Safety, Health and Environment Management System Overview

Setting the PACE!
Nalco Company manages its global operations with concern for the health and safety of individuals, the environment and with a commitment to global sustainable development. We operate by the following principles:

- Develop environmentally sustainable and safe solutions – through our products, processes and technology – that bring value and confidence to our customers, employees, shareholders, communities and our business.

- Strive for continuous improvement in personnel safety, and health, and the protection of the environment with the goal of zero injuries, illnesses, incidents, waste generation and emissions.

- Protect the environment by reducing the demand for non-renewable resources, eliminating waste and minimizing the volume and impact of emissions to air, water and land.

- Conduct business in a safe, secure and environmentally sound manner, consistent with Responsible Care®, the chemical industry’s commitment to ensuring a chemical product’s safe evolution from concept through customer use, disposal, recycle or reuse.

- Operate our facilities in a secure, resource-efficient manner, identifying and mitigating process safety risks while protecting the environment and the health and safety of our employees, contractors, and the communities in which we operate.

- Comply with applicable laws and regulations and apply responsible standards where laws and regulations do not exist.

- Train all employees to work safely, preventing injuries to themselves and others, avoiding damage to property and protecting the public interest.

- Ensure auditable systems and processes are in place to implement these principles and to communicate openly about environmental health and safety issues.

- Support of these principles by all levels of management and all employees.

Erik Fyrwald
Chairman, President and Chief Executive Officer
Nalco Company
Leadership

“People you trust, delivering results.”
At Nalco, these are more than just words. They come out of an intense desire to be our industry’s first choice for delivering the products and services critical to their success. They reflect Nalco’s Core Values, the kind of organization we want to be and how we want to go about our business.

Nalco Company strives to lead the specialty chemical industry in Safety, Health and Environment (SH&E) performance, expressing this commitment in our Safety, Health and Environment Sustainability Principles. We have demonstrated leadership in the chemical industry’s Responsible Care initiative, communicating these principles to our employees, our customers and the public.

This policy requires responsible leadership from people at all levels in the organization: choosing to work safely and responsibly, following defined roles and responsibilities, providing and properly using resources, and getting involved. The importance of our SH&E values must be understood, shared and practiced by every Nalco employee and contractor.

This document presents an overview of our SH&E Management System. This system plays a vital role in identifying and successfully managing SH&E issues, including processes for measuring, reviewing and improving our performance. Implementation of the SH&E Management System at numerous field and manufacturing locations, as well as corporate headquarters, has been certified by Responsible Care and ISO standards.

Only by leading and managing safety, health and environmental issues responsibly can we hope to remain “People you trust, delivering results.”
Nalco Company’s Safety, Health, and Environment Sustainability Principles define how we conduct our operations worldwide with regard to the health and safety of people, and the protection of the environment.

These principles shall be communicated to all stakeholders. Strategic Business Units shall implement an SH&E Management System in their support of these principles.

The SH&E Management System framework consists of four phases with 14 supporting elements:

**PLAN**
- Risk and Impact Assessment
- Legal, Business and Client Requirements
- Goals, Objectives and Plans

**ACT**
- Structure and Accountability
- People, Training and Competence
- Communication
- Document Control
- Operational Controls
- Emergency Preparedness and Response

**CHECK**
- Performance Monitoring and Measurement
- Incident Management, Corrective and Preventative Action
- Recordkeeping
- Audits

**EXCEL**
- Management Review

SH&E performance is continually improved by "Setting the PACE": Planning, Acting, Checking and Excelling in our SH&E Performance
Focus is critical in improving SH&E performance. Existing resources are valuable and must be leveraged for maximum effect. It is vitally important to identify the safety, health and environmental issues and the legal, business and client requirements of our business. There must be a means to prioritize our response. Finally, specific SH&E goals, objectives and resources must be allocated in an SH&E plan to maximize improvement to the greatest extent.

**Risk and Impact Assessment**

**Purpose**

Identify health and safety hazards as well as the environmental aspects of our business. Assess the risks and environmental impacts associated with our activities, products and services, using the results to prioritize and direct our efforts at reducing risks to the health and safety of our people and mitigating effects on the environment.

**Process**

- Identify Hazards and Aspects Associated With Our Business
- Conduct Risk and Impact Assessments
- Prioritize Risk and Impact Reduction Efforts
- Document and Communicate Results to the Affected Stakeholders
- Implement an Effective Management of Change Process

**Payoff**

Knowing the hazards and environmental aspects of our business, and focusing limited resources on those with the highest risk and impact, enables Nalco to deliver the greatest value in improving our SH&E performance.

**Programs and Systems**

- Nalco Global Risk Assessment
- Job Safety Analysis
- Product Stewardship Customer Assessment
- Hazard Operability (HAZOP) Assessment
- Nalco Total System Audit
Legal, Business and Client Requirements

Purpose

Identify the legal, business and client (LBC) requirements associated with regulatory compliance; conduct our business; and meet our clients’ SH&E requirements.

Process

• Identify Requirements Associated With Our Activities, Products and Services
  • Legal Requirements (e.g., US OSHA, EPA, DOT; UK HSE; BGV; etc.)
  • Business Requirements (e.g., ACC, Responsible Care, ISO 14001, OSHAS 18001, Six Service Standards, etc.)
  • Client Requirements (e.g., Tenders/Bids, Site-Access Training, Third Party SH&E Reporting Databases, etc.)
• Determine and Document the Applicability of Requirements
• Document Applicable Requirements
• Identify Emerging Requirements

Payoff

Knowing our LBC requirements helps us achieve our compliance commitments, conduct business in a safe and environmentally responsible manner, and satisfy our clients’ performance expectations.

Programs and Systems

• Nalco’s “Six Service Standards” – People Survey, Plant Survey
• “SH&E Links” Resources – Envirosmart, Guidelines/Model Programs
• Client Governance Councils/Business Reviews
• Routine Interface with Local/Regional Agencies and Industry Associations
Goals, Objectives and Plans

Purpose

Establish goals, objectives and plans based on our desire to achieve our SH&E performance improvements, control risks and impacts to our employees and the environment, and comply with our LBC requirements.

Process

- Review Risk Assessments and LBC Requirements
- Review Past Statistical Performance, Trends and Best Practices
- Review Stakeholder Input (Employees, Clients, Community, Regulatory)
- Consider Nalco Company Values, SH&E Policies and Past SH&E Goals and Achievements
- Consider Cultural, Technological, Financial and Human Resource Options
- Establish SMART Goals and Objectives Based Upon “Best In Class” External Benchmarking
- Establish Leading and Lagging Indicators of SH&E Performance
- Document and Track Actions for Achieving the Goals and Objectives in an SH&E Plan
- Publish and Communicate the SH&E Plan
- Periodically Update and Review Plan Progress to Ensure Completion

Payoff

A well-prepared plan focuses our attention on SH&E priorities. It establishes and communicates our goals and objectives, detailing the actions, responsibilities, resources and timeframes for achieving continual improvement. Periodic review ensures plan achievement is on track.

Programs and Systems

- Corporate/SBU SH&E Goals and Objectives
- Nalco Global Safety Dashboard, Alerts and Newsletters
- Nalco Company Annual SH&E Report
- Safety Champion Networks
- External Benchmarking
- Nalco’s Six Service Standards – Service Plan
ACT

We must take action to control the risks and impacts we cannot eliminate as well as meet our requirements in a manner consistent with Nalco Company policies and procedures and with Responsible Care guiding principles.

Structure and Accountability

Purpose

Document the management system’s structure as well as the accountability for its implementation including the roles, responsibilities and authority required at relevant levels and functions.

Process

• Explain the System’s Scope, as well as the Interaction and Alignment of Supporting Elements
• Detail the Roles, Responsibilities and Authority for Establishing, Implementing, Maintaining and Improving the System
• Establish and Maintain Employee Involvement in Developing, Communicating and Implementing Management System Policies and Procedures

Payoff

Employees and other stakeholders will understand the system’s structure, as well as their role and responsibility for SH&E performance at Nalco.

Programs and Systems

• Nalco Global Policies Database
• “SH&E Links” Resources – District Manager’s Guide to Safety, Safety Expectations
• Global Document Management Systems
People, Training and Competence

Purpose

Any person working for Nalco or on its behalf has the potential to cause or prevent an incident that may harm themselves, others or the environment. Therefore, competency is critical in performing assigned tasks.

Employees and contractors must be aware of the SH&E issues surrounding their work and workplaces, and understand the potential consequences of departing from specified operational controls.

Process

• Identify and Communicate Training Needs for New/Current Employees Relevant to Their Job Functions
• Develop and Source Effective Training Programs to Address Employee Training Needs
• Ensure Delivery of Training Programs, Competency Testing and Evaluation of Training Effectiveness
• Implement a Tracking System that Records Required and Completed Training

Payoff

A key contributor to continual improvement in SH&E performance is the growing development of our employees’ and contractors’ expertise to perform their jobs in a safe and environmentally responsible manner.

Programs and Systems

• SafeTNet™ Internet Training System
  • New Hire Orientation
  • Refresher Training
  • Safety Program Introduction
• SOS [Safety On Site]® Field Training
• Global Field Safety Training Registry
• Quarterly District Manager Training Packets
• Practical Training Programs
• Periodic Trending and Gap Analysis
Communication

Purpose

Establish systems for two-way internal and external communication with employees and other stakeholders about the SH&E risks, impacts and requirements of our business, our SH&E Management System, and the status of our SH&E plans.

Implement processes to ensure free circulation of information throughout the organization. Maintain communication with contractors, clients and other stakeholders. Participate actively in industry SH&E organizations, initiatives and meetings.

Process

- Identify Data For and From Employees and Other Stakeholders and Ensure Information Needs Are Met
- Establish Outputs, Means (Databases, Meetings, Networks) and Timeframes for Communication
  - SH&E Risks, Alerts, Issues, Trends and Results
  - Document Dialogue With Employees and Other Stakeholders
- Provide Reports to Management on the Performance of the System
  - Consistency With Nalco Company Policy and Responsible Care Guiding Principles
  - Effectiveness of Phases, Elements and Operational Controls Given Each Site's Activities, Products and Services
  - Suitability of the System With Respect to Stakeholder Input and Emerging Requirements

Payoff

Improvements in organizational SH&E performance demand a free flow of information and ideas within and outside of the organization; a means of gathering and reporting feedback; and programs that facilitate learning and sharing lessons learned.

Programs and Systems

- Safety Champion Network
- “SH&E Links” Resources
- District Safety Meetings
- Nalco’s Six Service Standards, Program Administration Manual, Personal Safety Report, and Annual Business Review
- Nalco’s “the Weekly” Global Newsletter
- External SH&E Reporting Databases
- Global Document Management Alert Bulletin
- Safety Alerts and Lessons Learned Bulletins
Document Control

Purpose

The SH&E Management System requires a procedure for creating, approving and disseminating new guidance for reviewing and updating existing documents and for explaining the changes made in releasing a revision. The system also requires a robust filing system to store past guidance and track system developments.

Process

• Establish, Implement and Maintain a Document Control Procedure
  • Draft and Approve New Documents for Issue
  • Review and Update Existing Documents for Issue as Necessary
  • Ensure Changes and Revision Status are Identified
  • Ensure Relevant Versions of Applicable Documents Are Available for Use
  • Ensure Documents Remain Legible and Readily Identifiable
  • Provide for the Removal and Storage of Archival Copies

Payoff

Consistent individual and team efforts to improve SH&E performance by Nalco employees and contractors are possible given the ability to access the latest and best available policies, guidelines and programs on SH&E issues and requirements in their business.

Programs and Systems

• Global Document Management Systems
• “Nalco Global Policies” Database – Safety, Health and Environment
Operational Controls

Purpose

Establish policies, guidelines and programs to control operations where:
• their absence could lead to incidents and/or noncompliance;
• where critical SH&E operating criteria and requirements must be met; and
• where their communication and achievement by employees and contractors contribute substantially to achieving SH&E goals and objectives and improving performance overall.

Process

• Develop Operational Controls
  • Protect Our Employees, Other Stakeholders and the Environment
  • Manage Our Business in a Safe and Secure Manner
  • Ensure SH&E, Security and Sustainability are Integral Considerations
  • Address Work With Contractors, Clients and Vendors
  • Support Training and Development
  • Resolve Past Problems
  • Provide for Cooperation and Collaboration With Others

Payoff

Implementing operational controls while conducting our business places defenses between us and loss, between meeting and failing at our commitments and between improving or accepting status quo in our SH&E performance.

Programs and Systems

• “SH&E Links” - Life Critical Procedures, SH&E Policies, Guidelines and Model Programs
• District Manager’s Guide to Safety Manual
• Safety Champion Networks
Emergency Preparedness and Response

Purpose
Establish, implement and maintain a procedure for identifying foreseeable emergency situations, for planning appropriate emergency response plans and for regularly testing and evaluating the effectiveness of those plans.

Process
• Identify Foreseeable Emergencies With Regard to the Locations, Activities, Products and Services in Business Operations
  • Safety and Health Related Emergencies
  • Environmental Spills and Releases
  • Personal, Facility and Operational Security
• Establish Emergency Response and Crisis Management Teams and Complete Training
• Establish Emergency Response Plans
  • Identify Specific Response Actions and Duties
  • Assign Personnel to Carry Out Specific Duties
  • Train Employees on the Plan and Their Specific Assignments
  • Detail Activation and Implementation of the Plan During Normal and After-Hours Periods
• Plan Communication Among Emergency Response Groups During an Emergency
• Develop Appropriate Site Plans for Reference
• Establish Alarms, Evacuation Routes and Shelter-in-Place Provisions
• Plan Prevention or Mitigation Steps for Environmental Emergencies
• Plan for Fire/Medical/Medical Evacuation/Spill or Release Scenarios
• Schedule Drills on a Regular Basis to Evaluate and Update Plans
• Drill Emergency Responders and Employees on Selected Scenarios and Their Response
• Keep Records of Response Plans, Site Plans, Training and After-Action Reviews

Payoff
Company employees, their families and other stakeholders will be aware of how to respond and communicate properly in unforeseeable emergencies.

Programs and Systems
• “SH&E Links” – Emergency Response Policy, Guideline and Program
• Responsible Care – Emergency Preparedness Resources
• Client Emergency Preparedness and Response Resources
• Regional Emergency Response Systems (e.g., US CHEMTREC; EU SGS Ltd.; etc.)
CHECK

Performance Monitoring and Measurement

Purpose

Establish, implement and maintain procedures to monitor and measure the key characteristics of our operation that significantly affect the safety and health of our employees and environmental impacts.

Process

• Document Information Needed to Monitor and Measure SH&E Efforts
• Conduct Periodic Monitoring and Measurement of Critical SH&E Rates, Leading and Lagging Indicators of SH&E Performance
• Include Operational Control Procedures That Explain the Process (Incident Reporting and Investigation, Behavioral Safety Observation Program, etc.)
• Monitor the Progress Made in Achieving SH&E Goals and Objectives

Payoff

What gets measured gets done. Monitoring and measurement provides important results-based information to our employees, our clients and other stakeholders about our commitment to continual improvement and our progress in achieving our plans.

Programs and Systems

• Nalco Global Safety Dashboard
  – Monthly Newsletter, Quarterly Analysis Report
• Regional and District Safety Meetings
• External SH&E Reporting Databases
• Divisional and Regional SH&E Performance
  • Innovation Delivery Targets
  • Risk Rating Management
Incident Management, Corrective and Preventative Action

Purpose

Report and investigate all incidents (accidents and near misses). Pass lessons learned to our employees and other stakeholders. Assign and track corrective and preventative actions that arise from the investigations and checking processes, including inspections and audits. Actively involve our employees and clients at our work locations and foster a “no blame” culture to encourage employee involvement in reporting problems with and suggesting improvements to existing standards, processes and systems.

Process

- Implement Incident Reporting and Unsafe Action/Condition Reporting Processes That Involve All Employees (e.g., Behavior-Based Safety Observation, Near Miss Reporting, Injury/Illness Reporting, etc.)
- Respond and Close Out All Corrective and Preventative Actions in a Manner That Builds Trust and Demonstrates Commitment to SH&E Performance Improvement
- Encourage and Review Regular Feedback From Field Representatives and Our Clients to Ensure Continuous Evolution and Improvement of Our Safety Culture
- Establish Systems to Identify Client Needs and Competitive Technical Developments
- SH&E Support for Line Management in Analyzing Problems and Developing Improvement Plans
- Regular Reviews With Clients as Part of the Continuous Process of Improvement

Payoff

Demonstrate our ability to learn and share lessons based upon reported incidents and close out of corrective and preventative actions.

Programs and Systems

- “SH&E Links” – Supervisor’s Report of Injury/Illness, Incident Reporting Checklist
- TapRoot® Incident Investigation System
- Corporate SH&E Support
- Responsible Care Action Tracking System (RCATS) Database
- Nalco Six Services Standards – Annual Business Review
- HAZOP Assessments
- Risk Characterization
- Nalco Product Introduction Process
Recordkeeping

Purpose

Establish and maintain records of compliance and conformance to management system requirements and of the results achieved.

Process

• Identify the Master List of Records Required to Document Implementation and Plan Completion
• Establish, Implement and Maintain a Procedure for the Identification, Storage, Protection, Retrieval, Retention and Disposal of Records
• Ensure Records Remain Legible, Identifiable and Traceable

Payoff

Demonstrate to employees, our clients and other stakeholders our efforts to comply and conform to management system requirements including the achievement of SH&E plans.

Programs and Systems

• Nalco Record Retention Schedule
• Nalco OTG System
Audits

Purpose

Ensure that internal audits of the SH&E Management System are conducted at planned intervals, considering the SH&E importance and past performance of various locations.

Process

- Plan, Establish, Implement and Maintain a Management System Audit Program
  - Address the Responsibilities and Requirements for Planning and Conducting Audits, Reporting Results and Retaining Records
  - Determine the Scope, Frequency and Methods Used
  - Evaluate Compliance With Applicable LBC Requirements
- Ensure Objectivity and Impartiality by Properly Selecting Trained Auditors and Conducting Audits
- Determine if the Management System Meets Expectations and Requirements for Successfully Managing SH&E Issues
- Determine If and to What Degree the Management System Is Implemented
- Report Audit Results and the Status of Planned Corrective and Preventative Actions

Payoff

An objective and impartial measurement of performance for a point in time to serve as a benchmark to inform future SH&E improvement goals and objectives and as a vehicle to report and track corrective and preventative actions for compliance and conformance to requirements.

Programs and Systems

- Nalco Compliance Assessment Process (NCAP) Auditing Program
- Client and External Third Party Audits
- Responsible Care Action Tracking System (RCATS) Database
- ISO 14001, OSHAS 18001, RCMS Certification Audits
EXCEL

EXCEL

Excelling in SH&E performance entails continually reviewing where we are versus where we want to be in our eyes and those of our clients. We must not only review the suitability of our plans and our actions, but also judge the suitability of our management system.

Management Review

Purpose

Top management will review the SH&E Management System at planned intervals to ensure its continuing suitability, adequacy and effectiveness. Reviews will include assessing opportunities for improvement and the need for changes to the system, including the SH&E policies, goals and objectives. Records of the reviews will be kept.

Process

• Inputs for Management’s Review Include:
  • Results of Internal Audits and Evaluations of Compliance
  • Communications From External Interested Parties, Including Complaints
  • SH&E Rates and Measures of Performance
  • The Extent to Which Goals and Objectives Have Been Met
  • Status of Corrective and Preventative Actions
  • Follow-up Actions From Previous Management Reviews
  • Changing Circumstances and Emerging LBC Requirements
  • Received Recommendations for Improvement
• Management’s Decisions and Actions From Review Include Recommendations for:
  • Changes in the SH&E Policy, Goals and Objectives
  • Revisions or Additions to Elements and/or Operational Controls
  • Communication of Decisions and Actions to Various Levels and Functions

Payoff

Continual improvement in SH&E performance demands the ability to change not only our actions but also our motivations and the deeper underlying values regarding work and the workplace. Change at this scale only happens when learning happens top down, bottom up and side to side. Top management must display responsible leadership in this effort, reviewing our successes and failures to ensure real improvements happen.

Programs and Systems

• Nalco Board of Directors – SH&E Steering Committee Inputs and Feedback
• District, Regional and SBU Management Review Meetings
• Nalco Company Annual SH&E Report
• External Benchmarking
Nalco’s Values are:

- Integrity
- Initiative
- Knowledge
- Communication
- Accountability