

ESTABLISHING POLICIES FOR ORGANIZING, STAFFING, MANAGING,
AND IMPLEMENTING AN ENVIRONMENTAL PROGRAM;
CENTRALIZED V. DECENTRALIZED PROGRAMS

File:
Assurance

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Introduction

Allied-Signal Inc. is made up of three prime businesses or sectors which are very different from each other. There is the chemical related business which used to be Allied Chemical; the automotive supply business (Bendix); and an aerospace business, including the Garrett Corporation. We are a company of very large segments, each with about \$4 billion a year in sales comprised of very different industries and very different cultures.

For many years Allied-Signal has had an integrated environmental health and safety management composed of professional specialists who work together within the same department in the corporate and sector groups. We have highly structured policies and programs.

Establishing a Health, Safety and Environmental Policy

Several Features
of the Policy

The Allied-Signal Health, Safety and Environmental Policy appears on the following page. I want to point out several features of the policy which I think set the tone for the way we manage environmental health and safety. In the last paragraph, we state that it is our policy to obey both the letter and the spirit of the law. Our policy states that where the law is not adequate we will adopt our own standards. Allied-Signal's policy and programs are built around compliance with the law and compliance with our own standards. Those standards may be generated internally, or by industry, or by society. They are always, at the minimum, in compliance with the law, but they are often more. That is a concept of risk management.

Nowhere in this policy does it refer to U.S. law, U.S. standards, or U.S. programs, because the company's philosophy is that an integrated health, safety and environmental policy calls for compliance with laws and standards worldwide. Finally, in the last paragraph, our policy states: "Managers have a special obligation to keep informed about health, safety and environmental risks and standards and to advise higher management promptly of any adverse situation which comes to their attention."

"Bubble Up Concept"

That is what we at Allied-Signal call the "bubble up concept." "Bubble up" recognizes that problems need to become known within the company, and that once they are known they can be identified, analyzed, and dealt with.