while delivering measurable cost discipline. The discussion has shifted beyond compliance to demonstrating savings, operational efficiency, and mission enablement.

Pharma is building and cutting at the same time. Record capital is flowing into US pharmaceutical manufacturing capacity while the same companies take billions out of operating cost and reduce headcount. The message to every site is consistent: more to run, fewer people to run it. When cost discipline is this broad, every budget line is scrutinized, and EHS and waste are squarely in scope. They are a small, fragmented slice of site cost, rarely visible as a single managed number, which is exactly why they are an easy target in a cost-takeout review and hard to defend without a business case.



Many industry leaders have made the same shift. The panelists shared how they stopped defending their EHS budget and started running EHS as a savings engine that funds the science. One point drew strong agreement: Regardless of the environment, reducing and managing waste well is durable and is the right thing to do. Done correctly, it takes real cost out as well.

$370B+

PLEDGED TO US PHARMACEUTICAL MANUFACTURING IN 2025, TO BE DISTRIBUTED OVER FIVE YEARS.[1]

$20B+

IN OPERATING-COST REDUCTION PROGRAMS ANNOUNCED FROM THE LARGEST PHARMA COMPANIES.[2]

22,000+

ROLES CUT ACROSS LARGE PHARMA ORGANIZATIONS IN 2025.[3]

[1]DPR Construction, via Fierce Pharma, 2025
[2]Company filings, 2024 to 2026
[3]Fierce Pharma, 2025

WHAT THE BUYER SEES

Bill rate or headcount salary

HIDDEN COSTS BELOW THE SURFACE

Benefits burden, about 36 to 41% of base

Training and certification

Recruiting, 44-day vacancy, 15 to 20% turnover

Supervision and overhead

Regulatory risk transfer



DISCUSSION THEME 1

The Business Case

Finance does not buy a labor rate; it buys total cost and proof of savings

Leaders who clear the finance hurdle stop defending a unit price and start managing total cost of ownership.

> *"When you get bids from various vendors, [finance] just matches up labor rates or per-drum costs from company a, b, and c. They go through that in spreadsheet format to determine the lowest price. But what's missing in those bids are the pieces needed to operate the program."*
>
> – Panelist

The procurement trap. Finance and procurement compare labor rates and per-drum prices, vendor against vendor. That comparison misses the real driver: how many people, at what skill, it takes to run the program. A higher labor rate paired with fewer, more capable people is frequently the lower total cost.

The masked-savings problem. At a growing site, spend appears flat or even rising while savings accrue underneath because new labs, buildings, and accumulation areas are constantly added. The leaders who win the budget conversation keep a running scorecard of savings delivered and scope added, and report these metrics to finance on a regular cadence. EHS owns that list.

The buyer has changed. The decision increasingly runs through finance and procurement, not the site EHS director. The case has to be made in financial terms, not technical ones.

The real constraint is often bandwidth. What stalls projects is often engineering and project-management capacity to execute them, especially when capital is being pulled toward competing priorities. Naming that constraint, and sequencing the work around it, is necessary to the EHS investment case.

THE SAVINGS SCORECARD EHS OWNS

Savings delivered	Scope added
Red-bag reclassification	New QC lab onboarded
Stream consolidation	Building expansion
Accumulation-area cleanup	Added satellite areas
Solvent recovery	Higher run volume

WHY FEWER PEOPLE CAN COST LESS:

The operating model behind the savings

EHS cost savings are not a discount. They come from a higher-skill, better-governed team with an advisory bench behind it, on a contract that does not inflate the way in-house cost does.

- ***The fully-loaded truth.*** In-house EHS staffing costs 1.95 to 2.38 times base salary once benefits, training, recruiting, turnover, supervision, and regulatory risk are counted. Most organizations undercount it by 30 to 40%, because those costs sit in other budget lines.[1]
- ***The inflation gap compounds.*** Employer health benefits are rising about 6.5% a year, the steepest in fifteen years, while a disciplined embedded contract escalates at 2 to 3%.[2] The gap widens every year, so the model grows more advantageous over time.
- ***Fewer, better, governed people.*** A higher-skill team, with training, governance, and quality built in, runs the same scope with fewer heads and removes the vacancy and turnover drag of in-house staff. Life sciences EHS turnover runs 15 to 20%, and roles take about 44 days to fill.[3]
- ***An advisory bench behind every person.*** When an embedded specialist encounters a hard regulatory question, the escalation path is to a credentialed EHS Director, included at no extra fee. That model is the difference between a finding and a same-day fix.

[1] *SHRM total-cost methodology; KFF 2025*
[2] *Mercer, September 2025*
[3] *PharmaLogics; Corporate Navigators 2026*

DISCUSSION THEME 2

The Levers

"Often, things are overclassified for convenience, but this leaves money on the table."

– Panelist

The largest savings hide in plain sight: classification, segregation, source reduction, consolidation

These returns need visibility and discipline, not new technology.

1 RECLASSIFICATION

Regulated medical and biological waste disposal costs **5 to 10x** general waste, yet most of what goes into a red bag is clean and was never contaminated. Roughly **85% of healthcare waste is general waste**; firms are unnecessarily paying more for overclassified waste.[1]

Training and segregation at the source recover that with no compliance risk. Separately, a hazardous stream first profiled as hazardous often moves to non-hazardous after sampling and review.

2 SEGREGATION AND ACCUMULATION

The cost driver is the number of satellite accumulation areas and the labor to keep them compliant, not the volume of drums. Most per-drum pricing ultimately misreads and under-optimizes that.

Streamlined streams and ready-to-use labeling cut both labor and compliance gaps. Go after the largest streams first; do not over-segment into too many bins.

3 SOURCE REDUCTION

Recovering the last usable material before it becomes waste is a double win: less to purchase and less to dispose.

4 VENDOR CONSOLIDATION

Using one integrated partner removes the duplicate coordination and margin stacking that a fragmented vendor base carries. A higher-skilled, better-governed team right-sizes the labor on site, enabling pharma organizations to cover the same scope with fewer people and lower total cost of ownership.

[1]*Practice Greenhealth; World Health Organization*

Quantify the cost savings of these levers. The discipline that makes these savings stick is documenting each move and its impact, so finance sees them retrospectively rather than watching them disappear into a flat budget.



Prevented Findings Belong in the EHS Investment Case

- OSHA serious violations now reach $16,550 per violation, per occurrence; willful or repeat violations $165,514.[1]
- EPA hazardous-waste penalties run into six figures per day, per violation.[2]

[1]*OSHA 2026*
[2]*EPA*

DISCUSSION THEME 3

Mission Enablement

Every dollar saved, and every hour returned, is fuel for the science

The strongest leaders reframe EHS as an enabler of the mission, not a cost to be defended.

Dollars redirect to the mission. In pharma, the logic is universal: A dollar not spent on disposal can fund a clinical trial or advance the pipeline. Compliance is table stakes; everything above it is a choice to optimize.

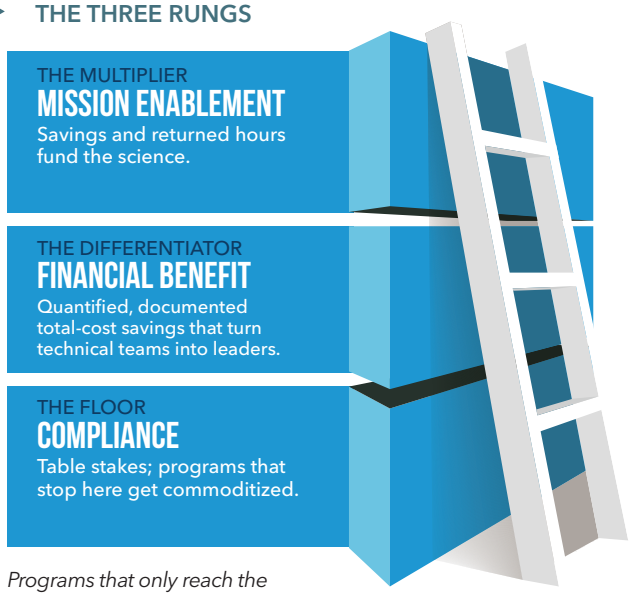
Capacity matters as much as dollars do. When routine EHS work comes off skilled operators and scientists, the mission gets its best people back. A maintenance technician returns equipment to production while the embedded team handles waste cleanup; a scientist stays at the bench rather than managing a manifest. When these teams are functioning at their best, you can shift responsibilities (like waste consolidation) to one EHS professional instead of 20 scientists.

From technical expert to business leader. Leaders earn the seat by talking business rather than compliance, by proactively returning budget they no longer need, and by getting ahead of where R&D is going rather than lagging it.

"What we do as the most efficient and effective EHS teams frees money up to then put back into the business, for developing the next new product or bringing forward that therapy sooner so that patients can have their needs met faster."

– Panelist

THE THREE RUNGS



Programs that only reach the floor get commoditized; the ones that climb all three become durable.

WHERE TO START

Strong leaders quantify their addressable savings first before they build a case for investing in EHS, and they speak the language of the finance department to make their case. A focused EHS cost assessment establishes the true total cost of EHS and waste; identifies reclassification, segregation, source-reduction; and consolidation opportunities, and produces a board-ready business case.

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