Seven Steps to Health & Safety Incidents and Claims Reductions
Agenda

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01 Introductions
02 USG Success Story
03 Changing Metrics for Good
04 Key Trends – ProcessMAP’s Perspective
05 Conclusion and Q & A
Industry Thought Leaders

Justin Dugas
Director, Safety & Health, USG

Brian Kraus
Global Director of Safety Performance Improvement, ERM

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President & Chief Strategy Officer, ProcessMAP
Housekeeping Items

- Attendee microphones will be muted to prevent distractions
- Ensure you enter your audio pin if dialing in by telephone
- Submit questions at any time using the “Questions” tool
- Q&A session
- Anonymous polls
- Post-webinar survey
- Contact info

How much time does it take to implement a EHS software System
USG Success Story
USG Profile

- **FOUNDED:** 1902
- **NYSE:** USG
- **LISTED:** 1931

- Industry Leader
- #1 or #2 in all Core Businesses
- $3.7 Billion – 2014 Sales
- Over 75 Production Facilities
- 145 Distribution Branches in 37 states as of 12/31/14
- Diverse footprint with Sales and Operations in over 20 countries
- USG-Boral joint venture sales of $927 million in Asia, Australasia, and the Middle East
Some of Our Products

- Acoustic Ceiling Panel
- Roofing
- Drywall Suspension System
- Drywall
USG’s Safety History & Philosophy

Safety commitment at USG long before:

- OSHA and MSHA Regulations
- Workers compensation
- National Safety Council

Passion for Safety Continues for More than 100 Years!
Poll Question 1

Does your organization have a safety vision?

- We have a safety vision that is posted in all sites.
- We have a safety vision, but it isn’t posted in all sites.
- We currently do not have a safety vision.
USG’s Safety Vision

**Vision Statement is the Result of:**

- Engaging Leadership Team and Employees
- Company-Wide Video Contest
- 40+ Sites Submittals
- 8,000+ Views
- 1,300 Votes

We will be the **INDUSTRY LEADER** in health and safety by creating an **INJURY-FREE WORKPLACE** and modeling safe behaviors for our **FAMILIES, COLLEAGUES, CUSTOMERS, & COMMUNITIES**.

We are committed to working safely: **EVERY MINUTE, EVERY TASK, EVERY DAY**

—so we can **LIVE LIFE** to the fullest with those who depend on us.
Recognition of USG Health & Safety Performance

**National Mining Association**

15-time winner of the “Sentinels of Safety Award”

**OSHA VPP “Star”**

15 sites granted OSHA Voluntary Protection Program “Star” recognition

**Industry Record**

77% of manufacturing and 88% of distribution locations have over 1,000 days without a lost time injury through year-end 2014

**Industry Awards**

EHS Today’s America’s Safest Companies
USG Health & Safety Exposure

- Ergonomics
- Sprains & Strains
- Cuts & Lacerations
- OSHA and MSHA Compliance
- Chemicals and Noise Exposure
- Aging Workforce

- Heavy Material Handling
- Sprains and Strains
- OSHA & DOT Compliance
- Mobile Workforce with Heavy Equipment on the Road
USG Health & Safety Organization

Justin Dugas
Director, Safety and Health

Administrative Coordinator
(CORE, Injury Classification, Milestone Awards, Summit Administration, Training Administration)

Health and Safety Specialist
(Summit Development, IH Field Work and Limited Administration, Safety Assessment Requests, Field Training)

Sr. Manager, Safety Operations
(Training Deployment, IH Deployment, Daily Operations)

Safety Manager Northwest

Safety Manager North Central

Safety Manager Northeast

Safety Manager East Great Lakes and Eastern Canada

Safety Manager Southwest

Safety Manager Southeast and Gulf Coast

Safety Manager South Central

USG employs 10 full-time health & safety professionals with a Lean Corporate Team
CORE (Powered by ProcessMAP) at-a-Glance

- Year Deployed: 2011
- Sites: 247
- Users: 5,500+
- Monthly Logins: 3,000+
- Integrations: HRMS, Workers Comp TPA

- Incident Management
  - People
  - Property
  - Vehicle

- Audits
  - Corporate Audits
  - Self Assessments

- Task & Activity Management
  - Compliance Tasks
  - Corrective & Preventive Actions

- Claims Reporting
  - Directly to Gallagher Basset

- Metrics
  - 100+ KPIs
  - SAR

- Events
  - Agency Visits
  - Complaints
SAR at-a-Glance

- Created by operations leadership
- Completed by operations leadership

Over 60% decrease in TCIR and DART from the time of launch to today!

Continues to:
- Heighten safety awareness
- Increase employee participation
- Improve program compliance
- Reinforce safety as a “line” responsibility
- Facilitate best practice exchange
- Serve as a retention tool and talent review
Employee Driven Processes

» Internal /External audits in alternating years
  ▪ Internal - led by plant safety team
  ▪ External - led by plant manager + 5

» Presentation to all supervision at closeout

» Results captured electronically
Our Journey to Reduce Injuries and Claims
7 Steps to Reduce Incidents & Claims

1. Standardize Processes
2. Define Roles & Responsibilities
3. Engage & Empower Employees
4. Provide Resources & Support
5. Drive Accountability
6. Analyze Performance Metrics
7. Deliver Rewards & Recognition

Reducing Incidents & Claims
Step 1 – Standardize Business Processes

- Standardized Model Programs to Establish Consistency
- Documented Safe Work Procedures through Visual Work Instructions
- Technology-Driven (Via CORE) Standardization of Key Safety Management
  - Incident & Near-miss
  - Audits
  - Task Management
  - ...and More

2015 Survey

When I am assigned a new task or job at my plant, my supervisor does the following (check all that apply):

- Discuss the JSA or VWI for the task/job: 2189 (81%)
- Reviews PPE that is required: 2083 (77%)
- Reviews physical and health hazards associated with any chemicals: 1771 (66%)
- Explains where I can find information for myself: 1788 (67%)
- Normally no instructions are provided: 282 (10%)

What has Worked: The degree to which a location has documented work activities is measured as part of the audit.
Step 2 – Define Roles & Responsibilities

- Place safety as a line responsibility for everyone
- No Safety Manager designation at any plant
- Communicate and educate what you do in various circumstances
- High employee participation in safety initiatives

What has Worked: Measuring and incenting employees based on their performance is effective in driving change.

2015 Survey
If I observe an unsafe act or an unsafe condition, I normally do the following: CHECK ALL THAT APPLY

- I immediately approach the employee and ask him/her to correct his/her behavior: 2792 (94%)
- I submit an RPM work order: 886 (30%)
- I inform my Safety Committee Representative: 604 (20%)
- I submit a Safety Suggestion: 938 (31%)
- I inform my supervisor: 2075 (70%)
Step 3 – Engage & Empower Employees

- Support and promote engagement at all levels
- Emphasize both individual goals and shared goals – public display of facility performance
- Employees lead safety committees and audits
- Perception survey encourages management participation

**2015 Survey**

I feel empowered to use my judgment to stop activities that I believe are unsafe.
Yes: 2753 (92%)
No: 225 (8%)

I am able to recall a time/incident in the past 12 months that my Plant Manager did something to raise the bar for safety at our plant.
Yes: 2524 (85%)
No: 454 (15%)

**What we did:** Included employees on safety and audit committees
Step 4 – Provide Resources & Support to Employees

- Emphasis on automation and reduction of 3 Ds
  - Dull work
  - Dangerous work
  - Dirty jobs
- Feedback from employees to help identify and implement the right tools
- Investment in employee learning & training

What has worked: Maintaining facilities and posting messages in common areas helps drive change initiatives

2015 Survey

I know where to find Safety Training Information for my plant (e.g., VWIs, Lockout/Tagout procedures, etc.).

Yes: 2640 (98%)
No: 48 (2%)
Step 5 – Drive Accountability to Ensure Safety is Everyone’s Job

- Well defined accountability at all levels
- Employee survey provides visibility on management activities
- Track action Items in CORE – provides visibility
- Zero tolerance employee unsafe behavior policy
- Safety observation checks (SOCs)

**What has Worked: Safety is a key component of every employee’s performance review.**

In my department, employees are more likely to receive discipline for poor safety performance than for poor job performance.

Yes: 2462 (83%)
No: 516 (17%)
Well established organizational-wide and site goals, such as:

- Leading Indicators (SAR Score)
- Multiple Lagging Indicators (DART, TCIR)
- Claims Lag Time
- Track Performance via 100+ KPIs
- Safety performance measured and reviewed at Site, BU, and Corporate
- ProcessMAP system is the backbone for performance analysis and tracking

What has Worked: Get access to key performance metrics
Incentivized employees based on participation in safety meetings and other initiatives

Tie compensation to safety participation

2015 Survey

Do agree with the statement: Safety is the number one goal at this plant.
Strongly Agree/Agree: 2,770 (93%)
Disagree/Strongly Disagree: 75 (2%)

I have lead a Safety Huddle at my plant in the last 12 months.
Yes: 2607 (88%)
No: 371 (12%)

What has Worked: Highlight successes across the company
Our Journey Continues....

Leading Indicators

Predictors of Safety Success
ProcessMAP Overview

INDUSTRY LEADER
World’s Leading Software Platform for EH&S, Sustainability & Carbon Management, and Compliance & Learning

GLOBAL FOOTPRINT
World’s Leading Companies Rely on ProcessMAP in 90+ Countries and used by over 1 Million Users.

LONGEVITY
15 Years of Innovation. Continued Growth. Long-Term Partnership With Customers.
Changing the Metrics for Good!
Poll Question 2

Which of the following performance issues is your biggest challenge?

- Lack of Leadership Engagement
- Internal Capabilities to Deliver Change
- Driving Behavioral Change to Establish Processes
- Execution of Core Safety Processes
Safety Leadership & Performance on the Front Line

Leaders’ Behaviors, Culture they Create, and Processes they use

Behaviors of Personnel on the Front Line

Yields

Risk Control/Incidents and Accidents

Yields

Compliance / Non-Compliance

Yields

Acceptable / Unacceptable Impacts on People & Environment
Behavior

Behavior = Thought + Action

We can only change how people act if we get them to think differently.
Improving Performance Outcomes

Better outcomes will occur only if front line personnel change their behaviors.

Behaviors on the front line will only change if front line leaders and their leaders change.

Having the right intent is critical ... but not sufficient.
Established safety processes and programs account for 20% of labour costs. There is little appetite for new processes.

As little as 5% of the resources expended on established safety processes impact behaviors and therefore performance.

Processes naturally and quite quickly decay into tick box approaches because of repetition.

Only leaders can breathe life into their processes.
Three Imperatives

Build a robust data driven case for change and get to the bottom of why you are getting sub optimal performance

Get leaders – at every level – into the field and ensure they are effective when they are there

Make it self-sustaining within the organization
Building a Robust Case for Change & Diagnosis

- **Observations of at risk conditions and behaviors in the field. Bring a camera!**

- **In-situ root cause analysis:**
  - Behaviors, Culture, and Processes

- **Help leadership to see the case for change:**
  - Use incident/near miss timelines and data (events not numbers)
  - Share what you have observed in the field focusing on consequences (use photos) and animate these with quotes from leaders and folks on the front line.
  - Set out the causes of failure (behaviors, culture and processes)

- **Help leaders understand their impact on behavior:**
  - They get to decide if their people will have accidents.

**Telling leaders they should change doesn’t work. You need to build a data driven case for change – focused on events and actual conditions.**
 Equip leaders to deliver cultural and behavioral change on the front line .... not by inventing new programs, but helping them to make much better use of established programs and processes

Teach leaders to:

• Recognize at risk conditions / behaviors in the field (> 80% technique, < 20% technical knowledge)

• Deliver cultural and behavioral change on the front line through coaching style interventions on the front line

• Breathe life into established safety programs and processes so these have much greater impact on behaviors and performance outcomes in the field (less focus on form filling more behaviors)
Making it Self-Sustaining

Build capacity within the organization to coach leaders to engage habitually with their people in a style which will impact their behaviors.

- Carefully select individuals plus safety functional staff
- Teach them to target the leaders who need most help
- Work with them to develop their coaching skills
- Put in place the tools to measure individual effectiveness
Equipping Leaders to Transform Safety Performance

1. Diagnostic Assessment for Senior Leadership Alignment

2. Actions to address critical breakdowns in culture, behaviors and processes (design and engagement with them)

3. Engagements on safety for all leaders to share the case for change and dig deep on changes they can make

4. Field Coaching on Hazard Recognition, High Impact Engagements in the Field and Breathing Life into Core Safety Processes

5. Mobilizing Champions to Sustain Improvements

(4-6 week intervals between stages)
Results

72% Reduction In TRCF On $9bn US-based Construction Project

60% Reduction In Incidents At A Refinery In Singapore

86% Reduction In Incidents At A Mine Site In Guatemala

80-90% Reduction In Various Accident Types And Fivefold Increase In Observations In Site Observation Program For A Minerals Site In Korea

TRIR from 11 to Zero Sustained for 20 months at a US Petrochemical plant (at the time of writing)

60% Reduction In Incidents On Projects And A 35% Reduction In Incidents On The Operating Facility For An Integrated Oil Sands Operation In Canada.
Rising To The Challenge

Safety in a changing world

• A bigger issue today and a much bigger issue in future
• A source of increasing risk and opportunity for business

Rising to the challenge

• Changing behaviors in the field ... for good
• Through leaders or not at all
• Equipping them for success
Key Trends – ProcessMAP’s Perspective
Poll Question 3

Are risk and safety management functions integrated within your organization?

- Yes, we communicate weekly.
- Yes, but probably not as much as we should.
- No, risk and safety management are not integrated.
Key Trends – ProcessMAP’s Perspective

Functional Trends

- Holistic Human Capital Risk Management
- Convergence of Risk and Safety Management Functions
- Integration of Occupational Programs with Safety & Claims
- Adoption of Balanced Score Card Approach to Develop Safety Scorecards

Technology Trends

- Continued Adoption of Cloud
- Replacement of Internally Developed Systems
- Integration with Business Systems - EHS Data are not in Silo Anymore
- Rapid Use of Mobile Devices to Support EHS Processes
- Need for Business Intelligence & Analytics
Holistic Human Capital Risk Management
Convergence of Risk and Safety Management Functions

- Total Lost Work Days
- Total Restricted Duty Day Cases
- Total Restricted Duty Days
- Lost Time Severity Rates (LTA)
- OSHA Recordable Incident Rates
- Workers Compensation Costs

- Total Recordable Cases
- Total Lost Work Day Cases
- Lost Work Day Incident Rates (LWDI)
Integration of Occupational Programs with Safety & Claims
Adoption of Balanced Score Card Approach

Balanced scorecard is an integrated system to measure performance. Safety score card developed based on balanced scorecard translates mission and strategy into objectives and measures.
Continued Adoption of Cloud

Cloud Adoption Grows as a Business Staple

Here at least one application or a portion of our computing infrastructure in the cloud (e.g., CRM, application development and testing and disaster recovery)

- 2014: 57%
- 2015: 61%
- 2016: 69%

Plan to use cloud-based applications and/or computing infrastructure via the cloud within the next 12 months

- 2014: 18%
- 2015: 24%
- 2016: 25%

Plan to use cloud-based applications and/or computing infrastructure via the cloud within 1 to 3 years

- 2014: 13%
- 2015: 15%
- 2016: 18%

61% agree that their organization is evaluating investments in emerging technologies such as SDN and network virtualization as a way to get the most agility out of their cloud investments.

Number of Global Users (Millions)

Top drivers of Cloud adoption

- Low cost of adoption: 57%
- Flexibility of delivery: 58%
- Operational cost savings: 55%
- Scalability: 65%
Need for Business Intelligence & Analytics

**Benchmarking**

Average Lost Time by Facility

**Correlation**

Water Consumed vs Wastewater Discharged

**Aggregation**

Waste Disposal by Method (Tons)

**Trending**

Energy Efficiency

**Goals Tracking**

Water Consumed (G) Water Discharged (G)

Land Fill
Incineration
Composting
3rd Party Handler
Recycled

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Replacement of Internally Developed Systems

Lotus Notes
- Sunset of App
- Lacks Mobility
- Lacks Analytics

Excel sheets
- Inconsistent Data
- Lacks Analytics
- No Centralized View

SharePoint
- Needs Customization
- Lacks of Industry Best Practices

Internally Developed Solution
- Old Technology
- Lacks Mobility
- High Maintenance

Point Solutions
- Disparate Silo-solutions
- No Centralized View
Integration with Business Systems

- Customer Intranet Portal
- Customer Energy Management System
- Customer Fleet Management System
- Customer Datawarehouse and BI Platform
- Customer Fuel Management System
- Vendors
- LMS
- Laboratories
- Payroll System
- Human Resources System (HRMS)
- Workers Comp. TPA
- Risk Information Management System (RIMS)
Many organizations are attempting to capitalize on mobile developments in order to improve EHS performance.

- Asking their employees to install and use mobile EHS applications.
- Empowering users to perform critical safety-related activities.
- Capturing incident details on mobile devices, on the fly.
Questions?
Thank You