

Topics and Questions – Break-Out Session 1

1A. Corporate and international differences in approaching SMS and influence on implementation of Seveso requirements

This topic aims at how companies integrate corporate policy with Seveso requirements and with the legislative frameworks of the different EU countries it operates. Specifically, it explores potential challenges and benefits when sites are based in different countries than headquarters. This is a challenge for countries headquartered in the EU with different sites in the EU. It may be an even bigger for countries whose headquarters are outside Europe (e.g., in the USA, Asia, Middle East, etc.)

- (1) What is your experience of this?
- (2) What are main challenges you have found?
- (3) What are some examples that you have observed on how companies accommodate corporate/international requirements in relation to the SMS and process safety?
- (4) What are examples of how companies have resolved significant differences?
- (5) Have you found some benefits from the influence of external (EU or non-EU countries) approaches to safety management?
- (6) Are their challenges, and if so, what do they look like in MN sites taking on board the key principles and requirements of the Directive, including;
- (7) Elements of the safety management system (All of them? Specific elements?)
- (8) What it means to “take all necessary measures”
- (9) Drafting safety reports and the principle of “demonstration”
- (10) Examples and case studies

1B. Corporate involvement in process safety management

This topic seeks to understand how the corporate safety policy influences the SMS, for better and for worse. Corporate safety policy can bring both strengths and weaknesses. A rigid corporate philosophy or a highly bureaucratic structure may sometimes get in the way of practicality and ignore reality on the ground. Urgent safety measures are particularly at risk if necessary changes to procedures or budget allocations sometimes take too long to be approved and implemented. On the other hand, the same multinationals may bring significant advantages, lending more expertise and access to a vast network of safety knowledge and experience. There are also multinationals who have developed good practices for effective dissemination and implementation of a positive safety culture that works for diverse sites. This session seeks to identify how to take advantage of the potential of multinationals to be safety leaders and reduce the areas where they can be obstacles to implementing good SMS practices.

- (1) Do parent company guidelines influence the SMS structure of local branches?
- (2) What is your experience with this?
- (3) Have you noticed differences to the requirements of the Seveso legislation caused by such parent guidelines?
- (4) How do you deal with those differences?
- (5) Do you need legal orders to implement the regulations of Seveso?
- (6) Is there adequate communication between the site and headquarters on site-specific process safety information (e.g., lessons learned from incidents at its sites, findings from audits, inspections, risk assessments and management of change, etc.)
- (7) Have you noticed that corporate guidelines sometimes make it difficult to change the SMS in response to site-specific safety factors and inputs (e.g., changes generated from management of change, lessons learned from accidents)
- (8) How do you deal with these situations?
- (9) Have you noticed that multinational ownership also often bring benefits to safety with a positive influence on the SMS? If so, give examples of how this is so.
- (10) Do you use these advantages to drive better safety on the site?
- (11) Examples and case studies

Topics and Questions – Break-Out Session 2

2A. Management of safety issues from the site's perspective

This topic seeks to explore the responsiveness of headquarters to site safety management issues.

Sites need management support to keep their safety management systems running effectively.

Usually, more valuable management support is available when there is effective communication on site safety issues between the site and headquarters and a mutual understanding about safety priorities in general. This issue also touches on safety culture, and whether sites feel comfortable in giving honest feedback and asking for resources when they really need them.

- (1) How do you assess, that the senior manager is aware of the main hazards of the local establishment?
- (2) What is your experience with this? Do you use any tools for such an assessment?
- (3) Are local audit results transported to the senior management?
- (4) Is there an ongoing process (information flow) to the parent company?
- (5) Is there a feedback from headquarters to the site on experiences on other sites, e.g., lessons learned from accidents, results of audit and monitoring results that goes back to the local branch?
- (6) Does it seem that sites have adequate flexibility in obtaining resources to address safety priorities? In responding to feedback from a Seveso inspection?
- (7) What is your experience with communication of bad news on safety to headquarters, e.g., near misses, unexpected maintenance needs, process disruptions, etc.?
- (8) What is good practice for corporate and local managers to uphold corporate values while responding meaningful to important local inputs?
- (9) How can authorities positively influence implementation of SMS on both sides?
- (10) Examples and case studies

2B. Mergers and acquisitions

When a site changes hands, there is a higher risk of losing focus on safety during the transition period, when the organizational structure, management policy, and culture can change dramatically. The change can have a lasting effect on safety of the new corporate management has a less developed safety culture, or simply has a reduced ability to manage and communicate effectively with the local site. If the inspector is able to assess to some extent how the changing is affecting a particular site, he or she may be able to focus attention on certain important problem areas.

- (1) How do you assess, that the senior manager is aware of the main hazards of the local establishment?
- (2) What are the difficulties encountered in managing resources and maintaining focus on the highest safety priorities with different and sometimes conflicting input?
- (3) During an inspection, what questions might you ask about the SMS when there has been a merger?
- (4) Is a new structure given to the SMS and does the staff accept the new SMS structure?
- (5) Has the management changed? Are the new senior managers still an example for “living process safety”? Do you find significant differences (between the old company and the new one)? Do you have tools to assess this?
- (6) Do MN companies make arrangements for identifying process safety gaps and managing historical systems and procedures following a merger or acquisition?
- (7) How can an inspector assess, that the SMS is not losing its effectiveness, even if there is confusion for some time, or if the SMS is somehow working less well than before the merger?
- (8) How long can some confusion and lack of clarity about the SMS be tolerated on a site following a merger?
- (9) How does change of management increase potential accident risks and are there tools to assess this?
- (10) What can be learned from inspection/company practices and experiences in this regard?
- (11) Examples and case studies

Topics and Questions – Break-Out Session 3

3A. Influence of corporate management on specific elements of SMS: Part 1

- Organisation and Personnel
- Identification and Evaluation of Hazards
- Operational Control
- Planning for emergencies

Some key aspects of the safety management system are embedded in the organizational structure, including the assignment of roles and responsibilities to job functions, identifying competency and training needs of the persons assigned to the specific job functions, and establishing the communication mechanisms for providing important information across and up and down the organization. In effect, the safety management system provides the essential infrastructure to support the rest of the system.

Risk assessment is the cornerstone of the SMS. It is a continuous process in the global life-cycle of a company. The aim of the identification and evaluation of major hazards and risks is to ensure proper control of low probability, high consequence events. There are also clear requirements within the Directive that an operator must be able to demonstrate that appropriate control measures have been taken with respect to the outcome of the risk assessment. These measures are implemented primarily through operational controls and emergency planning.

- (1) How do you assess, that the senior manager is aware of the main hazards of the local establishment?
- (2) What kind of influence does management have on safety communication and awareness, employee involvement, and training? Examples of good or bad approaches?
- (3) What about situations of restructuring and downsizing? If the site doesn't seem to be coping with impacts on safety, what can an inspector do?
- (4) How involved are corporate staff in the risk assessment process and operations? Do they provide resources and competence?
- (5) Is their good interaction with specialists in other parts of the company? Are they accessible when questions arise?
- (6) Are there ways to identify when the site is being left too much alone? What can an inspector do in this situation?
- (7) Does senior management keep an eye on emergency planning activities, noting that plans are updated, training and drills are conducted, and equipment is maintained and serviced on time?
- (8) If deficiencies in these elements are partly due to headquarters, how can an inspector tell? And can he/she do something about it?
- (9) Or vice-versa, if the site is not performing, is there a way to get a message to headquarters?
- (10) Examples and case studies

3B. Influence of corporate management on specific elements of SMS: Part 2

- Management of Change
- Monitoring Performance
- Audit and Review

Both small and large sites should establish a procedure for management of change. The procedure should exist as a formal written policy with appropriate guidance as to what changes should be considered for the procedure. The policy should also define what is a safety relevant change. The required competencies of all involved in the MoC process should also be specified. The entire process should be transparent from the point that the change has been identified as a potentially safety relevant change all the way to the final step which should consist of verification that the change has been implemented correctly.

Whether the company has an audit team for process safety at company or corporate level is one of the key questions for the assessment of the SMS suitability for monitoring, auditing and reviewing performance. The team should have responsibility for planning and conducting audits, setting audit intervals, determining the content of the audit and ensuring that actions are tracked. Of importance is that the audit team is independent of the operations section which is being audited. There is also a need for objective and consistent measures which address safety critical activities. A common approach in multinational companies is to use (Process) Safety Performance Indicators (P)SPIs.

- (1) Who is responsible for the management of change policy? If the policy is not sufficient or it is not implemented consistently to be effective, is someone in senior management accountable?
- (2) Does Management of Change include changes in organization and manning level?
- (3) Is the process for communicating changes outlined, including the specific job functions that should be informed and for what purpose? Should senior management be included in the communication?
- (4) How often does the site monitor its safety performance? Are results communicated to senior management regularly?
- (5) Have you noticed if senior management is actively involved in developing safety performance indicators?
- (6) Are near-miss reporting procedures and processes in place to make use of the opportunity to learn? Do senior management get near miss reports?
- (7) Does the site use findings from other company sites (e.g., results of audits, safety performance indicators, lessons learned from incidents) to update its safety procedures and benchmark its own performance?
- (8) Does the site exhibit the habits of a learning organization in performance monitoring, audit and review processes? How can you tell?
- (9) How does the company follow up on recommendations from the competent authority, from internal audits and others?
- (10) If deficiencies in these elements are partly due to headquarters, how can an inspector tell? And can he/she do something about it?
- (11) Or vice-versa, if the site is not performing, is there a way to get a message to headquarters?



Safety Management Systems in Multinational Companies

Mutual Joint Visit Workshop for Seveso Inspectors

17-19 September 2014, Arona, Italy

(12) Examples and case studies