



# ASSE Tech Brief

**March 2015**



## **The Rise of ISO 45001**

### **A New Global Occupational Health and Safety Management System Standard**

#### **United States Congressional Briefing Held on March 12, 2015**

#### **Interest Continues to Grow in the Proposed Standard**

Almost two-hundred public policy makers and private sector organizations came together on March 12<sup>th</sup> for a Congressional Briefing addressing the proposed ISO 45001 Occupational Health and Safety Management Systems Standard. The event was held on Capitol Hill at the Cannon House Office Building under the sponsorship of Congressman John Lewis of Georgia and the American National Standards Institute (ANSI). As the United States TAG Administrator to ANSI for the ISO 45001 project, ASSE was in attendance. The primary speakers were Vic Toy as Chair of the U.S. TAG and Kathy Seabrook as Vice-Chair of the U.S. TAG. In addition, a number of organizational members of the U.S. TAG were on hand and participated.

The primary purpose of the briefing was to have a dialogue with U.S. leaders on global supply chain initiatives and how voluntary standards and conformance are playing a significant role in creating solutions that cross borders. This is a new opportunity for standards to play an important role in addressing compelling global occupational safety and health issues. This new standard can help us create a necessary global foundation of worker safety standards and inspections that can be used by all global supply chains, for all industries, and cover all contractors and subcontractors in all countries supplying products into these supply chains. Tragedies such as have occurred recently in Bangladesh in the garment supply chain need to be constructively and effectively addressed. A global worker safety standard can offer the global ‘brand’ and inspection regime needed to bring oversight and execution to the far ends of global supply chains.

As a member of ASSE we believe you will have interest in reading the comments presented by Vic and Kathy during their presentations. These presentations provided solid insight into the direction of the standard, synergy with sustainability, global supply chain, and its potential future impact on the SH&E Profession.

#### **#1. Vic Toy – The Rise of ISO 45001**

Good afternoon. My name is Vic Toy. It’s an honor to speak with you on the developments of ISO 45001 for an international OHSMS or Occupational Health and Safety Management System standard. By way of introduction, I have the privilege of serving as the Chair of the U.S. Technical

Advisory Group working on this standard with American Society of Safety Engineers (ASSE) as our administrator. We operate under ANSI as ANSI is the voting representative for the United States for ISO activities. We participate with 50 or so other countries working on the development of this standard.

It's my intent in the time that I have to provide you with some key insights on the importance and value this effort has on U.S. interests to its workers and organizations. I will be teaming with Kathy Seabrook who is Vice Chair of the U.S. TAG and the most recent past president for ASSE. What I cover as an overview, she will bring to light particularly as it pertains to sustainability and supply chains.

### **Opening/Appreciation**

The excitement I have about ISO 45001 is rooted in this concept of continual improvement and a commitment that we can do better. And by better, I'm not just talking about improvements to the safety of workers, but the impact it has on improving organizational performance, markets drivers, client satisfaction and even the safety profession in the way in which we manage risks.

### **Tragedies / ILO Stats**

We all know the story of the gulf oil spill and the impact on the environment, but we sometimes forget that 11 workers lost their lives in that incident. We might also recall the tragedies in global supply chains such as in Bangladesh involving over 1200 fatalities with scores more (>2,500) injured. In these situations, there were numerous systems failures cited.

In fact, the ILO estimated 2.3 million workers died due to causes related to work in 2012. In the time that you have so generously given me today, based on this statistic, over 40 people will have lost their lives. That's 4 people per minute and that doesn't even include all of those workers who have or will sustain injuries and illnesses (over 300 million) or those who avoided what we refer to as a near miss. While these are global statistics, and while the U.S. fares better, we still see more than our fair share of fatalities (4,405 in 2013) and work related injuries and illnesses (>3M in 2013).

But the story doesn't end there because along with our workers, our business and markets also suffer, whether it's financial, reputational or effectiveness in delivering its goods and services.

### **Dependencies on the System**

We refer to ISO 45001 as a systems standard because there is a realization that there are interdependencies from all parts of an organization on what it takes to effectively manage health and safety risks. Not just identifying hazards but also systems considerations including such things as the process for proper risk assessment, commitment to compliance, required maintenance and employee engagement. Taken individually, the significance of the risk may not be detected, but the failure of not taking a holistic system's approach has been a huge factor with many of the high profile incidents we see.

## **The Market**

You're likely familiar with other management system standards such as ISO 9001 on quality and ISO 14001 on the environment. Both standards enjoy year over year increases in adoption.

We are looking for the same with ISO 45001. There are currently about 127 countries, including the U.S. who have management systems and about 100,000 organizations who have chosen to formally certify to these types of standards. Yet this pales in comparison with Quality and Environmental management system standards which number nearly 1.2 million and 300,000 certificants respectively.

It's time for a single global standard to harmonize these efforts to facilitate and make it easier for organizations to adopt this way of managing health and safety risks.

It's also important to note that ISO has issued a directive to harmonize the framework for management systems among the 50 plus MS standards, again to make it easier and more organic for organizations to adopt and to ease the burden when implementing the requirements of these standards.

## **What's inside, the umbrella approach**

So let's talk about what's inside the standard. First, it's important to note that this is a tool, and as such, does not state specific criteria. So it is not the same as what you would find, for example in a regulation such as that for hazard communication.

However, we liken these OHSMS standards to an umbrella that covers all relevant legal requirements such as those from OSHA and other requirements to which an organization subscribes such as safety standards from the ASSE, NFPA or even supply chain management accords.

## **The elements**

The standard itself outlines the required elements of a management system including planning which I consider core to the system.

## **Planning**

Planning is essential because it requires the identification of risks as well as opportunities within the context of the organization. This requires an understanding not only of your activities but also your community, the local infrastructure such as access to the fire department and clinics, culture and language. These are all important elements in understanding your risks which is central to planning.

The key then is to ensure you've identified hazards and system issues, including compliance, in order to manage risks and opportunities for improvements. At the same time improvement objectives are set, the other risks are managed to ensure they continue to be controlled.

### **Leadership and worker engagement (at all levels)**

The standard seeks to ensure leadership provides the direction with OH&S performance critical to the success of its business. But it also recognizes that everyone has an active role to play in the management of risks particularly those closest to the hazards. 45001 allows the organization to determine specific requirements on how it assures and implements participation by all employees including management.

The standard also recognizes that no participation is effective without provisions of resources which is tied to the commitment from top management. We think of resources as something physical or financial. However, it also specifically requires awareness of OHS risks, communication of information necessary to manage these risks and the assurance of competencies for individuals in order to perform their work safely.

The standard covers not just employees, but workers in general who have a role in activities controlled by the organization, for example contractors or employees working at another organization's workplace.

### **Policy**

The management system is required to be guided by an OHS policy that provides direction for the OHSMS from top management. The policy requires a framework for setting OH&S objectives, a commitment to satisfying legal and other requirements to which an organization subscribes, management of risks based on a preferred hierarchy of controls, continual improvements and worker participation.

### **Operational Execution**

Given that planning is core to the system, operational execution is the required element to ensure plans are carried out.

This is where there are requirements for processes to manage changes in the organization, contractors, outsourcing, emergency preparedness and the controls that help mitigate risks from hazards and system wide issues such as education, resources, and performance evaluation.

The standard also requires control over outsourced activities where another organization performs part of an organization's function or process. This is not the same as a supply chain management although my colleague, Kathy Seabrook will talk about the standard's relevance in this regards and the related opportunities.

### **Performance Evaluation**

And although we have covered the core elements, there is another equally important element and that is performance evaluation. This standard requires processes to assure the system is working as designed. This includes not just the traditional safety inspections but other monitoring and measurements and management reviews to check if the controls are working effectively to manage risks and that objectives are met. Of course there is a requirement to assess the conformance of an organization's OHSMS to ISO 45001.

## **Continual Improvements**

The final element is one on improvement. A required follow-up to incidents that include not only accidents but also near misses, a determination of root or underlying causes to fix not just the hazard but other potential risks that share or could share the same fate. Continual improvements are also tied to the development of new objectives as determined in the planning phase.

## **Closing**

The concept of a single international OHSMS has finally arrived with the agreement by ISO member countries.

It has its challenges as you would expect in a consensus process where there are differences in language and culture, attitudes and bias. The stakes are also high because this standard is a potential replacement of OHSMS standards currently in use in 127 countries including the U.S. In this case, we need to focus as we do in a management system that the whole is better than simply the sum of its parts. This is where we have great potential.

It is not so much about achieving a perfect standard as it is setting the stage for the pursuit of perfection in managing risks. Said another way, setting continual improvement in health and safety to be taken seriously by organizations, such as manufacturers, to meet their own needs as well as those for their workers.

## **Thank you**

As I conclude my portion of today's presentation I'd like to extend my appreciation by thanking you for your time and for ANSI and the ASSE in their efforts to shed light and resources for this most important work. With that, I'd like to introduce Kathy Seabrook.

## **#2. Kathy Seabrook - Connecting the Dots**

Kathy A. Seabrook CSP, CFIOSH, EurOSHM

Greetings and Welcome to the "Standards and the Global Supply Chain" event hosted by ANSI. What makes ISO 45001 relevant? Today I would like to answer that question by spending some time "Connecting some Dots" on Supply Chain accountability, the Market Economy, Sustainability or Corporate Social Responsibility (CSR as it is known), Materiality reporting – AND the ISO 45001 management system standard for workplace safety and health.

RISK is the common thread connecting supply chain accountability, the Market Economy, Sustainability, Materiality reporting and ISO 45001 -- AND all of these risks can have an impact public policy. This interconnectedness of RISK impacts society, the economy and trade, an industry, an organization, its reputation and brand, its shareholders, business processes, product and service delivery capability, its workers and its supply chain.

As we heard from Vic, the premise of a management system standard is to set out requirements to establish, implement, maintain and continually improve a system to manage RISK. Current Management systems standards you may be familiar with are environmental (ISO 14001), quality (ISO 9001), Food Safety (ISO 22000) and Consumer product Safety. ISO has over 70 management systems standards, covering everything from energy to Asset management. The ISO 45001

standard is focused on the management of an organization's Occupational safety and health (OH&S) risk-- that is Worker Safety and Health.

I would like you to hold this thought on managing Occupational safety and health or OH&S risk, because we are going to come back to this in the next few minutes.

Let's continue to "connect the dots" on Risk and an organization's supply chain. You will have seen and heard news of the garment fires and Rana Plaza building collapse in Bangladesh two years ago. One fire took the lives of 102 people who were trapped in a building where fire blazed around the workers. The Rana Plaza collapse took 1,129 lives. Investigations of the garment fires found the basic provision of adequate emergency exits--did not exist. And due to concerns of theft by the workers, the exits that did exist were locked. There was no way out for the workers caught in the Blaze. In the case of Rana Plaza, the building and company owners knew there was issue with the integrity of the building but chose not to provide a safe place of work for those in their employ. The Alliance for Bangladesh Worker Safety and the Accord on Fire and Building Safety in Bangladesh were formed in the aftermath of these incidents to promote better life safety for those working in Bangladesh. The fire life safety inspections organized by these groups are an important feedback mechanism for continual improvement and they are part of the ISO 45001 systems approach to managing the OH&S RISKS of injury, ill health and/or death to workers. There were multiple causation factors that led to the collapse and fires.

Proactively identifying OH&S RISKS - before an incident occurs--and assuring controls are in place can help to minimize or eliminate these causation factors in the future. This is a sustainable, management system approach and is the basic premise of ISO 45001.

Let's continue to "connect the dots" on the theme of RISK. There are two drivers impacting change by some organizations to be more accountable for their supply chain-- THE MARKET Economy and SUSTAINABILITY reporting-- and they are closely tied. The investment community and organizational stakeholders are driving market demand for more transparency from the organizations they invest in. To give you a Business perspective, the UN Global Compact and Accenture conducted a CEO Study on Sustainability about a year and a half ago. They surveyed 1,000 CEOs from around the world and 93% of these CEOs stated "Sustainability is important to the future success of their business."

Sustainability reports published annually or biannually by publicly traded companies are increasingly disclosing supply chain and worker safety and health risks that are material to their organization. Globally, the Market which includes the investment community and other organizational stakeholders, has embraced the voluntary Global Reporting Initiative's (GRI) Framework for reporting disclosures in Sustainability reports. Over 95% of the companies on the Dow Jones Sustainability Index now meet the reporting requirements of the GRI Framework. Some of these companies are now moving to towards integrated reporting, which combines their sustainability and financial performance into one report. It is important to note Occupational safety and health performance is one of the reporting or disclosure requirements in the GRI Framework. The Center for Safety and Health Sustainability has been working to influence the OH&S GRI

Framework requirements so they are more proactive and aligned with recognized management systems thinking.

The most recent version of the GRI Framework focuses on supply chain accountability and materiality disclosures. What this means is depending upon the industry sector, the supply chain and nature of risk and operations, OH&S risks may be identified as material to an organization's financial condition and operational performance – AND therefore must be disclosed or reported to shareholders as a requirement by the US Security and Exchange Commission. This is where the markets-sustainability, public policy and ISO 45001 converge.

In ISO 45001, an organization considers its external issues and the needs and expectations of interested parties to determine its OH&S risks. An example of this is sustainability performance. In this case, the interested party is the investment community and the external issue is transparency on OH&S performance in the Sustainability Report. Since OH&S performance and materiality reporting are becoming expectations of the investment community, this external issue impacts the Organization's ISO 45001 OH&S management system. Taken a step further, if the OH&S risk is determined to be material to the organization's financial condition and operational performance it should be reported. Saving worker's lives and providing safe working conditions also pays off in the health and sustainability of the global supply chains themselves. Treating OH&S RISK as material to the viability of a company –or an industry—also prioritizes worker safety and health initiatives.

Owens Corning is a US manufacturer of building materials and has identified 22 medium-high materiality topics in their sustainability report, and OH&S risk (employee safety and Health) is one of them. This is a trend to watch. The NGO Sustainability Accounting Standards Board (known as SASB) is chaired by Michael Bloomberg with Mary Shapiro (former chair of the SEC) as vice chair. These are two powerful influencers in the investment community and policy development arena. They are overseeing the development of SASB Materiality Maps™ which identify materiality issues on an industry-by-industry basis. Materiality Maps have been created for the Financial services, Technology and Communications, transportation, mining and the oil and gas industries to name a few. SASB's goal is to get companies to focus their sustainability strategies on the most important issues and to understand the metrics that underpin each materiality issue that is reported. They are also encouraging Investors and other market participants to use the SASB Materiality Map™ “to analyze portfolio exposure to specific sustainability risks and opportunities represented by each material issue.” In the end, the market will determine the future of SASB's influence.

Let's bring us back full circle to ISO 45001 and how it can inform and play a role in creating solutions that cross borders. First of all, ISO 45001 is management tool for organizations. While the scope of ISO 45001 is not intended to include supply chain workers, an organization can choose to leverage the ISO 45001 management systems approach as a solution to identify, control and continually improve opportunities to reduce or eliminate worker safety and health RISK to workers in the supply chain.

The American Society of Safety Engineers (ASSE) is the Administrator of the US Technical Advisory Group to ISO 45001. It is under the leadership of Tim Fisher who is the ASSE Director of Practices and Standards that we meet the administrative requirements of ANSI and ISO.

In closing, Vic and I like to thank Scott Cooper for his visionary work in bringing us together today to engage in dialogue around possible cross border solutions on global supply chain initiatives.

### **#3. TAG Participants Organizations – Observations and Comments**

A number of TAG participants attended the meeting and participated via staffing of the ASSE booth and answering questions and inquiries from other attendees. The views and ideas of these participants should also be of value to those SH&E professionals interested in the proposed standard and the impact it can have on the global practice of the profession.

Ken Clayman (Booz Allen Hamilton): *The advent of an international standard for occupational health and safety is a game changer on a scale NEVER before seen. ISO 45001 will provide a baseline that organizations, including private businesses and public agencies, will be able to use to institute safety and health risk management as a core principle to build on and improve their operations and the workplace in a consistent and controlled manner.*

John Bennett (M.C. Dean): *I was suitably impressed and proud of the TAG Leadership today at the Congressional Briefing. The testimony, professionalism and fact based presentation, in my opinion, helped to advance our profession to a level not experienced in my career which spans over 40 years. We, at M. C. Dean look forward to working with the ISO 45001 technical advisory group as we advance towards the world-wide implementation of the standard.*

### **#4. Past Technical Update Materials**

ASSE has published previous materials and tech briefs about the proposed standard and these materials are linked below and should interest you:

<http://viewer.zmags.com/publication/2ff698a9>

<http://viewer.zmags.com/publication/69074222>

[http://www.asse.org/assets/1/7/VP\\_1014.pdf](http://www.asse.org/assets/1/7/VP_1014.pdf)

### **For More Information**

For technical information about this standards project or for more information about membership on the TAG please contact ASSE via the information below.

Timothy R. Fisher, CSP, CHMM, ARM, CPEA, CAE  
Director, Practices and Standards  
American Society of Safety Engineers (ASSE)



520 N. Northwest Highway, IL 60068 USA  
847/768-3411 (T)  
[TFisher@ASSE.Org](mailto:TFisher@ASSE.Org)  
[www.asse.org](http://www.asse.org)