Health and Safety Management System Standard

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Health and Safety Management System Standard

1. Purpose

The purpose of a Health and Safety Management System (HSMS) is to provide a structured approach for managing the prevention of injuries and occupational illnesses.

This Standard specifies the requirements of a HSMS to enable countries/units to provide safe and healthy working conditions for the prevention of injuries and illnesses and proactively improve their health and safety performance.

Countries/units must develop, implement and continually improve their own HSMS, including associated processes and their interactions, in accordance with the requirements of this Standard and any other legal requirement applicable to the country/unit or other requirements to which the country/unit subscribes.

2. Scope

This Standard is mandatory and applies to all Group businesses and joint ventures where the Group is either the majority shareholder or the managing partner. This Standard applies to all individuals (i.e. employees, contractors, including transporters, suppliers and visitors), sites, plants, construction projects, offices and any other sites where there are activities under the Group's responsibility.

3. General requirements

3.1 Leadership and Engagement

3.1.1   Policy and Rules

Group health and safety Policy and Rules articulate senior management's expectations and commitment to health and safety, providing a visible direction for the entire organization and must be displayed at all LafargeHolcim locations.

The health and safety rules apply to everyone and are non-negotiable.

3.1.2   Roles, responsibilities and accountabilities

Roles and responsibilities must be clearly defined and communicated at all levels of the organization. The assignment of roles and responsibilities must be reviewed periodically and updated as required. Health and safety responsibilities must be included in all job descriptions.

3.1.2.1   Leadership, annual objectives and budgeting

All LafargeHolcim employees in leadership roles (e.g. EXCO, heads of functions, country CEOs and country functional heads, plant managers, unit managers) are responsible for maintaining a robust health and safety culture. Fundamental to this is making health and safety a core value, including health and safety in their

annual objectives, budgets and routine staff meetings and taking the lead in promoting health and safety and conducting health and safety management reviews.

3.1.2.2   Line management and employees

Line management is responsible for all health and safety implementation, communication and compliance in their respective areas.

Employees at every level of the organization must assume responsibility for those aspects of HSMS over which they have control, including reasonable responsibility for their own health and safety and that of others.

All levels of management must hold their direct reports (N-1s) accountable for health and safety performance.

3.1.3   Health and safety organization

A specific health and safety organization must be defined and implemented throughout the Group down to site level to ensure that the line management is adequately supported, guided, coached and challenged.

The country Head of Health and Safety must report to the country CEO and be part of the country leadership team.

The country/unit should have a sufficient number of health and safety professionals with adequate background, training, capabilities and authority to implement their responsibilities.

3.1.4   Rewards, recognition and consequence management

Managers' and employees' health and safety performance and behaviour must be taken into consideration during the annual performance appraisal process as well as for career progression.

Countries/units must have a program for recognizing exemplary health and safety performance.

Countries/units must have a Consequence Management program in place, aligned with the Group Consequence Management process, for managing breaches of health and safety Policy and Rules.

3.2 Objectives and Planning:

3.2.1   Health and Safety Ambitions
The Group's Health and Safety Ambitions are defined by the Group Executive Committee (EXCO). The countries/units must develop their health and safety programs to align with the Group ambitions and achieve the desired outcomes using the Health and Safety Improvement Plan (HSIP) process.

3.2.2 Health and Safety Improvement Plan (HSIP)

All countries/units will develop an annual HSIP following the Group HSIP process:
1. Discovery and budget
2. Planning process (country level)
3. Planning process (unit level)
4. Mid-year review
5. Year-end review

Plans will be set for both routine and strategic objectives at the country and unit level. All country strategic plans will be tracked in the group tracking tool and be reviewed by EXCO quarterly.

3.3 Operation and Support processes

3.3.1 Competent people

Countries/units must ensure that employees and contractors are competent to satisfy the requirements of their roles and responsibilities on the basis of appropriate ability, knowledge and skills gained through education, training, qualification and/or experience.

The recruitment of new employees or promotion of existing employees and the engagement of contractors must include a documented assessment of the health and safety competencies, needed to fulfill the role for which they are being selected or promoted to.

3.3.1.1 Training

Each country/unit must have a training plan detailing the requirements for health and safety training and how they will be met. The content of this training must take into account local and legal requirements and individual development needs, including managers, supervisors, members of the health and safety function and shop floor levels. A tracking system must be in place to ensure that training is completed according to the requirements in the training plan.

- All employees and contractors must be trained to work safely and manage health and safety in their areas.
- All new employees and contractors must undertake induction, awareness and training, which must include an assessment mechanism to confirm understanding and knowledge retention. Initial training must include an orientation of the site, as well as general and job-specific training. Training must be also conducted when employees or contractors transfer to new roles or when an operating process changes.
- Refresher training must be performed periodically as legally required or as a result of assessment activities, audits and incidents or in response to any significant changes.
- Management training must include the leadership aspects of health and safety.
- Supervisors training must include the leadership aspects of health and safety as well as specific training on the Group's health and safety standards.
- For the health and safety function, competencies must include technical expertise, managerial and leadership skills, and change management abilities (coaching, communication skills, etc)

- Visitors must be provided with induction training commensurate with site risks to which they might be exposed.

3.3.1.2   Authorization

Each country/unit must have a system to identify those tasks that require specific authorization and track which employees and/or contractors are authorized to perform those tasks.

3.3.2   Communication, consultation and empowerment

Countries/units must communicate openly with all stakeholders on relevant health and safety issues.

Employee participation in health and safety activities must be encouraged and promoted at all levels of the organization. Participation in such activities must be taken into consideration when setting annual personal objectives and as part of the performance appraisal process.

3.3.2.1   Employee ability to stop unsafe work

All employees must have the authority to stop a task which they deemed is unsafe or unhealthy and be empowered to take the necessary means to correct the situation. Moreover, when confronted with an unsafe or unhealthy work condition, employees must take reasonable immediate and corrective action to address the condition. As a minimum, the employee must inform the person in charge of the area and that person must take actions to mitigate the situation.

3.3.2.2   Communication

Countries/units must implement a communication system that facilitates top-down and bottom-up communication through appropriate media and tools. Specifically countries/units must ensure that relevant health and safety information, including health and safety results, fatalities and critical incidents notifications good practices and key lessons, is shared and discussed.

3.3.2.3   Grievance and conflict resolution

Countries/units must implement grievance and conflict resolution mechanisms that allow employees and contractors and external stakeholders to directly or anonymously raise issues or make complaints with respect to health and safety performance and management.

3.3.3   Risk Management

3.3.3.1 Risk assessments

Risk assessments appropriate to the nature and stage of all activities must be systematically conducted in consultation with stakeholders. All reasonably foreseeable hazards and associated risks must be eliminated or reduced to a level of risk that is acceptable before starting any task. Specifically, risk assessments shall be undertaken for:
● All high-risk activities
● All hands-on work where risks are not already controlled through procedures or work instructions.

Appropriate risk controls must be developed according to the "hierarchy of controls" and be prioritized, applied and maintained.

3.3.3.2 Standard operating procedures

Standard Operating Procedures (SOPs) must be developed, implemented and maintained for repetitive tasks, especially critical ones (e.g., hot work, confined space entry, working at height, etc.). Tasks without SOPs shall have a task risk assessment conducted prior to work starting.

3.3.3.3 Contractor management

Countries/units must have management processes to select and engage suppliers and contractors so that they are able to identify, prevent and manage health and risks in their supply chains. This shall include processes for prequalification, communication and training in LafargeHolcim health and safety requirements and for monitoring and improvement of each contractors' health and safety performance.

These management processes must be aligned with the requirements set in the Group Supplier Code of Conduct and related policies as well as with applicable local and national laws and regulations.

3.3.3.4 Occupational health management

3.3.3.4.1 Medical monitoring
All countries/units must have a risk based medical monitoring that includes pre-employment, periodic screening and post-employment medical exams.

3.3.3.4.2 Fitness for work
Fitness-for-work management processes must be established, including rehabilitation for injured employees and, where appropriate, contractors.

3.3.3.4.3 Industrial hygiene (IH) monitoring
All countries/units must have a risk based annual industrial hygiene plan that should be incorporated into the routine HSIP. The plan must be followed and completed each year. The plan must cover high-risk materials and be focused on personal monitoring. Any exposures that exceed the ACGIH-TLVs or the local regulatory limits must be addressed through the hierarchy of controls. Annual IH studies should be incorporated into the discovery and budget phase of the HSIP for review when preparing the strategic plan.

3.3.3.5 Hazard communication

Management is responsible for ensuring and verifying that employees and contractors are trained and understand the health and safety hazards associated with their work and the control measures that must be applied.

Relevant health and safety hazard information must be disseminated from Safety Data Sheets following risk assessment of the substances and its use in the work environment. Information must be readily accessible to employees and contractors at all times and communicated to employees, contractors, and visitors, as appropriate.

3.3.4 Management of Change (MOC)

A documented review (management of change) process must be established for temporary or permanent changes such as changes in equipments, operation, etc that have the potential to alter existing, or introduce new, health and safety risks. These reviews should be conducted and any compliance/conformance issues addressed prior to initiation of the change (i.e. during design, pre-start-up, commissioning). A process of sign off confirming that all health and safety issues identified were addressed must be part of the overall Management of Change process. A completed MOC document must be submitted with all CAPEX budget requirements.

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3.3.5 Emergency preparedness

Countries/units must ensure that procedures and resources are in place to ensure that in the event of an incident our people, the public, the environment, our assets and our reputation are protected from harm.

3.3.5.1 Emergency plans

Emergency plans must include the different foreseeable emergency scenarios as well as a medical emergency response plan. The essential requirements are:

1. Emergency plans that are risk-based and take into account:
- Hazards inherent to our processes, stored energy and materials
- External hazards from surrounding industrial processes and material transported by road, rail and sea
- Geographic location which can potentially expose a site to natural disasters, civil unrest and insurgency
- Availability, effectiveness and accessibility of external support or partners, e.g. local authorities, medical facilities, other businesses, Non-Governmental Organizations.

2. Plans that address:
- The health and safety aspects of any emergency response.
- The response strategies for handling all potential emergencies including medical emergencies.
- The internal organization, responsibilities and external stakeholders required to manage different emergency scenarios.
- The business continuity plan in case the emergency escalates into a crisis.

3. An identified and designated authority responsible for ensuring that:
- Effective plans are in place and clearly communicated to all stakeholders, especially when changes are made.
- Competent response teams, internal and external, are established.
- Appropriate equipment and facilities are available to support the emergency response, and are compatible with external necessary resources.
- Plans are reviewed regularly, to validate and strengthen their robustness, and that lessons learnt from drills and the root cause analysis of incidents are incorporated.

4. A communication system is in place to ensure that:
- There are agreed protocols for information exchange with all stakeholders.
- Relevant personnel receive appropriate media training.
- All stakeholders are aware of how to respond in case of emergency.

5. Regular drills are conducted (annually as a minimum), using a variety of scenarios that reflect the main risks.

3.3.5.2 First Aid and medical facilities

Countries/units should ensure, as appropriate, that:
- First aid and medical facilities and equipment capable of serving all personnel and all identified potential first aid and medical emergency scenarios are available, internally or externally.
- When the medical facilities are managed internally, suitably qualified personnel must be employed at the worksite to maintain and efficiently operate the medical service. Specific procedures must be defined to manage the purchasing, deployment, maintenance, repair and disposal of medical equipment.

3.3.6 Documentation and record-keeping

Countries/units must establish a process for creating, distributing, controlling and managing documents and records prepared in support of HSMS requirements. The documents and records must comply with legal requirements relating to data protection, medical confidentiality and document retention.

The documentation management process must ensure that:

- Health and safety documents are approved prior to use, when created or update.
- The latest versions of applicable documents are available at points of us.
- Documents remain legible and readily identifiable.
- Documents of external origin determined by the organization to be necessary for the planning and operation of the HSMS are identified and their distribution controlled.
- Health and safety documentation is effectively and systematically stored.
- Obsolete documents are promptly removed from use to prevent their unintended use and that suitable identification is applied to them if they are retained for other purposes.

- A system exists for communicating changes in documentation to those people on whom the document impacts.

3.4 Performance Evaluation

3.4.1 Audit and performance monitoring

Group Health and Safety conducts audits at planned intervals to assess whether the unit's HSMS conforms to the requirements of this HSMS standard and other Group health and safety standards. Each audit shall follow a set protocol and schedule. Non-conformities are reported to unit and country management, who are then accountable for devising an action plan that addresses those non-conformities in a timely manner, as part of their HSIP.

Countries must ensure each unit has their health and safety audit process and conducts a health and safety self-assessment every year following the Group Health and Safety audit protocol and any additional local regulatory requirements.

In addition to health and safety audits, Group Health and Safety will maintain a procedure to monitor and measure health and safety performance by using a Country Health and Safety Scorecard that will track the extent to which health and safety objectives are met based on a combination of leading and lagging indicators.

Countries must submit every year their Country Health and Safety Scorecard and HSIP to Group Health and Safety as part of the annual performance evaluation.

3.4.2 Incident reporting, investigation and corrective actions

All incidents must be reported and learnings shared at an appropriate management level.

Countries/units must conduct incident investigations to determine immediate and root causes, including contributing factors such as management and system deficiencies, and develop remedial actions for preventing the same or similar events occurring in the future. Records of investigations must be kept.

Group Health and Safety must distribute the lessons learned from fatalities and critical incidents as appropriate. For events where the lessons learned are globally applicable, a Mandatory Safety Release (MSR) will be issued, including mandatory actions and timelines for implementation.

Countries/units must maintain a corrective and preventive action system to establish lessons learned from incidents, including those distributed by Group Health and Safety, and correct identified deficiencies and implement any identified opportunities for improvement. The corrective and preventive action system must address any event or condition that has the potential to cause damage or loss.

3.5   Management Review

3.5.1   Management review

Health and safety management reviews must be conducted at least on an annual basis at country/unit level. Reviews must follow a formal documented process and must be led by a senior leadership team member at country level and, where appropriate, other levels of the organization. The purpose of these reviews is to:

- Review health and safety performance and identify any changes to health and safety risks, legal requirements and other obligations, practices, organizational circumstances, external context, etc., that may have occurred since the previous year's review.
- Determine the continued suitability, adequacy and effectiveness of health and safety policy, objectives, plans, systems, programs and processes.
- Evaluate any need for change and establish actions to improve the system, its processes and resources needs with the aim of driving continual improvement.

4. Training

All LafargeHolcim people who are responsible for HSMS activities should be trained using the e-learning course Health and Safety Management System, accessible from the LafargeHolcim Intranet.

5. Record Retention

All records related to HSMS activities should be maintained on site for a minimum of five years or longer if required by local law or regulation.

Appendix A – Definitions

Accountability: a person is accountable to a person of higher authority for task areas which have been delegated to them. Accountability follows lines of command and reporting relationships within the organizational hierarchy.

Competence: ability to apply knowledge and skills to achieve intended results.

Corrective action: action to eliminate the cause/s of a non-conformity or an incident and to prevent reoccurrence.

Document: written standards, procedures, work instructions, etc. that describe intended actions.

Hierarchy of Controls: the following hierarchy must be used in the development and application of controls:
1. Elimination of the hazard;
2. Substitution of less hazardous materials, processes, operations or equipment;
3. Engineering and process controls;
4. Warnings/signage, administrative controls or management strategies; and
5. The use of personal protective equipment (PPE).

Lagging indicator: measure the end result of health and safety processes, policies and procedures. They are a record of things that have already happened. Examples of lagging indicators are number of injuries, lost time injury frequency rate and days away from work as a consequence of incidents, amongst others.

Leading indicator: focus on future health and safety performance with the intent of continuous improvement. They are a signal and monitor of what is being done on an ongoing basis to prevent illness and injury. Examples of leading indicators are number of employees trained in an specific topic, % of completion of HSIP and number of health and safety audits, amongst others.

Line management includes managers and supervisors who have direct management responsibility for workplaces or sections of workplaces including employees and contractors and other persons who may be present in those workplaces. Their responsibilities include the basic functions of planning, organizing (including staffing), leading and controlling.

Non-conformity: non-fulfilment of a requirement.

Process: set of interrelated or interacting activities which transform inputs into outputs.

Procedure: specified way to carry out an activity or a process.

Records: written documentation of activities that have taken place such as training records, meeting minutes, risk assessments, permits to work, amongst others.

Responsibility: a task area, duty, obligation, or liability delegated to a person by a higher authority for which they are held accountable by the higher authority.

Risk Assessment: the overall process of hazard identification, risk analysis and risk evaluation. It involves the evaluation of the risk(s) arising from a hazard(s), taking into account the adequacy of any existing controls, and deciding whether or not the risk(s) is acceptable.

Unit: a site or a group of sites that are under the responsibility of a single line manager.