Connecting the Dots
OSH &
…Org Culture & Risk
…Sustainability
…Materiality
…Supply Chain Acct
…& ISO 45001

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Global Solutions, Inc.

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Process of developing and strengthening the skills, instincts, abilities, processes and resources that organizations, communities and individuals need to survive, adapt, and thrive in the fast-changing world.
Resilience

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Big Picture
Know the Business Environment in which YOU Operate.
Context.
Trend to Watch
Safe and Healthy Workplaces
connect the DOTS!

1.

2.
“You have to trust that the dots will connect in your future...believing that the dots will connect down the road will give you the confidence to follow your heart (in the face of doubt)...that will make all the difference in the world.”

-Steve Jobs
leadership
Your OSH Technical Competence is Assumed Today…
connect the DOTS!

1.

2.
...Org Culture

...Risk (Enterprise-wide)

...Sustainability

...Materiality

...Supply Chain Accountability

...& ISO 45001 OHSMS
Know the Business Environment in which YOU Operate.
Alignment w/ the Business...
connect the DOTS!

1.

2.
Context.
Occupational Health & Safety Management System

Context of the organization
- Understanding the organization and its context
- Understanding the needs and expectations of interested parties
- Determining the scope
- OH&S management system

Leadership, worker participation & consultation
- Policy
- Roles, responsibilities, accountabilities and authorities
- Participation, consultation and representation

Planning
- Actions to address risks and opportunities
- Objectives and planning to achieve them

Support
- Resources
- Competence
- Awareness
- Information and communication
- Documented information

Operation
- Operational planning & control
- Management of change
- Outsourcing
- Procurement
- Contractors
- Emergency preparedness and response

Performance Evaluation
- Monitoring, measurement, analysis and evaluation
- Internal audit
- Management review

Improvement
- Incident, nonconformity and corrective action
- Continual improvement

Reference: ISO/CD 24501
External and Internal Issues

***

Interested Parties - Needs & Expectations

relevant to the OH&SMS
Risks & Opportunities (Enterprise Wide)
Mitigating and Managing Risk

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connect the DOTS!

1. 2.
…Org Culture

…Risk (Enterprise-wide)

…Sustainability

…Materiality

…Supply Chain Accountability

…& ISO 45001 OHSMS

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Organizational Culture
What does Success look like?
OH&S Risk is Seen as a Business Risk
Assurance OH&S Risks are Managed...
Reactive

Proactive!
Alignment w/ the Business...
Ahead of the Curve
strategy
(strāt’ ə-jē ) n.
1. Plan of action designed to achieve a particular goal.
Business Partners

All-role & Responsibility
Contractor Management

Procurement - Supply Chain
Partnerships and Collaboration
Value Creation
CONNECTED = ENGAGED
Safe and Healthy Workplaces
No Impacts to the Environment
connect the DOTS!

1.  

2.
Enterprise Risk Management
Safety and beyond…
Before …
...Reputational & Financial Impact After

$54.6 Billion
Occupational Health & Safety Management System

- Context of the organization
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- Support
  - Resources
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- Operation
  - Operational planning & control
  - Management of change
  - Outsourcing
  - Procurement
  - Contractors
  - Emergency preparedness and response

- Performance Evaluation
  - Monitoring, measurement, analysis and evaluation
  - Internal audit
  - Management review

- Improvement
  - Incident, nonconformity and corrective action
  - Continual improvement

Reference: ISO/CD 24501
Identify, Mitigate & Manage Risk
Trend to Watch
Change is being Driven ... by the Market.
Customers & Reputation Risk...
Impacting the way business is conducted...

...Solutions more likely to be Sustainable over time
connect the DOTS!

1.

2.
Corporate Social Responsibility, Sustainability, Economic/Social/Governance (ESG)
Investors, Sustainability & Safety

S&H Risk

Safe Place to Work

ECONOMIC DIMENSION
- Codes of Conduct
- Compliance
- Corruption & Bribery
- Corporate Governance
- Risk & Crisis Management

SAM CORPORATE SUSTAINABILITY ASSESSMENT

SOCIAL DIMENSION
- Corporate Citizenship
- Labor Practice Indicators
- Human Capital Development
- Social Reporting
- Talent Attraction & Retention

ENVIRONMENTAL DIMENSION
- Eco-Efficiency
- Environmental Reporting

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Safety & Sustainability

Understanding the Business Value

By Darryl C. Hill and Kathy A. Seabrook

Sustainability is a widely used term in business today. To some, it means a focus on environmental responsibility. For many in the corporate world, however, its meaning has moved beyond a single-minded focus on environmental responsibilities to include a business’s social and economic impacts. The Business Roundtable (2012), an association of CEOs from leading U.S. companies with a combined $6 trillion in annual revenues and nearly 14 million employees. According to a 2010 McKinsey & Co. study of 1,946 executives, 50% consider sustainability “very” or “extremely” important to shaping corporate strategy.
"development that meets the needs of the present without compromising the ability of future generations to meet their own needs"

--World Commission on the Environment and Development (Brundtland Commission 1987)
Business Viability, Investment Return and Commitment to Stakeholders
Kathy A. Seabrook, CSP, CFIOSH (UK), EurOSHM
Chair, CSHS Board of Directors
Strategic Priorities...

OSH Relevance
Strategic Priorities...

Creating Value and Influencing Sustainability Stakeholders ... OS&H - Materiality
Intended Outcome...

Safe and Healthy Workplaces
connect the DOTS!

1.  

2.
OHS & Sustainability

Integration
Here is what we know...
74% believe that **Long Term Success** means measuring and reporting total impact of their companies activities – social, environmental, fiscal and economic dimensions (non financial)

Source: PWC 2014 CEO survey – 1322 CEOs /77 counties
Trend to Watch Globally
Stakeholder Group…
Knowledge is Power to an Investor
Socially Responsible Investing

$6.57 T - US (Beginning 2014)

Assets Under Mgmt

Up 76% from 2012

Source: UN Principles for Responsible Investment

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18% Assets Under MGMT - US

US Market 36.8T
Trend to Watch
Transparency & Sustainability Performance Reporting
Strategic Priorities...

Research – Publish in October

“The Accounting Revolution and the New Sustainability – Implications for the OSH Professional”
Growth in Integrated Reporting

Financial & Non Financial (ESG)
Human Capital (Social - non-financial),
Materiality (Risk) &
OSH Relevance
connect the DOTS!

1.

2.
...OH&S & Materiality
Materiality

Relevant Information...

Reasonable investor to make Investment decision making
Non Financial Disclosures (Environment, Social Capital, Human Capital, Business Model & Innovation, and Leadership & Governance)

Michael Bloomberg, Chair

Robert Eccles, PhD Harvard Business School

Mary Schapiro, Vice Chair

Accounting Metrics & Disclosure Guidance (US focus)
“Advance corporate disclosure on sustainability issues – US”

Purpose & Goal

SASB’s standards are designed for disclosure in mandatory filings to the SEC, such as Form 10-K and 20-F

Align with GRI and IIRC

http://www.sasb.org/standards/status-standards/

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Industry Standards & Research Briefs: 
Material Sustainability Issues 
by Industry Sector 

Materiality – US SEC Filings 

http://www.sasb.org/standards/status-standards/
Health Care

Industries: Biotechnology; Pharmaceuticals; Medical Equipment & Supplies; Health Care Delivery; Health Care Distributors; Managed Care

Financials

Industries: Commercial Banks; Investment Banking & Brokerage; Asset Management & Custody Activities; Consumer Finance; Mortgage Finance; Security & Commodity Exchanges; Insurance

Technology & Communication

Industries: Electronic Manufacturing Services & Original Design Manufacturing; Software & IT Services; Hardware; Semiconductors; Telecommunications; Internet Media & Services

Non-Renewable Resources

Industries: Oil & Gas – Exploration & Production; Oil & Gas – Midstream; Oil & Gas – Refining & Marketing; Oil & Gas – Services; Coal Operations; Iron & Steel Producers; Metals & Mining; Construction Materials

Transportation

Industries: Automobiles; Auto Parts; Car Rental & Leasing; Airlines; Air Freight & Logistics; Marine Transportation; Rail Transportation; Road Transportation

Services

Industries: Education; Professional Services; Hotels & Lodging; Casinos & Gaming; Restaurants; Leisure Facilities; Cruise Lines; Advertising & Marketing; Media Production & Distribution; Cable & Satellite

Resource Transformation

Industries: Chemicals; Aerospace & Defense; Electrical & Electronic Equipment; Industrial Machinery & Goods; Containers & Packaging

Consumption I

Industries: Agricultural Products; Meat, Poultry & Dairy; Processed Foods; Non-Alcoholic Beverages; Alcoholic Beverages; Tobacco; Household & Personal Products
1. SELECT A SECTOR

- Health Care
- Financials
- Technology & Communications
- Non-Renewable Resources
- Transportation
- Services
- Resource Transformation
- Consumption
- Renewable Resources & Alternative Energy
- Infrastructure

2. SELECT AN INDUSTRY

RESOURCES TRANSFORMATION:

- Chemicals
- Aerospace & Defense
- Electrical & Electronic Equipment
- Industrial Machinery & Goods
- Containers & Packaging

3. SELECT INDUSTRY STANDARD

Chemicals Description:
Companies in the Chemicals industry transform organic and inorganic feedstocks into more than 70,000 diverse products with a range of industrial, pharmaceutical, agricultural, housing, automotive, and consumer applications. The Chemicals industry manufactures and sells products globally, and it is commonly segmented into basic (commodity) chemicals, agricultural chemicals, and specialty chemicals. Basic chemicals, the largest segment, includes bulk polymers, petrochemicals, inorganic chemicals, and other industrial chemicals. Agricultural chemicals include fertilizers, crop chemicals, and agricultural biotechnology. Specialty chemicals include paints and coatings, agrochemicals, sealants, adhesives, dyes, industrial gases, resins, and catalysts.

- Chemicals Provisional Standard

Feedback
### Energy Management

Energy is a critical input in industrial machinery production. Purchased electricity represents the largest share of energy expenditures in the industry, followed by purchased fuels. Fossil fuel and electrical energy consumption contribute to environmental impacts, including climate change and air pollution. As electricity consumption indirectly contributes to climate change and air pollution, the cost of grid electricity may increase as utilities face more stringent regulations and higher production costs. A company’s energy mix, including the use of electricity generated onsite rather than grid-sourced electricity and the use of alternative energy, can play an important role in influencing both the cost and reliability of energy supply. The manner in which a company manages its overall energy efficiency and intensity, its reliance on different energy types, and its ability to access alternative sources of energy can influence its profitability and risk profile.

### Employee Health & Safety

Employees working in industrial machinery manufacturing facilities face health and safety risks from exposure to machinery, heavy, moving equipment, and electrical hazards. Creating a safety culture is critical to proactively mitigate these risks, which can result in. By maintaining a safe work environment and promoting a culture of safety, companies can minimize the risk of injuries or fatalities among employees, potentially improving productivity, and can minimize safety-related expenses. On the downside, injuries and fatalities can result in significant financial consequences, including healthcare costs, contingent liabilities, litigation, and work disruption.

### Fuel Economy & Emissions in Use-phase

Consumer and regulatory concern over climate change and other environmental impacts is increasing demand for machinery products that operate with minimal environmental and human health externalities at the use-phase. Many of the industry’s products release greenhouse gases (GHGs) and other air emissions during use, and consume water and other materials. Emissions regulations are driving mandatory fuel-efficiency improvements, while customers also seek greater efficiency to reduce fuel costs. Companies in the industry are adapting to this trend by offering products with improved fuel efficiency, lower particulate matter and GHG emissions, and better material efficiency. Fuel economy and use-phase emissions of products will increasingly drive market share in this industry as regulations around fuel economy and emissions continue to strengthen.
Pharma, Iron and Steel producers, Oil & Gas, Semiconductors, Industrial Machinery Transportation, Electronic Manufacturing Services

OHS Materiality
(21-50 Industries)
connect the DOTS!

1.  
2.
That’s Relevance
Real World Examples
Safety & Sustainability

Integration
Market Driven... the Investment Community.
Trends to Watch
“Materiality is about identifying the issues that matter most to our business and our stakeholders.” ...Owens Corning

Materiality - Safety - Value Creation

80 internal & external stakeholders

Sustainability Accounting Standards Board (SASB), GRI Framework

builders, contractors, customers, investors, non-government organizations and suppliers
Materiality - Business Continuity - Value Creation

TATA Motors (38.9 billion USD / 29.5 Euros)
- OHS Material to Stakeholders - Sustainability Report

# 93 CK - OSH #6 of 22
Material issues impact vs stakeholder importance

# 64 CK - OSH
High on 2013 Materiality Index
- Human H&S
Materiality - Safety - Business Continuity - Value Creation

2013 Materiality Matrix - OH&S
Steady stakeholder concern and business impact
connect the
DOTS!

1.

2.
Safety & Health Positively Influences Sustainability Initiatives & the Business
Real World Examples
Safety & Sustainability
“Innovation distinguishes between a leader and a follower.”
—Steve Jobs
Chemical Approval Process

Eliminate High Risk Chemicals

works with vendor ~ lower risk alternatives

Applies to SBM & Subcontractors

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- 50 Chemicals
Impact?
Chemical Related Incidents are down 70% in 1st year

Potential for Environmental Impacts Reduced

Total Product Costs Down

Total cost in workers compensation dollars down
Safer work environment for their employees, subcontractors and customers.
Trends to Watch
connect the DOTS!

1.

2.
Supply Chain Management

Transparency & Sustainability Performance impacting...

ACCOUNTABILITY
Bangladesh Garment Factory Fire

...120 Fatalities
Understanding the Business/Market & Supply Chains...

No Responsibility

No Legal Obligation

Source: Doing Business in Bangladesh
By VIKAS BAJAJ - September 14, 2013 – NY Times
Gap, Walmart, H&M, Nike, PVH subcontract.
e.g. manufacture 10,000 T-Shirts

Capacity for 5,000—
Subcontract - no controls/no knowledge
Bangladesh Garment Factory Fire

...120 Fatalities
Safety Issues
Competitive Advantage
Value Creation
2nd Largest Clothing Manufacturer In The World

$22 Billion Clothing & Accessories Sold - 2012
The Market... is Driving Change
Customers & Reputation ...

...900,000 signatures & NGO Pressure
Bangladesh Safety Accord (EU) 2013

Legally Binding Accord to Invest (financially) in Worker Safety - 5 years

Includes other low cost countries
Committed Beyond the Bangladesh Safety Accord

Establishes multiyear relationships with Factories – Communication is better – less fear of loosing contract

Tracks every subcontractor, including small workshops that might screen-print T-shirts and embroider... Assurance

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Impacting the way business (Model) is done...

...Solutions more likely to be Sustainable over time
connect the DOTS!

1.

2.
Trends to Watch
Management Systems PROACTIVELY Keep Business running smoothly in the face of RISK...
Otherwise we are always putting out Fires...
ISO/PC 283 - 45001

...Occupational Health and Safety Management Systems
Management Tool...
PROACTIVELY identifies all OHS risks to the business process during the planning stage to improve overall OH&S performance of the organization.
...Establishing, implementing, maintaining and continually improving OH&S Performance
Intended Outcome:
Reducing Injuries & Ill Health
Level of Assurance OH&S Risks & Opportunities are Identified, Assessed & Managed...
Consistency: OHSAS 18001, Z10000, Z10...

...& ISO 45001
ANNEX SL Structure & Text
Occupational Health & Safety Management System

- **Context of the organization**
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  - Determining the scope
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  - Policy
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- **Support**
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  - Awareness
  - Information and communication
  - Documented information

- **Operation**
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  - Management of change
  - Outsourcing
  - Procurement
  - Contractors
  - Emergency preparedness and response

- **Performance Evaluation**
  - Monitoring, measurement, analysis and evaluation
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  - Management review

- **Improvement**
  - Incident, nonconformity and corrective action
  - Continual improvement

Reference: ISO/CD 24501
Context.
Scope of the OH&S MS

Top Management sets the boundary & applicability of the OH&S Mgmt. System
Participation of workers at all levels of the organization
I noticed some inefficiencies in another department, so I formed a team.

Ownership
PLANNING IS NOT OPTIONAL
Focus Identifying Hazards & Assessing Risks
Support
Performance Evaluation
Improvement
Timeline (key dates) – 3 Years

- 07/2013: New Work Item Proposal (NP)
- 10/2013: Working Draft (WD)
- 07/2014: Committee Draft (CD1)
- 01/2015: Committee Draft (CD2)*
- 06/2015: Working Group (WG) meeting – Dublin
- 09/2015: WG & PC Meeting - Geneva
- 10/2015: Draft International Standard (DIS) Draft *
- 07/2016? Final Draft International Standard (Ballot)
- 09/2016? International Standard

* Possibility of additional drafts

** Optional
Concluding...
Trend to Watch
Context.
connect the DOTS!

1.

2.
OSH and...
...Org Culture

...Risk (Enterprise-wide)

...Sustainability

...Materiality

...Supply Chain Accountability

...& ISO 45001
for the accomplish
Safe and Healthy Workplaces
No Impacts to the Environment
It’s an Exciting time to be in our Profession!
Questions?

Kathy A. Seabrook, CSP, CFIOSH, EurOSHM

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>President, 2013 – 2014, American Society of Safety Engineers
>Chair of the Board, Center for Safety & Health Sustainability
>US Expert to ISO PC 45001
>Vice Chair US ISO 45001 Technical Advisory Group

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