Session No. 632

2009 Global Safety and Health Briefing

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The world news at the time of this February 2009 writing is the global economy, and it is not healthy. Stock markets, insurance companies, the US auto industry, investment banks, mortgage lenders and even the country of Iceland have either gone bankrupt, merged or are in conservatorship. The credit crunch, greed and/or excesses on Wall Street and in the investment markets have affected people, jobs and companies around the world. In the US, we see automakers seeking "bailout" loans and life insurance companies and money center banks seeking troubled asset and capital relief from Congress. Bernard Madoff, his investment firm now discovered to be simply a Ponzi scheme, has joined the ranks of Enron, Tyco and Worldcom as examples of how fraud and greed destroy companies along with people's jobs and life savings. The news continues to get worse as the fallout cascades throughout the economy and the world.

What does this all mean for the safety professional in a global economy? While there is no crystal ball to predict the future, there are some influences and trends emerging in the global business community which may have an impact on the safety profession. Four of these influences and trends include:

1. Business Transparency and Accountability
2. Technology
3. The Obama Administration's impact upon US OSHA
4. Chemical/Substances Management: REACH, RoHS, WEEE and GHS.
5. Use of Occupational Safety and Health Management systems methodology

Business Accountability

Since the accounting scandals of Enron, Worldcom and Ahold, countries around the world have tightened up their laws around corporate governance, transparency and financial reporting. In the current US financial crisis, bailout money comes with tighter controls and strict accountabilities. The banking industry in the US has had restrictions and obligations imposed and tied to this government assistance. Looking ahead, governments will be closely scrutinizing adherence to these imposed conditions, implementing new regulations, changing the regulatory framework and focusing on enforcing existing rules and restrictions to a greater extent than they have over the past 10 years. For global companies, this will mean a continuation of the recent trend requiring global companies to identify and report strategic business (including worker safety and health) risk to their stakeholders. This activity will follow on sustainability and corporate responsibility initiatives already in place within many global organizations. Therefore, safety professionals should be prepared to ask relevant questions and think strategically about identifying significant safety and health risk, in this new climate, that could impact their company's reputation and financial performance domestically and globally.

An additional impact of the current economic and regulatory climate will be an increase in safety consulting opportunities. Safety leaders within larger companies will be asked to do more with less staff and resources. In larger companies, this will mean a greater need to rely on outsourcing the more routine safety and health work. While there will likely be a loss of safety and health jobs within industry, the safety and health consulting sector may, in fact, experience growth.

Technology influences

We all know technology has had and will continue to have a significant impact upon all types of businesses around the world. The same applies to the safety and health profession. Look for technology solutions to streamline and create efficient and cost effective business practices around product and service development and delivery. Translated, this means using new technologies to a greater extent in all facets of global business. Three years ago in his book, *The World is Flat*, Thomas Friedman wrote about what he termed a "knowledge worker." He provided examples of how companies around the world were harnessing the knowledge of individual employees and teams in offices and work sites around the world to develop products and services in a more cost efficient and timely way. Technology advances are aligned with this trend. Microsoft's "People Ready" software product was launched during the same timeframe as Thomas Friedman's book was published. In a recently released commercial, Nestle USA demonstrates through real world examples as to how Microsoft's software platform has allowed them to work differently, utilizing their staff around the world to develop new products and services. For Nestle, USA, using "People Ready" software provides them with the communication tool to needed to change the way they do business.

Software and technology platforms are changing the way individuals such as safety professionals keep up with professional development and networking as well. For example, the American Society of Safety Engineers held its first ever Virtual Symposium April of this year. The symposium will be available to attendees for 30 days following the "live" one week symposium. This symposium will be conducted exclusively on line and include three-dimensional virtual networking opportunities as well as world class speakers across thirteen time zones including the US, Europe and Asia. In the future, advances in training and development delivery platforms will occur and, with creativity, they can be put to effective use for the safety and health profession. More and more companies will be using these platforms, both internally and externally, as the cost benefit of eliminating travel expenses allows for a more efficient, 24/7 deployment of Corporate information and training. Safety training and development companies and professional organizations such as ASSE will also continue to perfect virtual delivery of their products and services for their clients and members.

On the networking side, more and more safety professionals are utilizing social network sites such as *LinkedIn* or *Facebook* to find jobs or gain access to a body of safety and health knowledge, helping them solve problems and/or create new initiatives within their companies. ASSE and BCSP are two credible professional networking groups on LinkedIn, for example.

Another aspect of technology is its use to assist safety professionals with managing safety and health risks around the world. Technology enhances an organization's ability to identifying, track and report to management on worker safety and health risk throughout a global organization, all provided at the stroke of a keyboard. Look for more product and service development in this area.

US influences and Expectations of the Obama Administration on US OSHA

At the time of this writing, an Assistant Secretary for OSHA has not been named. By all accounts, when one is named, expect see at OHSA a significant departure from the Bush Administration approach. President Obama's campaign pledges (made before the current economic crisis unfolded) indicate OSHA will see support for funding in the areas of training, inspections and standards setting. In a recent Industrial Safety and Health News article titled*: EHS Worldwide Horizons: Obama's OSHA-ready to lead?,* Frank White suggests that OSHA should adapt and focus its priorities on new ways of working that are aligned with approaches for protecting workers being adopted in other countries. For larger global businesses, risk based safety and health management system methodologies are considered best practice. Regulatory harmonization with countries and regions such as China, Europe, Australia, Korea, Singapore and Japan would ease the burden on global business by assuring local regulatory compliance country to country. In the US only, the largest influence of such changes if implemented will be seen in small to medium sized companies. If the regulations change, the safety professional will have more opportunities to work with their employers to integrate safety and health considerations into their existing management processes. While management systems and business integration concepts are familiar to safety professionals, new US regulations incorporating management systems methodologies would likely expand work opportunities for safety professionals working with US sites to implement compliance with new regulations.

In addition, safety professionals will find more opportunities to educate and demonstrate to their employers that efficiencies and cost reductions are benefits of an integrated and streamlined safety and health management process... On a strategic scale, this would go a long way in demonstrating to the medium to small sized business community as to why managing worker safety and health is "good business".

Chemical Management: REACH, RoHS, WEEE and GHS

The main influences in the area of chemicals management in the past four years has been in legislation, supply chain accountability/management and the global business community's desire to harmonize standards for classification and labeling of chemicals to facilitate their safe use, transport and disposal. The management of chemicals and hazardous substances continues to be a focus of regulations and regulators in China and Europe. Examples include the European Union Restriction, Evaluation and Authorization of Chemicals (REACH), Waste Electronic and Electrical Equipment (WEEE) and Restriction of Hazardous Substances regulations (RoHS). WEEE and RoHS type regulations have also been implemented in China. See the internet links at the end of this paper for more information on these regulations and specific resources to assist in implementing their provisions.

Supply change management is another important influence in chemicals management. Whether the company is a manufacturer, supplier or user of chemicals, the chemical regulations mentioned above apply to that company and its suppliers. Management controls need to be in place throughout the supply chain. In a twist on this supply chain management concept, I recently had a client who was looking into whether there was precedent for holding a customer accountable for their management of chemicals. This US multinational was seeking to identify reputational risk implications to their company if an incident involving chemicals they supplied to their Chinese customer were to occur, if that company had knowledge that this customer may or may not have chemical management controls in place. The US client was looking to investigate what "best practice" controls their customers should have in place before they sell to them. Note: this is not a trend but is an indication that a customer's regulatory compliance with and/or the viability of its

chemicals management processes may be considered a potential reputational risk to a chemicals supplier.

As reported in my '08 Global Safety and Health Briefing during the 2008 ASSE PDC Proceedings and presentation in Las Vegas last year, the REACH, WEEE and RoHS regulations for Europe are affecting trade facilitation for companies throughout the world as they seek to define chemicals and chemical reporting requirements for "articles" in their products. An "article," defined by the European Chemicals Bureau, is a substance "intended to be released during use (normal reasonable foreseeable condition)" and exceeding use of one ton per manufacturer or importer in an annum. Because of the confluence of regulations around the world on chemicals management, many countries have or are moving to integrate the provisions of the *Globally Harmonized System of Classification and Labeling of Chemicals (GHS)* into their legislation. GHS is a voluntary standard and was developed by consensus through government representatives from countries around the world. For more information on GHS, go to the United Nations Economic Commission for Europe website, which provides a detailed explanation of the GHS provisions as well as the status on its implementation by country. In addition, the US department of Labor website page: http://www.osha.gov/dsg/hazcom/GHSOSHAComparison.html provides a comparison between the US Hazard Communication Standard with the provisions of the GHS.

Occupational Safety and Health Management

Growing use of an occupational safety and health management systems methodology to identify, assess, control and manage safety and health risks within a global organization will continue. The "plan-do-check-act model is understood by company managements since it aligns financial internal controls models with safety. Due to the economy and reductions in staff, there is likely to be more emphasis on integration of shared global services such as security, environmental, quality safety and health.

The *Occupational Safety and Health Assessment Series BS OHSAS 18002:2008 Occupational Health and Safety Management Systems, Guidelines for the implementation of OHSAS 18001:2007* was published November 30, 2008. According to British Standards Institute, BS OHSAS 18002 demonstrates successful implementation of BS OHSAS 18001. The guidance document can be purchased at www.bsi-global.com. This standard continues to be *the* default global occupational safety and health standard.

The ANSI Z10 standard is set to begin revision meetings mid-year 2009. To assist the Z10 revision committee, the secretariat, the American Industrial Hygiene Association, is in the process of conducting a user (purchaser of the standard) survey to collect information on the existing Z10 standard. Some of the data points from the survey will include customer satisfaction with the format of the standard, its usability and how the standard is being used by the purchaser. Go to the AIHA website for future updates on the Z10 revision process. www.aiha.org

Conclusion

The economy and governments' response to it will determine the direction the safety profession takes in the next two years. The areas outlined in this paper and in the PDC presentation provide a snapshot, at this moment in time, of what is likely to be ahead for safety professionals working in the global arena. Whatever, the direction, the environment will certainly not be static.

Web Resources

- http://www.semi.org/en/About/index.htm -- SEMI is a global industry association serving the manufacturing supply chains for the microelectronic, display and photovoltaic industries and provides information on the RoHS, REACH and WEEE regulations.
- http://www.americanchemistry.com -REACH, WEEE and RoHS type regulations - the American Chemistry Council is a US resource for the Chinese RoHS regulations, which are specific to the chemicals industry.
- http://ec.europa.eu/environment/chemicals/reach/reach_intro.htm - European Union REACH regulations
- http://ec.europa.eu/environment/waste/weee/index_en.htm -- European Union WEEE regulations
- http://ec.europa.eu/environment/waste/pdf/faq_weee.pdf - European Union RoHS and WEEE regulations
- http://www.chinarohs.com/faq.html - RoHS-China overview