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CFPA Conference Keynote

It's All About Risk & Money

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BSI Group
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UK Superbrands 2017

INVESTORS IN PEOPLE

By Royal Charter

Who we are

- BSI was founded in 1901:
  - the **world's first National Standards Body**,
  - a **founding member of ISO** and
  - responsible for shaping the majority of the world's most widely adopted standards, including ISO 9001 (BS 5750) and ISO 14001 (BS 7750) and OHSAS 18001.
  - Not-for-profit, established by the crown of England

- Over **80,000** clients in **182** countries worldwide
- Today we write standards, do assessments, offer software solutions, consulting and more!

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Risk Management & Today’s Expectations

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Why Risk Management

Managing **RISK** is all about challenging accepted EHS management practices to **GROW** and **THRIVE**

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Why Risk Management

Enterprise Risk Management has become an expectation, a necessity based on regulatory requirements and business need of improvements to remain competitive.

EHS risk controls are a part of that.

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The Statistics: Identifying H&S Risk by Industry

The Statistics: Identifying H&S Risk through LTIs

Risk within Enterprise Risk Management

Risk identification and its management requirements must be integrated in an organization's business processes for Enterprise Risk Management to be successful.

- All employees require understanding of risk to manage it
- Monitoring is BOTH quantitative and qualitative
- Controls implemented include resources and support of upper management level

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Understanding accepted EHS Controls

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Strategic Planning Considering RISK

Start with your strategic planning for environmental:

- Are we in compliance with required environmental regulations?
- Have we identified all applicable regulations?
- Have we properly interpreted the requirements?
- Do you believe:
  - All requirements have been addressed?
  - All controls are working?

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Strategic Planning Considering RISK

Turn to your strategic planning for H&S:

- What percentage of your employees do you expect to get hurt at work this year, seriously enough that they will require medical attention?
- Is that acceptable? Why or why not?
- Should we have tolerance above zero percent?
- Do you believe:
  - All injuries are preventable?
  - No injuries are acceptable?

Strategic Planning Considering RISK

Consider these traditional paradigms:

It won’t happen to me/us

You can’t make everything idiot-proof

Accidents happen!

When push comes to shove, EHS loses to production

We are already safe enough; we are in compliance with regulations

Caring for customers takes all of our focus

Our industry has inherent risk

Production schedules and costs come first

People are careless

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Historic Safety Approach

Regulatory approach, for environmental control:

No notices of violation

No court orders for operation

No fines

Historic Safety Approach

Heinrich approach, the basis for Behavior Based Safety:

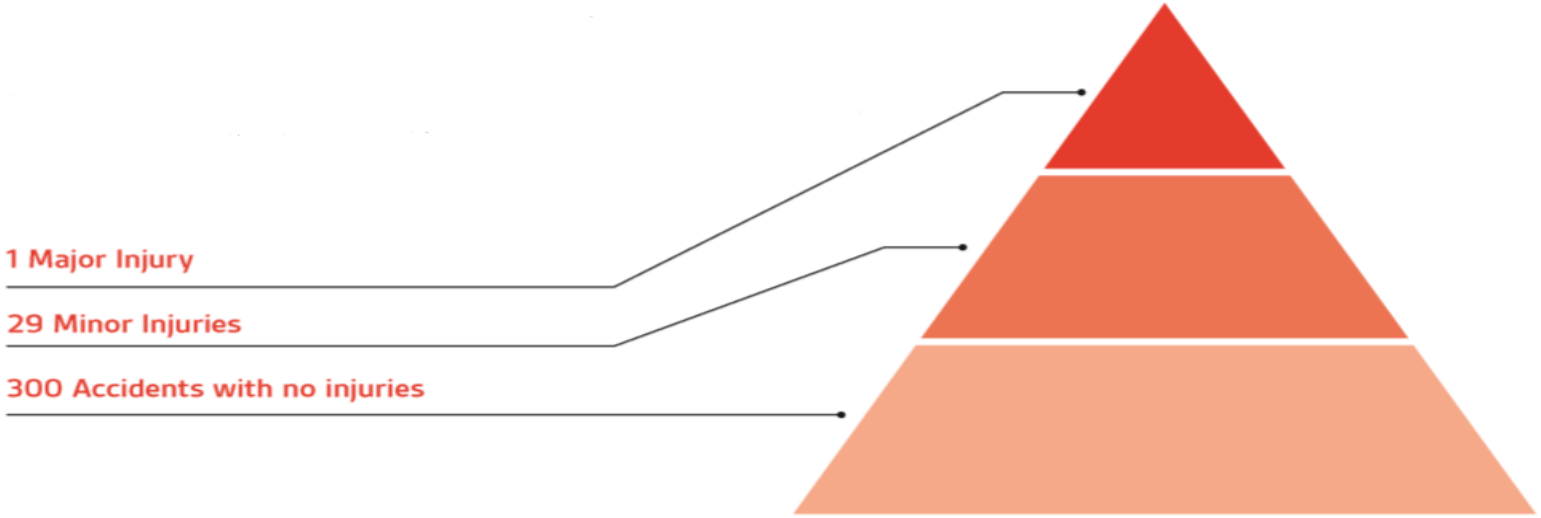

Figure 1 : Heinrich's foundation of a major injury

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Historic Safety Approach

Finance dictated the amendment of the Safety triangle have additional levels:

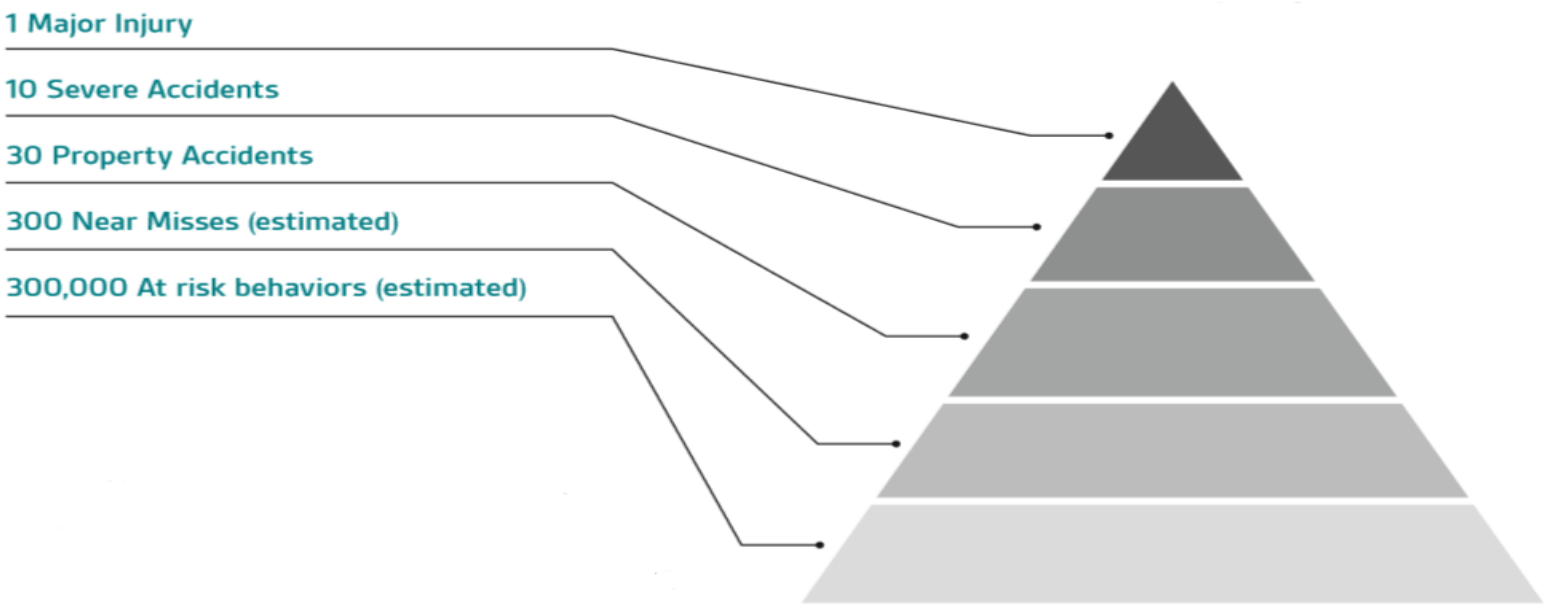

Figure 2: Safety triangle with additional levels

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Historic Safety Approach

These **early concepts shaped** much of how EHS is **managed today**, which is to:

Try to reduce injuries by managing towards targets, such as hours worked without LTI

Focus on employees and their behaviors exclusively

When things go wrong, respond with behavioral corrections, such as retraining or discipline

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Limitations of This Approach

Lagging indicators target & focus on employee behavior alone, often hiding minor injuries and near-misses which can give a **misplaced sense of success**.

When something does go wrong, it increases the **potential for severity.**

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Limitations of This Approach

Investigation will **almost ALWAYS** show employee behaviors are the cause –

but that such behaviors have **almost ALWAYS** been supported – expressly or implicitly – by leadership, both formal and informal.

Limitations of This Approach

Compare common elements of EHS programs at different organizations with similar regulatory requirements, and the difference in **EFFECTIVENESS** can be striking.

Why?

Leadership, culture and organizational values have major influence.

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Limitations of This Approach

The best employees learn to **COPE** with conditions leaders create in the workplace to avoid a conflict in expectations and priorities.

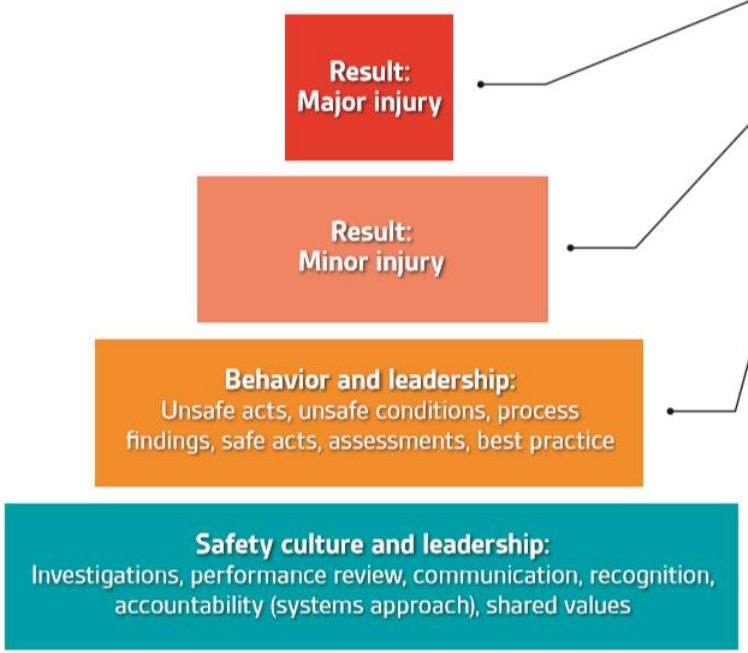
Priority conflicts are usually resolved by relying on the organization's values. Thus safety must not be a priority, but a **VALUE.**

To achieve **CHANGE**, focus on adding another layer for EHS **CULTURE AND LEADERSHIP** to ensure the right behaviors to eliminate injuries and spills, etc.

Limitations of This Approach

To achieve **CHANGE**, focus on adding another layer for EHS **CULTURE AND LEADERSHIP** to ensure the right behaviors to eliminate injuries and spills, etc.

Amend the Approach



Focusing on safety culture and leadership

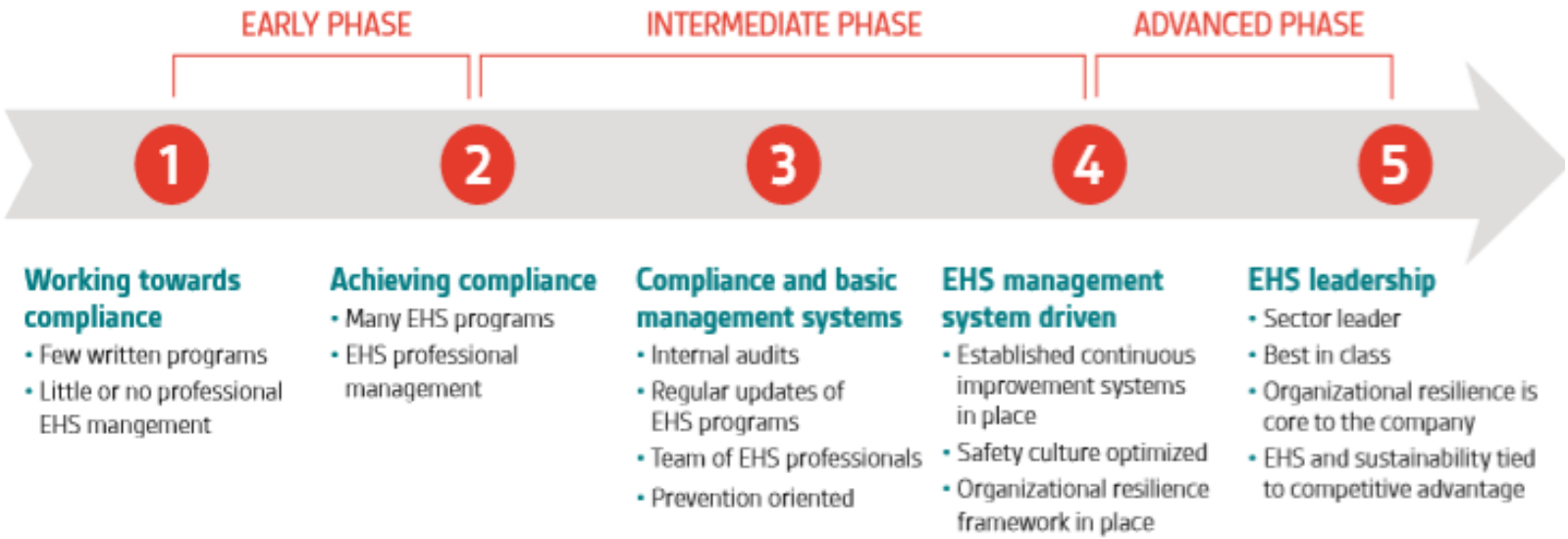
Major injuries can be reduced or eliminated by focusing more attention on the layers below.

Each minor injury should be investigated for direct and indirect causality with appropriate corrective actions. Particular attention should be given to categories of minor injuries that had the potential to be major.

Tracking and analyzing **unsafe acts, unsafe conditions** and **process findings** will help to highlight where injuries can happen and identify preventative actions. Going deeper to focus on positive behaviors for safe actions, assessments and observed best practice will help to align the right behavior.

Investigations, performance review, communication, recognition, accountablity (systems approach) and **shared values** are all aspects of driving safety culture that will prevent injuries from happening.

21st Century Approach



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From EHS Control to Sustainability

- Identify & Understand Operational Risks
- Focus on prevention through use of data
- Use a team that challenges data to achieve results
- Be proactive: focus on the values of employees, organization and community
- Allow leadership to emerge at the lowest levels
- Align: EHS with productivity, quality, efficiency
- Reap the rewards: Organizational Resilience

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Understanding EHS Management Models - with an eye toward Organizational Resilience

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21st Century Approach

The 21st Century Approach requires **LOTS** of parts, which have to be managed well to achieve results.

ALL of which revolves around **RISK** – and the ability to manage that risk!

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Risk Management Approaches

There is no ONE acceptable definition of Risk

There are multiple management models which make control of risks easier.

Every management model has one or more definition of risk

Every model looks at controls from a slightly different perspective

Each model expects **CONTROL (COMPLIANCE)** as a result. The inference of continual improvement is also present.

Demonstrated results of various models differ!

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Risk Management Models

Three models are most commonly used:

Regulatory Model (OSHA, for example)

Enterprise Risk Management Model

Management System Model (such as Z-1000, OHSAS 18001, ISO 45001, ISO 14001)

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Risk Management Approaches

As there is no ONE acceptable definition of Risk

Each organization needs to **define RISK** for themselves, reflecting their value & culture

Their definition will be limited by their **understanding of RISK**

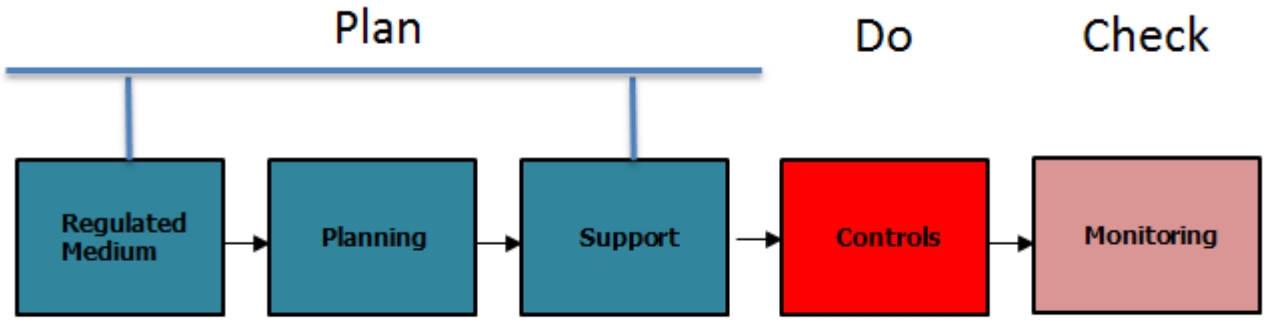
An organization that cannot clearly assess risk through its business planning processes & ensure EHS risk needs are considered in all its decision-making **opens themselves to failure.**

Organizations cannot overlook the definitions of RISK utilized by **Interested Parties,** such as insurance companies, lending organizations, regulatory bodies and customers, nor their expectations.

In organizations without a management system, risk is most often limited to the regulatory requirements.

The **REGULATORY** approach uses Plan, Do and Check requirements in a truncated format as a control mechanism of any environmental medium or health & safety hazard.

Risk is considered inherent in the regulations, but not necessarily specified.



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Risk Management Models

The Enterprise Risk Management model is considered comprehensive, and is a part of Organizational Resilience, which is considered the epitome of business management

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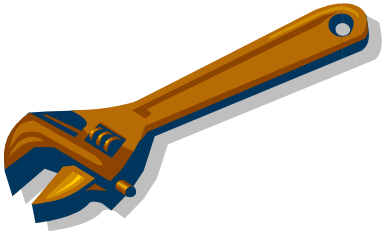
Risk Management Approaches

What Enterprise Risk Management lacks is a structure for the control of other "tools" considered critical for operational control.

Great theory, not necessarily enough "how to."



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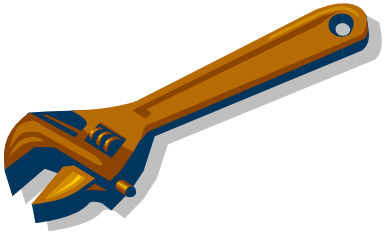
Risk Management Approaches

There are advanced software programs, such as Entropy, and various management system standards that can assist you in providing the necessary structure to manage some of the "tools" that required to reach Organizational Resilience!



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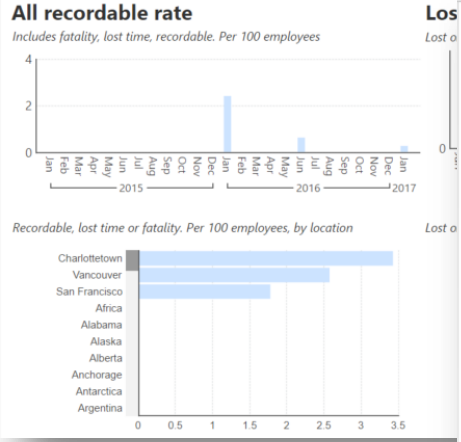
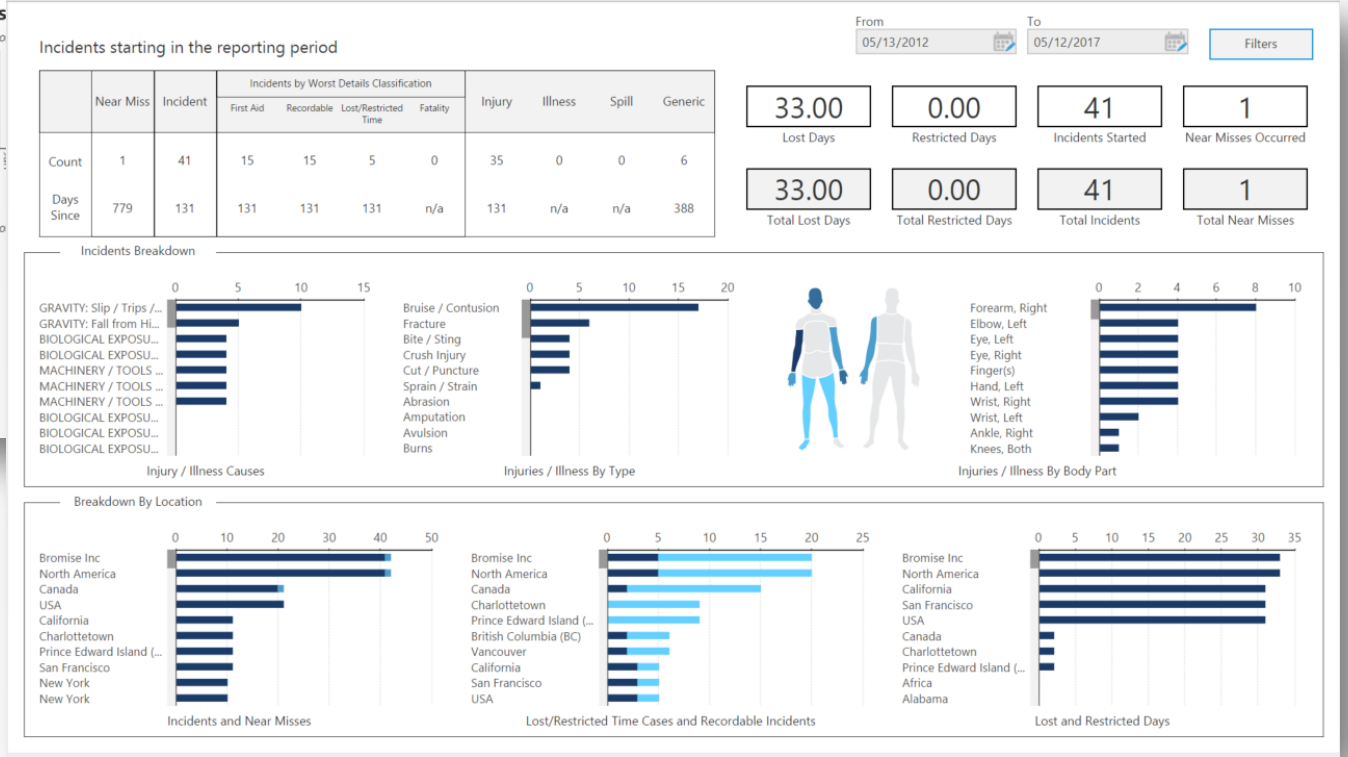
From
01/01/2015
To
Open Range Bou...
Location
(All)
Management System
All
Category
All
Department
All
Incident classifications
Fatality 0
Lost Time 5
Recordable 14
First Aid 15
Near Miss 4
Year over year incidents
2016
2015
2014
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
Year over year rates
All recordable rate
per 100 employees
Lost time rate
per 100 employees
Severity rate
lost days per incident
2000 2005 2010 2015


entropy
software


All recordable rate
Includes fatality, lost time, recordable. Per 100 employees
2015
2016
2017
Recordable, lost time or fatality. Per 100 employees, by location
Charlottetown
Vancouver
San Francisco
Africa
Alabama
Alaska
Alberta
Anchorage
Antarctica
Argentina


Incidents starting in the reporting period
From
05/13/2012
To
05/12/2017
Filters
Near Miss
Incident
Incidents by Worst Details Classification
First Aid
Recordable
Lost/Restricted Time
Fatality
Injury
Illness
Spill
Generic
Count 1 41 15 15 5 0 35 0 0 6
Days Since 779 131 131 131 131 n/a 131 n/a n/a 388
33.00 Lost Days
0.00 Restricted Days
41 Incidents Started
1 Near Misses Occurred
33.00 Total Lost Days
0.00 Total Restricted Days
41 Total Incidents
1 Total Near Misses
Incidents Breakdown
GRAVITY: Slip / Trips /...
GRAVITY: Fall from Hi...
BIOLOGICAL EXPOSU...
MACHINERY / TOOLS ...
Injury / Illness Causes
Bruise / Contusion
Fracture
Bite / Sting
Crush Injury
Cut / Puncture
Sprain / Strain
Abrasion
Amputation
Avulsion
Burns
Injuries / Illness By Type
Forearm, Right
Elbow, Left
Eye, Left
Eye, Right
Finger(s)
Hand, Left
Wrist, Right
Wrist, Left
Ankle, Right
Knees, Both
Injuries / Illness By Body Part
Breakdown By Location
Bromise Inc
North America
Canada
USA
California
Charlottetown
Prince Edward Island (...
San Francisco
New York
Incidents and Near Misses
British Columbia (BC)
Vancouver
Lost/Restricted Time Cases and Recordable Incidents
Africa
Alabama
Lost and Restricted Days

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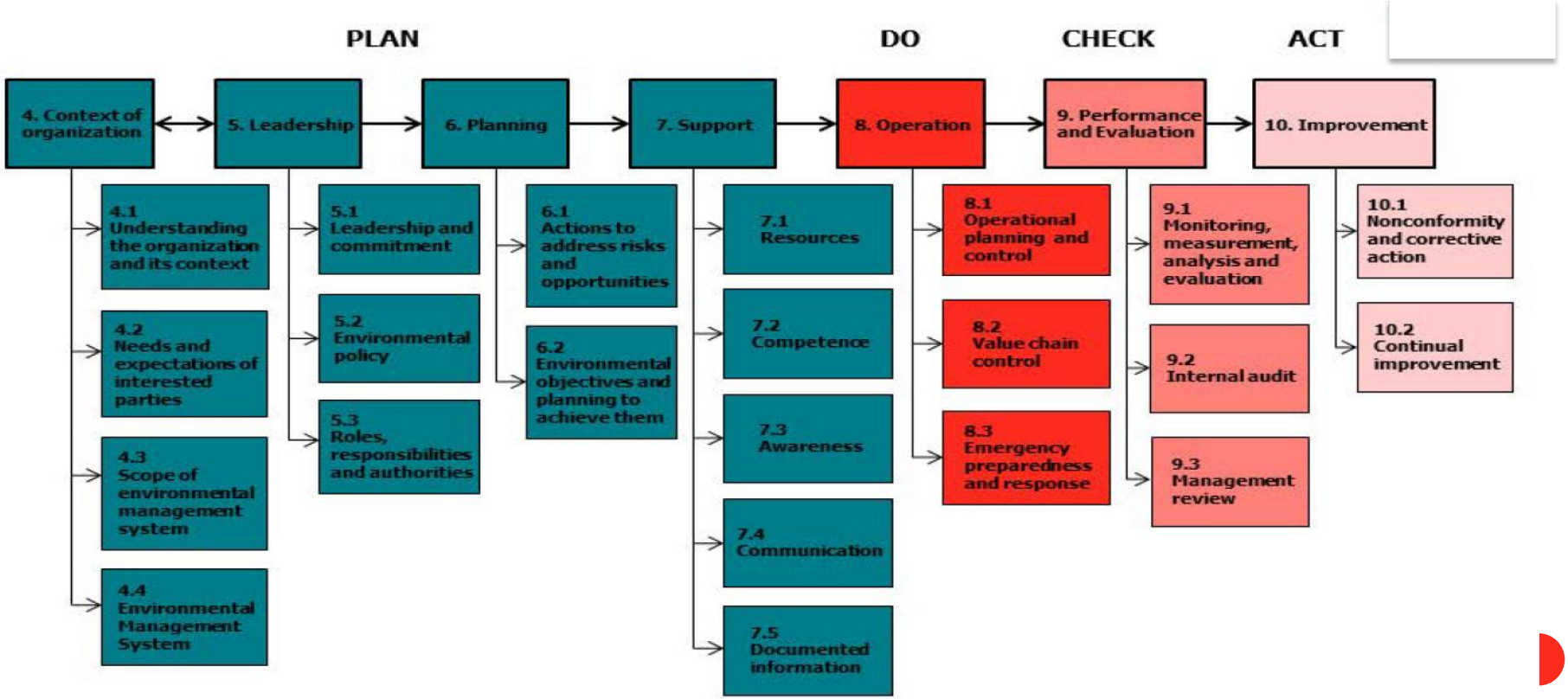
The ISO Models, through their 2015 ANNEX SL structure, **weight RISK Management in the PLANNING activities**. They use an expanded PLAN-DO-CHEC-ACT structure, and weave risk management throughout the business process



Building EHS resilience throughout the organization

- Optimize operational EHS compliance
- Regulatory forecasting
- Continuity of operation during business disruption
- Minimize reputational risk
- Ensure business continuity
- Preserve community and environment
- Safeguard people
- Ensure regulatory compliance
- Manage disaster recovery protocols
- Provide appropriate protections for the facility
- Anticipate and meet your customer's EHS requirements
- Protect worker and personnel throughout your supply chain

Questions?

Thank you!

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