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2010 eNEWSLETTER – NOVEMBER/DECEMBER

As the end of the year approaches, we at DuPont Sustainable Solutions would like to wish you and yours a safe and happy holiday season. Aside from extending our greetings, we are pleased to present the next installment of our contractor safety management series – Ensuring Contractor Alignment with Safety Culture, as well as a case study detailing how one company cultivated a robust safety culture.

If you would like further information on these topics, you may contact a DuPont representative through our website www.safety.dupont.com.

Season's Greetings



Happy Holidays

We would like to thank you for your readership in 2010 and express our best wishes for the holidays.

Feature Article



Ensuring Contractor Alignment with Safety Culture

In the second installment of our Contractor Safety Management series, we provide further insight into the specific safety context for contractors, as well as how they can be integrated into a safety culture.

Case Study



From Workplace Safety Rollercoaster to a More Predictable Journey

Eskom, South Africa's state-owned electricity utility, takes action to improve safety culture within their company, drastically reducing incidents and accidents.

Seminars and Events



Seminars and Events

Get details on where to find us in early 2011.



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Happy Holidays



As another year draws to a close, we gratefully pasue to appreciate your readership over the past year.

We wish you a safe, happy holiday season and a successful new year.

DuPont Sustainable Solutions

www.sustainablesolutions.dupont.com



Ensuring Contractor Alignment with Safety Culture

Confluent factors such as heightened globalization, the global recession and the integration of new technologies have led to increased utilization of contractors across most industrial sectors. While companies and contractors have the same objective as it pertains to safety - to prevent all injuries and accidents - it is ultimately the owner company that determines the level of safety in the workplace.

Several studies performed across a range of industries have shown that the provision of work safety training by an employer that is familiar with the working facility and its hazards can significantly reduce the likelihood of incidents and accidents for contract workers¹. As such, there is a need for robust contractor safety management processes that are aligned with the overall safety culture of the hiring organization in order to deliver improved safety outcomes. In practice, however, some owner companies try to shift accountability for workplace safety onto the contractor, which leads to a higher rate of injury.



Direct-hire employees work within a defined site safety plan, and the company is both responsible and accountable for their safety. In contrast, for the contractor population, the owner company is not directly responsible for safety; the responsibility ultimately lies with the management team of the contracted party to ensure safety of its own workers. In case of an incident, however, the owner company is held accountable by the public, as we have seen in recent industrial incidents. How then, does the owner company prevent accidents and incidents in which contractors are injured?

The simple answer is that the owner's relationship with the contract workforce relies not on direct supervision, but the ability to influence and enforce expectations for safety and behavior. This subtle difference in the relationship is poorly understood, and consequently many owners feel victims of the contracting process.

However, it has been shown that the degree to which a contractor will perform safely is almost always proportional to the emphasis the owner company places on safety - both verbally and contractually. The stronger the support and encouragement, the better able the contractor will understand - and meet - safety performance expectations.

Safety must become engrained in the company culture - and a way of doing business, in essence creating and sustaining safety culture. A safety culture is the product of individual and group values, attitudes, perceptions, competencies and patterns of behavior that determine the commitment to, and style and proficiency of an organization's health and safety management. In order to cultivate a strong safety culture within an organization, three elements must be in place: leadership, structure, and processes and actions.

¹ Amudeo-Dorantes, Catalina. "Work Safety In the Context of Temporary Employment: The Spanish Experience". *Industrial and Labor Studies Review*. January, 2002.



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In terms of leadership, it is vital that executives and managers demonstrate a strong commitment to safety. Employees must feel that this commitment is genuine and deep. Safety must be considered in significant management decisions, and given equal priority as quality, cost and productivity. To the second point, structure, it is important that key members of the organization's safety program be deployed strategically throughout the company. This furthers the ability of employees to be directly involved and truly engaged in delivering safety. Moreover, line managers must be held accountable for safety performance. The third requirement of a strong safety culture relates to processes and actions, which dictates that safety be streamlined into each of the company activities. One of the most important of these processes relates to communications channels. To ensure consistent, clear communication on safety matters, platforms for communication must be developed and maintained.

Developing a safety culture and viewing safety as a strategic business value are the key factors in achieving business excellence today. Improved safety, including preventing injuries, saving lives and enabling a more productive workforce and more productive plants, also enhances a company's bottom line. In essence, resources are more efficiently used, employee turnover is reduced and company operations run more efficiently with enhanced profitability.

From Workplace Safety Rollercoaster to a More Predictable Journey

ESKOM HOLDINGS LIMITED CASE STUDY

Fatal industrial incidents make headlines, lead to plant shut-downs and, often belatedly, trigger crisis management measures. Beyond this, they are also a human tragedy. Nonetheless, in some regions of the world, they are an accepted part of daily working life and non-compliance with standard work safety practices is common. Unwilling to continue operating under such conditions, Eskom Holdings Limited, South Africa's state-owned electricity company, contracted DuPont in the spring of 2006 to assist them in implementing an occupational health and safety program that would limit harm to their employees.

"We have had a roller-coaster ride in terms of safety performance," Alexander Stamrood, Risk Manager at Eskom's Distribution Division, explains. "Lots of focus leads to improved results, but results became poor when the focus dropped. We'd go down to three fatalities per annum but then numbers would increase again in a next year to 10 or above."

Incidents were not just limited to Eskom's own people. Contractors and members of the public also suffered. The effect on Eskom's reputation was highly damaging. The situation was exacerbated by the fact that reporting, analysis and communication of safety incidents was inadequate, leading to a falsely positive internal view of the company's safety performance when, in fact, the number of injuries were on the rise.

When productivity targets override safety precautions

To get an expert, external view, Eskom asked DuPont to carry out safety management evaluations of a number of Eskom sites in each of their divisions. The findings were not good and confirmed what many of Eskom's safety professionals already knew. As Nosipho Noveve, Safety Risk Manager of the Energy Generation Division, puts it: "We used to have a reactive culture in dealing with safety hazards. Response was rapid only if a serious incident occurred. Productivity had become our overriding target. Safety was assumed automatically to be part of all activities. During plant maintenance, downtime was the key driver. The focus was on restoring the service as soon as possible and corners were cut to save time. Ensuring that the work environment was safe became secondary."



DuPont did not just want to get Eskom up to an average performance. They benchmarked the energy giant against world-class practices, coached approximately 150 of the top managers in what DuPont calls Visible Felt Leadership, and then developed a road map to improve overall safety performance.

As a world leader in safety, DuPont has learnt that without visible management commitment, a strong safety culture does not take root. A workforce needs to see that senior management takes safety so seriously that they demonstrate their own commitment on a daily basis, for example, by conducting walk-about inspections in the plants during which they engage in dialogue with operatives. Petra Verdurme, Project Manager from DuPont sums it up as follows: "To achieve the best results, top management must believe and demonstrate that safety is as important as cost,

production, quality, and employee relations. In our experience, if this is done properly it has such a positive effect on employee motivation and commitment, that productivity and operating figures are sure to benefit". The DuPont Visible Felt Leadership workshops guide senior management and give them tools to make the value they place on safety apparent to the whole organization.

In 2007, DuPont began running additional trainings throughout the organization. All in all, by the end of 2009, DuPont had directly coached almost a third of Eskom's 30,000 employees. In this time, DuPont covered subjects as diverse as incident investigation, safety behavioral observation techniques and management under the DuPont™ STOP™ program, Safety Management Audit Training, coaching of safety professionals and had given guidance, advice, as well as ad hoc assistance, on a whole range of issues.

The step-change at Eskom was tangible. The Managing Director of Eskom's Corporate Services Division, Dr. Steve Lennon, says: "Our 'Switched On to Safety Excellence' program was rolled out in one of the most difficult periods in Eskom's long history. The fact that we have been able to turn around attitudes to safety in the midst of capacity, financial and leadership crises attests to the robustness of the process we have followed in partnership with DuPont. Whilst our safety performance is still a long way from being acceptable, the progress to date is very encouraging."

Tony Paterson, Safety Risk Assurance Manager of the Transmission Division of Eskom reports that his division recently "had a case where an employee, in passing, observed a dangerous situation in the high voltage environment and made a point of reporting this to the person in charge, even though the area was outside the employee's scope of work. This action was rewarded through the Transmission awards and recognition process."

On the Up

Eskom is still implementing the changes recommended by DuPont, but the company's safety performance is slowly taking a turn for the better. The Corporate OHS Manager, Kerseri Pather, admits that "fatality statistics are still unacceptable. However, employee fatalities went down from eight in 2007, to six in 2008 and then two in 2009. Contractor fatalities have dropped from 21 to 10 over the same period; and, what is not obvious from the statistics, the severity of the incidents has also decreased." Furthermore, she claims some managers now see that safety also enhances the productivity of the business and improves employee morale.

The Managing Director of Eskom's Generation Division, Thava Govender, says, "Although incidents are still occurring, our journey in the Generation Division has given me the confidence to believe that a safe working environment can be achieved if one sets ones mind to it. If your mind is set, behavior automatically follows".

The Eskom workforce also appears to accept that safety has to be part of everyday practice. In fact, many of them want safety efforts to go even further. "Safety awareness has increased. It is definitely more on the agenda," one employee says. However, he goes on to point out that "general safety awareness and performance can still improve a lot." He was motivated to make suggestions on making his work environment safer and is now keen to see how management will react.

Looking back over a three year period, the attitude to safety at Eskom has changed dramatically. In the past accident rates were, in an employee's own words, "probably due to an element of luck". Today, the approach throughout the organization is zero tolerance.



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Eskom Holdings is South Africa's state-owned electricity utility which generates, transports and distributes approximately 95% of South Africa's electricity. It is the largest producer of electricity in Africa, and among the top seven utilities in the world in terms of generation capacity. It was established in 1923 as the Electricity Supply Commission (ESCOM), also known by its Afrikaans name Elektrisiteitsvoorsieningskommissie (EVKOM). The two acronyms were combined to create the name Eskom in 1986.



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Seminars and Events

Mark your calendars - DuPont Sustainable Solutions will be participating in the following events:

ME-TECH 2011 - The Middle East Technology Forum for Gas Processing, Refining, Residue
Upgrading and Petrochemicals
24-26 January 2011
Dubai, United Arab Emirates

Mining Indaba 2011
7-10 February 2011
Cape Town, South Africa

We look forward to seeing you there.