

CORPORATE AND DIVISION STAFF DEPARTMENT REVIEWS

CORPORATE SAFETY

October 20, 1992

A: CHARTER

In regard to the specific duties and responsibilities listed in the Health and Safety Charter for Corporate Safety, the information for the numbered items on the charter is as follows:

1. B. Sasser, Safety Director, has overall responsibility for the safety function and for establishing corporate policy.
2. G. Martin, Safety Specialist, has responsibility for the safety manual.

E. Broughton, Safety Specialist, has responsibility for the transportation safety manual.

3. Each staff member develops and presents safety training programs as time permits.

Safety training programs were conducted for supervisors at two Company plants by Corporate Safety during 1991. Safety training has been done at only one plant in 1992 and that was done by a division safety representative.

4. Each staff member participates in training programs for Company safety representatives.

A newly assigned plant safety representative may have little or no safety background and may be sent to an outside seminar for training. The representative may also come to Richmond for orientation by Corporate Safety personnel. A general training session or Corporate Safety conference for all Company safety representatives has not been held since the early 80's.

5. When visiting plants, each staff member evaluates the workplace and work processes to identify possible safety hazards, but current staffing levels and budget does not permit routine visits or enough time devoted to this activity.
6. Each staff member provides information and answers questions regarding codes and regulations applicable to Company operations.

OSHA, MSHA and DOT citations issued to company plants are investigated, reviewed for accuracy and evaluated for effect on company operations. (184 citations were issued and fines totaling \$95,855 were levied against the company in 1991.) Informal conferences are held with regulatory agencies to request that improper citations be deleted, fines reduced, or abatement dates extended. Decisions regarding contests of citations are made and passed on to the Law Department. Information on citations is gathered and provided to the Law Department for use in preparation for negotiations or trial.

Recent regulations receiving attention at this time are:

- a) Control of hazardous energy sources,
- b) Confined spaces,
- c) Electrical safety work practices,
- d) Process safety management of highly hazardous chemicals, and
- e) DOT drug testing of commercial drivers.

Monthly newsletters are issued which include information on OSHA regulations and activities. Special reports and releases are issued, as necessary, to inform management of new regulations applicable to company operations.

7. B. Sasser assists in recruiting and approves the selection of Corporate Safety staff.

Plant safety representatives are generally selected by plants and divisions with little opportunity for Corporate Safety to participate in the selection process.

12. Each staff member participates in design review of new/modified plants and equipment when possible.

Due to limited staff, safety has not actively pursued this area and is unable to devote any significant time to this effective accident prevention tool. Engineers from corporate and plant groups frequently seek interpretations of safety codes and regulations from Corporate Safety.

13. E. Broughton is responsible for the compilation of accident and injury statistics and completion of required government reports.
14. G. Martin is responsible for monitoring and follow up on loss prevention reports from our workers compensation insurer.
15. Each staff member participates in identifying and selecting safety training and reference material.

Due to restricted budgets in recent years, very few training and reference materials have been purchased.

18. Any staff member investigates industrial accidents, particularly those involving fatalities, questionable workers compensation cases, alleged OSHA violations and other areas when necessary or requested by the Law Department. Each staff member assists Law Department representatives by providing explanations of how accidents occurred and interpretations of safety codes and regulations. Testimony is provided whenever required.

The current Charter does not reflect:

1. Safety program auditing (ISRS) being done by Corporate Safety assisted by plant and division safety representatives. Each audit usually involves several people for 4-5 days in-plant time, plus several days to prepare the report.
2. The need for qualified safety personnel to perform safety inspections and surveys to determine Company level of compliance with OSHA, MSHA and DOT regulations. (This inspection, which is a physical hazard inspection is entirely different from the ISRS audit, which is a safety program evaluation.) Inspection and survey results would be used to require compliance with applicable regulations. This activity will reduce the potential for citations and fines, in addition to reducing accident/injury potential. Due to staff and budget constraints only limited inspections are being made.
3. The activity of participating in the investigation of serious accidents, particularly fatalities.
4. The requirement to perform process analysis of hazardous operations as defined by OSHA. This

recent standard will require a significant amount of time and qualified persons to perform the analysis.

5. The product liability evaluations performed by Corporate Safety on products manufactured by and sold by Reynolds. Requests are received from the divisions, Corporate Quality Control, Law Department and Corporate Risk Management.

B: SUPPLIERS

National Safety Council - Provides monthly mailing of safety program materials, magazines and newsletters to all major Company manufacturing and warehousing locations. Serves as a resource of safety information and authoritative support. Provides recognition for plants obtaining and maintaining good safety performance.

National Private Truck Council - Provides service similar to the National Safety Council, however, expertise is in the area of motor fleet operations and DOT regulations.

International Loss Control Institute - Consulting firm specializing in total loss control programs. They conduct inspections, audits, training and develop and produce training materials and books on loss control. Owns copyright to safety auditing program (International Safety Rating System) used by Reynolds to evaluate plant safety programs.

Rubin Brothers, Inc. - Manufacturer of flame retardant clothing used in Reynolds plants operating a cast house. A blanket order is issued bi-annually to cover plant needs. Each plant orders against the blanket order and pays for the garments ordered.

Bureau of National Affairs, Inc. - Produces and distributes "Occupational Safety and Health Reporter", a weekly newsletter on OSHA activities and regulations. Provides information on OSHA citations and fines, case histories, Review Commission hearings and decisions, etc.

U. S. Government Printing Office - Provides copies of the Federal Register containing proposed and adopted OSHA, MSHA and DOT regulations.

Miscellaneous Suppliers - Various companies producing and distributing video tapes, manuals and literature on safety and loss control topics.

C: CUSTOMERS

Our customers are the employees (management and production) of Reynolds Metals Company. Assistance and guidance on safety is

provided to corporate managers and staff such as Engineering, Risk Management, Law, Medical, Industrial Hygiene and Quality Assurance. (See Section A: Charter for specifics on services provided.)

D: POLICY REQUIREMENTS/CONSTRAINTS

Reynolds Metals is required to comply with safety regulations issued by OSHA, MSHA and DOT. Failure to observe those regulations may result in accidents, injuries and possible death of employees. These events will result in inspections by the regulatory agency, the consequence of which may be citations and fines against the Company. Criminal charges can also be brought against management level employees. Policies and guidelines developed and issued by Corporate Safety are designed to bring plants into compliance with regulations issued by OSHA, MSHA and DOT.

E: BENCHMARKING

Several benchmarks are used to evaluate safety performance of Company plants and the corporation.

Safety Performance Benchmarks

1. Injury data is provided monthly by the plants. Plant and corporate frequency rates of OSHA recordable cases, days away from work cases and days away from work are calculated from the data provided.

Benchmarking is done by comparing the current frequency rates with plant and corporate rates from the same period the previous year. Rates are also compared annually to those published by the National Safety Council, by the Bureau of Labor Statistics and the Aluminum Association (Association member company data). Also, ALCOA, Kaiser, Alcan and Reynolds share safety data annually.

2. Benchmarking is done using workers' compensation costs. Plant and corporate losses are compared to individual state and national data on a cost/employee/year basis. Goals are established annually based on plant and corporate previous three-year averages. A six-month and an annual report is prepared and presented to corporate operating management and distributed to plant managers.
3. Plant and Corporate Safety data is, monthly and/or annually, submitted to the National Safety Council for comparison with other companies' data to

determine if a plant or the Company qualifies for a safety award. Thirty to forty awards are earned each year.

Staffing Benchmark

A review of Corporate Safety activities and staffing was conducted in 1991 as a result of questions raised, by members of Reynolds Board of Directors, regarding Company procedures for auditing for OSHA compliance. The review, made jointly by Corporate Safety and Corporate Law, included contacting 15 other companies and discussing their programs. The results of that study suggests that the current level of OSHA type inspections that can be performed by existing Corporate Safety staff is inadequate to ensure reasonable compliance with OSHA regulations. Further, it was determined that the current three-year frequency of ISRS safety program audits should be reduced to two years or less.

Corporate Safety is currently operating with three professional staff members. Adequate staffing to perform recommended activities was determined to be seven safety professionals, plus adequate support staff. One additional Safety Specialist and one Clerk/Secretary was approved for the 1992 budget. These personnel were scheduled to be added late in 1992, business conditions permitting.

F: EFFECTS OF ELIMINATING OR REDUCING THE FUNCTION

Corporate Safety is responsible for the formulation, monitoring and administration of the company's general safety policies and activities with the objective of:

1. Protecting and maintaining the safety of company employees,
2. Insuring that Company plants operate in compliance with applicable safety regulations,
3. Reducing the risk of damage or loss to Company facilities, equipment and products due to accidents.

Eliminating or reducing the corporate safety function would result in many of the functions now performed being discontinued. This could result in the following:

1. Increased number of accidents,
2. Increased production downtime and scrap generated due to damaged machines, facilities or vehicles,

3. Loss of sales due to inability to produce or deliver products,
4. Increased number of employee injuries,
5. Increased employee time away from work due to injury,
6. Increased number of industrial fatalities,
7. Increased workers' compensation claims and cost,
8. Increased premium cost for workers' compensation insurance,
9. Increased risk of OSHA, MSHA and DOT citations for noncompliance with regulations,
10. Increased OSHA, MSHA, and DOT fines,
11. Increased possibility of criminal charges being brought against Company managers due to fatalities caused by unsafe conditions allowed to exist in the workplace,
12. Elimination of a corporate-wide and uniform approach to improving workplace safety,
13. Increased lawsuits filed against the Company for injuries to contractors and the public on Company property,
14. Increased product liability lawsuits,
15. Loss of Company reputation and community goodwill as an employer that has concern for the safety of its workers.

G: BENEFITS OF CONTINUING ACTIVITY

Programs and activities of Corporate Safety are those required to comply with federal and state regulations, to reduce the risk of injury to employees and the loss of facilities and equipment due to accidents. Benefits of continuing Corporate Safety activities are the opposite of those listed under the effects of eliminating or reducing the function.

H: AUTOMATION POSSIBILITIES

Existing Situation

Only limited accident and injury cause analysis is done because it

is done manually and is time consuming. The quality of accident investigation reports vary from plant to plant and supervisor to supervisor. Accident and injury data is received each month from the plants in hard copy and selected data is entered into Corporate Safety's personal computer.

Proposed Action

There are various software packages available that can perform accident cause analysis. A system installed on the corporate mainframe, would permit each plant having access to the mainframe to enter their accident data and transfer it to Corporate Safety electronically. Data could be analyzed by, and be accessible to, plant, division or Corporate Safety personnel. An accident investigation form could be displayed on a computer screen at the plant and the first line supervisor could enter information gathered during the investigation.

Existing Situation

Considerable time is wasted in manually searching OSHA regulations, which are numerous, for the answer to questions presented by management, engineering, production, safety representatives or employees. Sometimes calls must be made to OSHA regional offices or Washington to determine if interpretations have been issued.

Proposed Action

A software package, available from the federal government at a nominal price (less than \$100 per program per year), already exists for this purpose. Considerable time can be saved and questions responded to more promptly if each Corporate Safety staff member had the capability to call from computer memory OSHA, MSHA and DOT regulations.

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