

4th Kuwait Enterprise Risk Management Conference

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Hilton Kuwait Resort



Effective EHS risk governance

What the auditor saw



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Presentation outline

- ▶ Introduction to Amec Foster Wheeler
- ▶ Governance and EHS management systems
- ▶ What auditors look for
- ▶ Take-homes



Amec Foster Wheeler

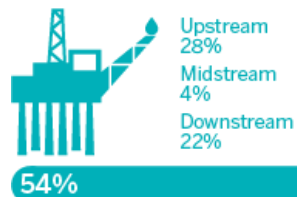


Amec Foster Wheeler Overview



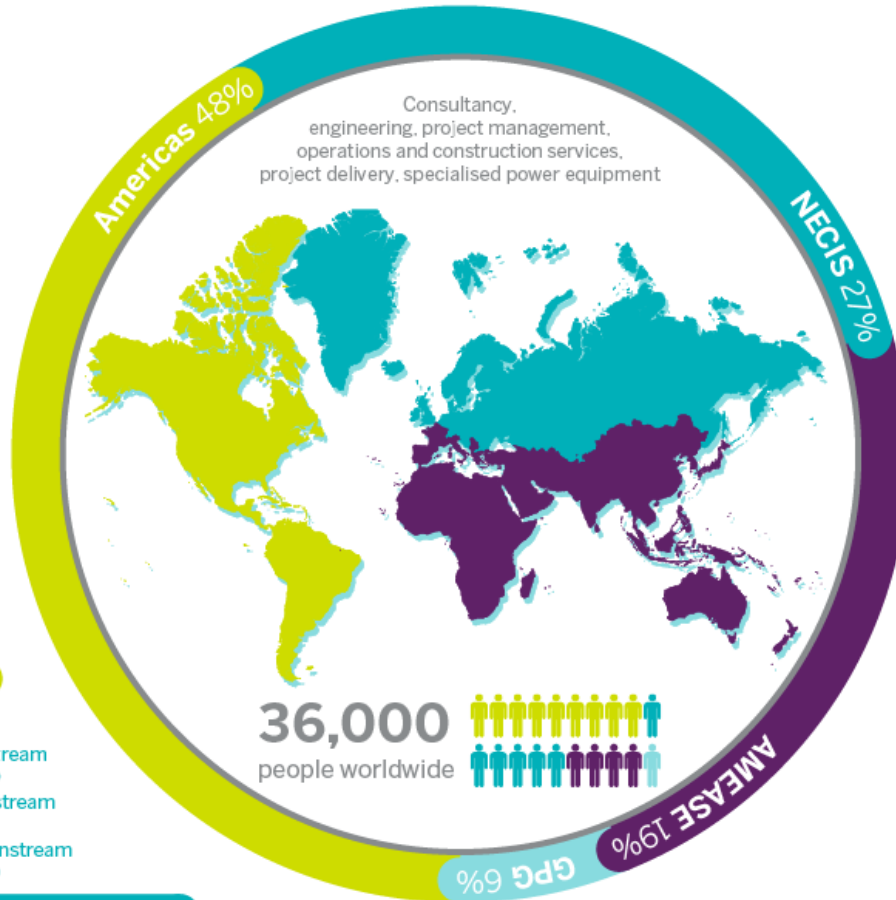
Market mix by revenue

- Mining, Environment & Infrastructure,
- Clean Energy, Oil & Gas



Business units

Americas, Northern Europe & CIS (NECIS),
Asia, Middle East, Africa & Southern Europe (AMEASE),
Global Power Group (GPG)



160+
year history



Operating in over
55 countries



Revenue
£5.5bn



Trading symbol

Amec Foster Wheeler Market segments



Amec Foster Wheeler

Putting safety first

- ▶ We are committed to maintaining a strong and sustainable HSSE culture across all our operations
- ▶ **Beyond Zero** means zero harm every minute of every day, whatever we do, at work or at home

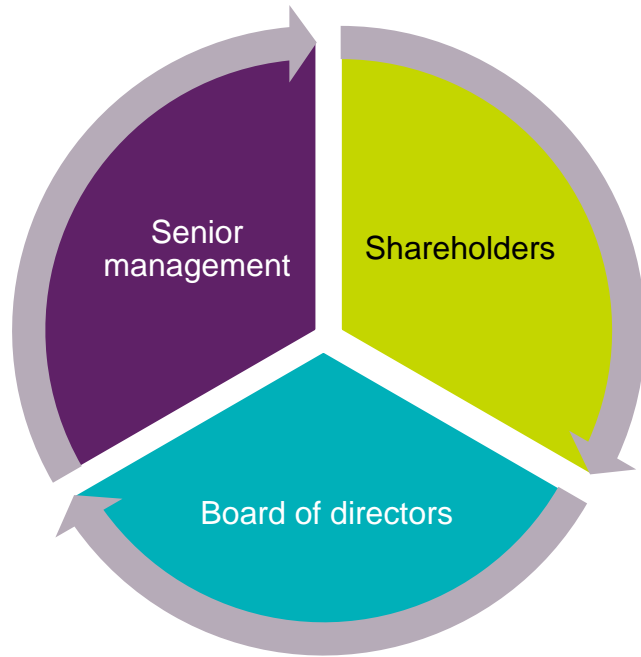
BEYOND **Z**ERO



Governance and EHS management systems

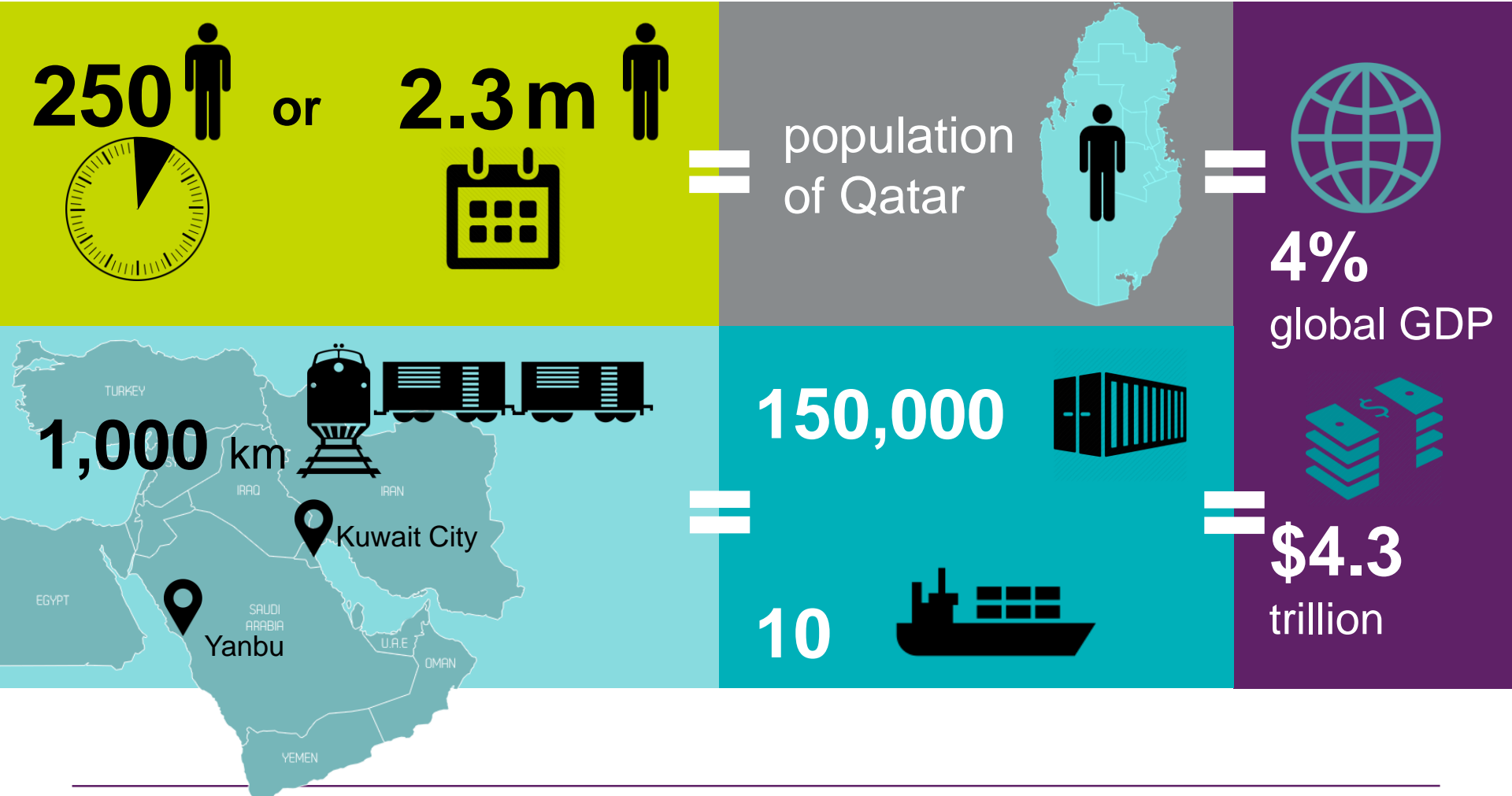


What is governance?

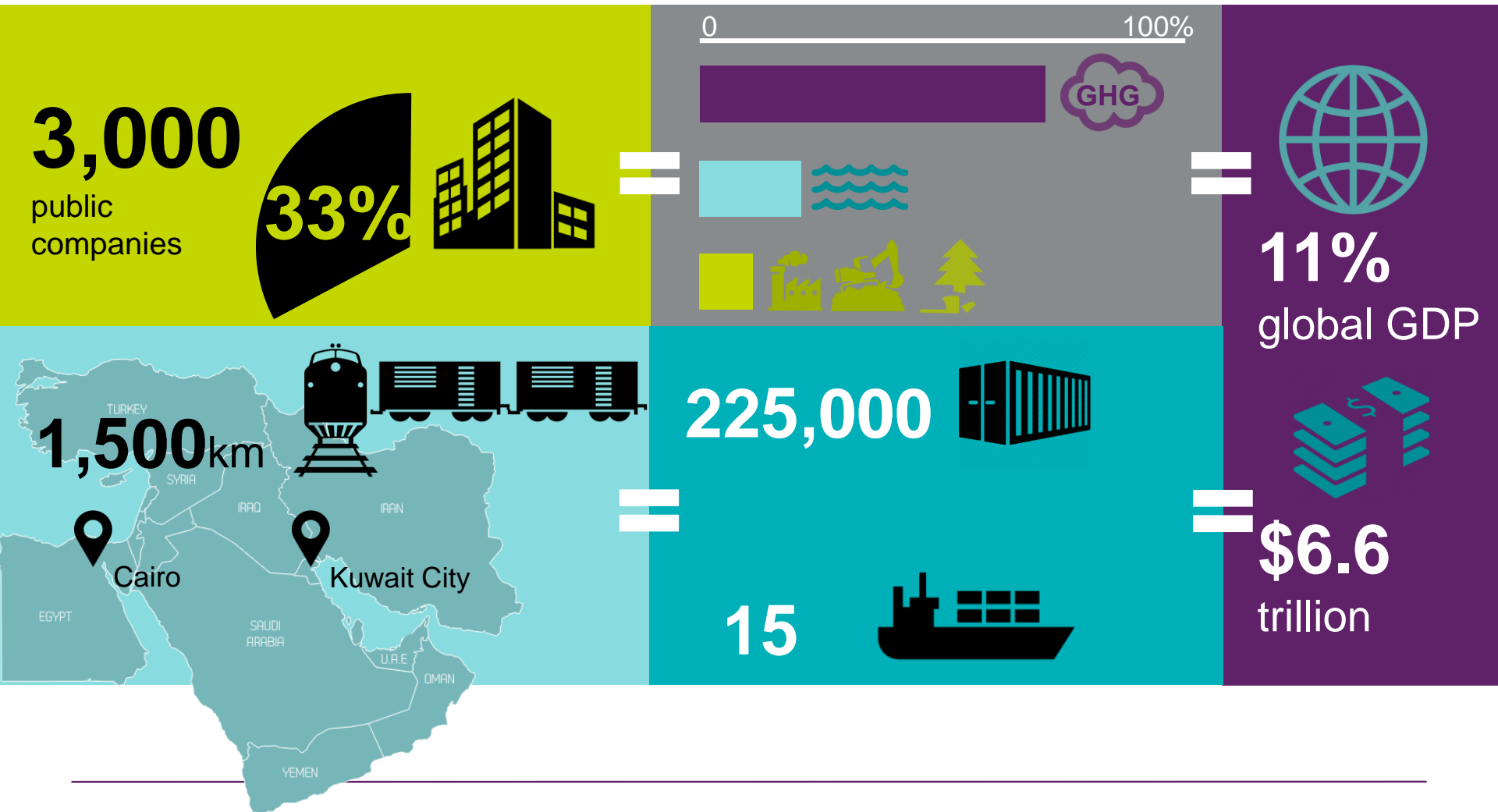


- ▶ How an organisation is managed and directed
- ▶ Interaction of people, processes and technology to generate corporate knowledge within a given organisational structure

Cost of industrial accidents and diseases (ILO, 2016)



Cost of environmental damage (UNEP, 2008)



EHS management systems

Benefits

- ▶ Cost savings through EHS efficiencies
- ▶ Management of EHS risks and hazards and ensuring legal compliance
- ▶ Brand/reputation management
- ▶ Supply chain management



EHS management systems

ISO standards

- ▶ ISO Annex SL
 - ▶ Standardising ISO standards
 - ▶ ISO 14001:2015
 - ▶ EMS – Requirements with guidance for use
 - ▶ ISO/DIS 45001 (2016)
 - ▶ OHSMS – Requirements with guidance for use
 - ▶ ISO language conventions
 - ▶ Shall, Should, May, Can
- ▶ 1 Scope
 - ▶ 2 Normative References
 - ▶ 3 Definitions
 - ▶ 4 Context
 - ▶ 5 Leadership
 - ▶ 6 Planning
 - ▶ 7 Support
 - ▶ 8 Operation
 - ▶ 9 Performance Evaluation
 - ▶ 10 Improvement

EHS management systems

ISO trends

- ▶ Procedures ↓
- ▶ Processes ↑
- ▶ Compliance ↑
- ▶ Shall ↑



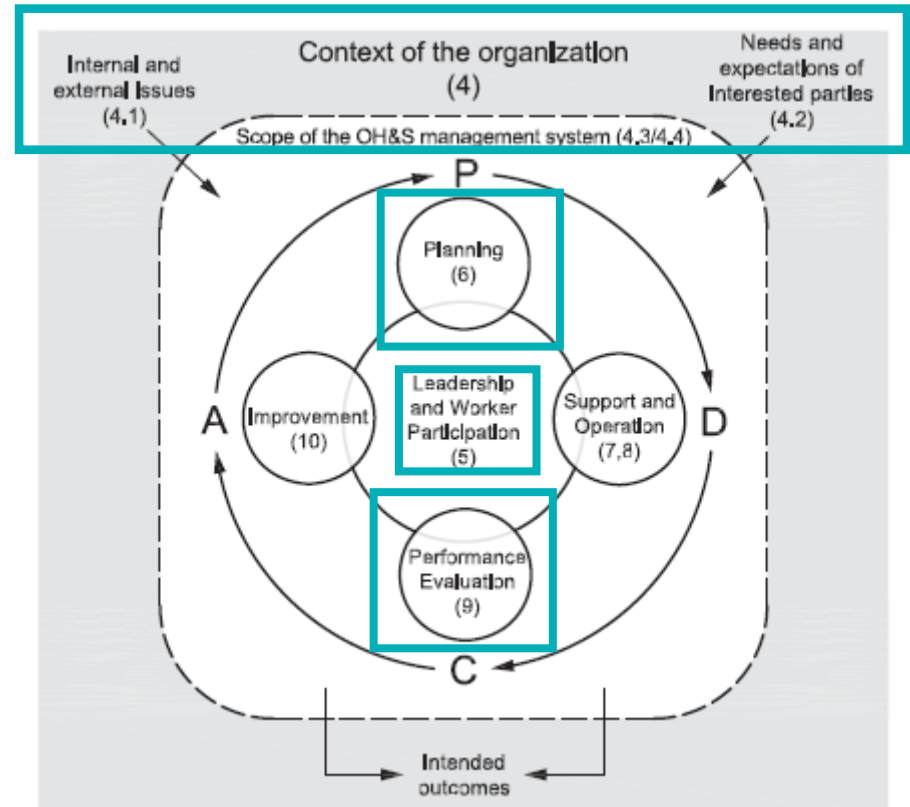
International
Organization for
Standardization



EHS management systems

Governance elements – ISO/DIS 45001

- ▶ PDCA Model
- ▶ Context
- ▶ Leadership and worker participation
- ▶ Planning
- ▶ Performance evaluation



What the auditor saw



ISO 14001/DIS 45001 governance elements

Context – what the auditor saw

- ▶ External and internal issues
 - ▶ Structured process – PEST, STEEP, PESTLE
 - ▶ Key drivers and trends
- ▶ Stakeholder needs and expectations, including workers
 - ▶ Managers and workers
 - ▶ Mandatory, voluntary commitments and other requirements
- ▶ Scope statement
 - ▶ Credible boundary
 - ▶ Documented information



ISO 14001/DIS 45001 governance elements

Leadership – what the auditor saw

- ▶ Leadership and commitment
 - ▶ Integration
 - ▶ Resources
 - ▶ Communication
- ▶ EHS policy
 - ▶ Three environmental and five safety commitments
 - ▶ Documented information
 - ▶ Publicly-available



ISO 14001/DIS 45001 governance elements

Leadership – what the auditor saw (cont.)

- ▶ Roles and responsibilities
 - ▶ Assigned and communicated
 - ▶ EHS management representative
 - ▶ Right to avoid unsafe work
- ▶ Participation and consultation (ISO/DIS 45001 only)
 - ▶ Worker participation
 - ▶ Worker consultation
 - ▶ Two-way communication



ISO 14001/DIS 45001 governance elements

Planning – what the auditor saw

- ▶ Planning processes
 - ▶ Documented evidence
- ▶ Risk identification and assessment
 - ▶ Abnormal situations and emergencies
 - ▶ Documented evidence of risks
- ▶ Legal requirements
 - ▶ Access to current information
 - ▶ Documented evidence



ISO 14001/DIS 45001 governance elements

Planning – what the auditor saw (cont.)

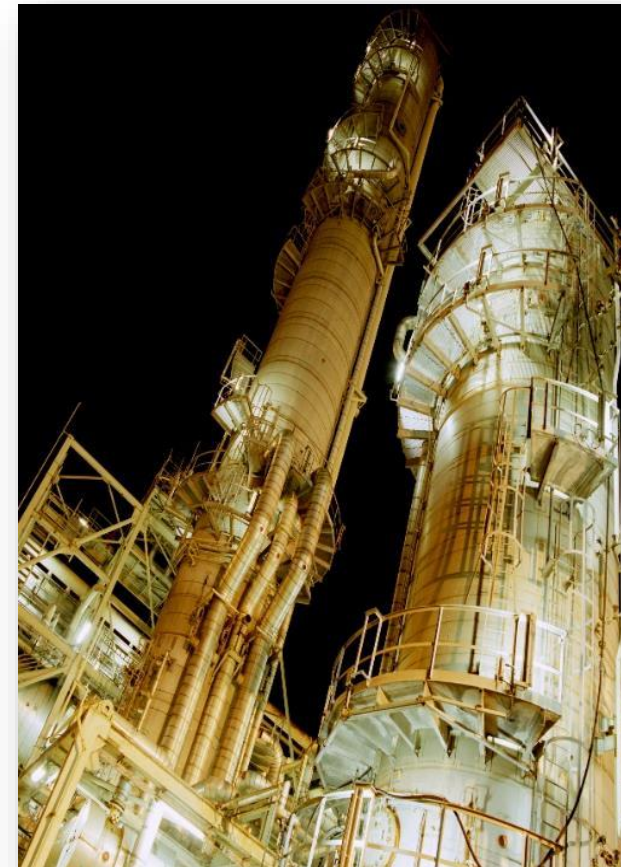
- ▶ Action planning
 - ▶ Risk management
 - ▶ Legal and other requirements
 - ▶ Best practices
- ▶ EHS objectives
 - ▶ SMART
 - ▶ Kipling's Six Honest Serving Men
 - ▶ Documented evidence



ISO 14001/DIS 45001 governance elements

Performance evaluation – what the auditor saw

- ▶ Monitoring, measurement, analysis and evaluation
 - ▶ Calibration of equipment
 - ▶ EHS performance evaluation
 - ▶ Documented evidence
- ▶ Evaluating compliance
 - ▶ Compliance process
 - ▶ Compliance evaluation schedule
 - ▶ Documented evidence of compliance evaluation results



ISO 14001/DIS 45001 governance elements

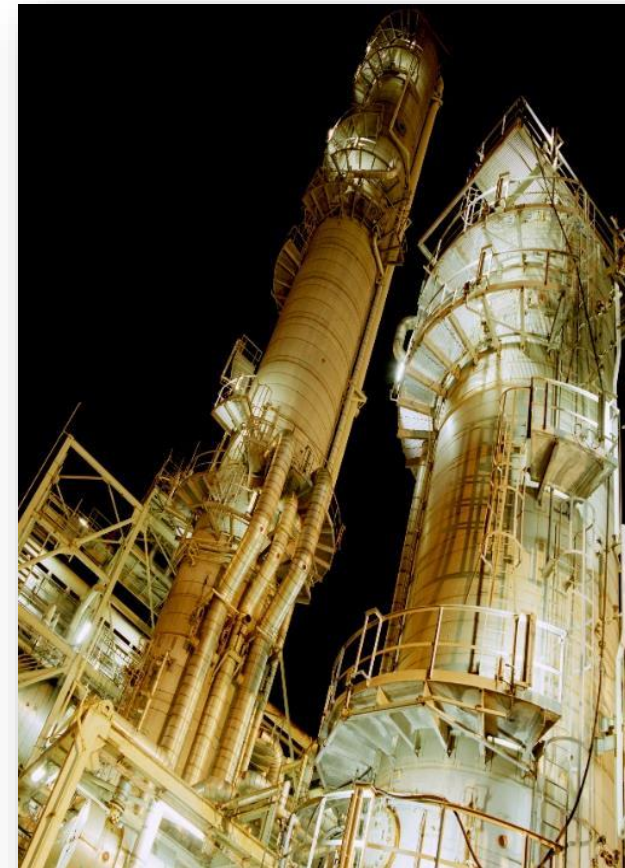
Performance evaluation – what the auditor saw (cont.)

► Internal audits

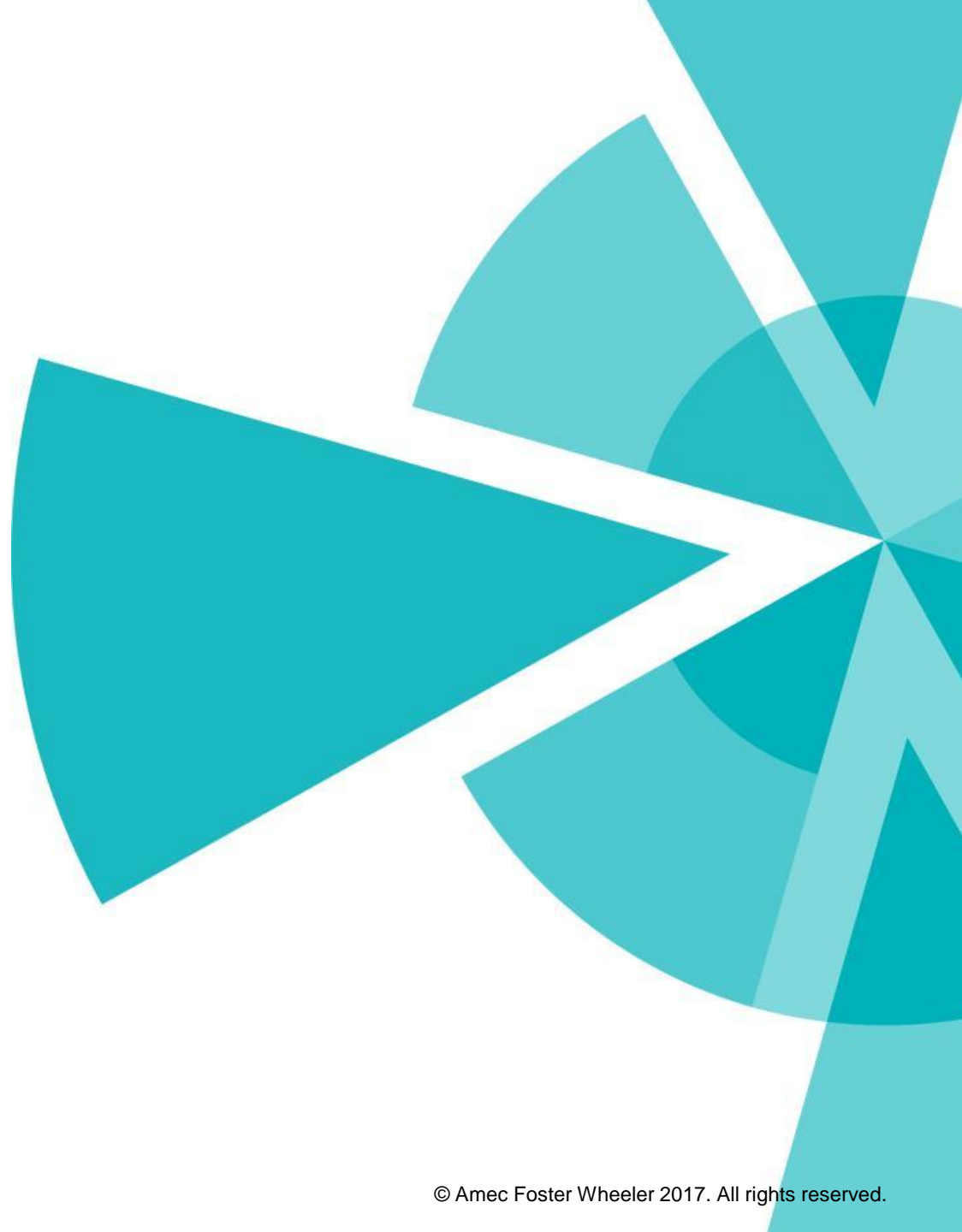
- Internal audit program
- Conformance with ISO standards and EHSMS requirements
- Documented evidence of audit program and results

► Management review

- Management review schedule
- Key inputs and outputs
- Documented evidence



Take-homes





Take-homes

- ▶ Effective EHS governance through use of management systems
- ▶ ISO 14001 and ISO/DIS 45001 PDCA models
- ▶ Selective use of documented evidence to demonstrate ISO conformity





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