



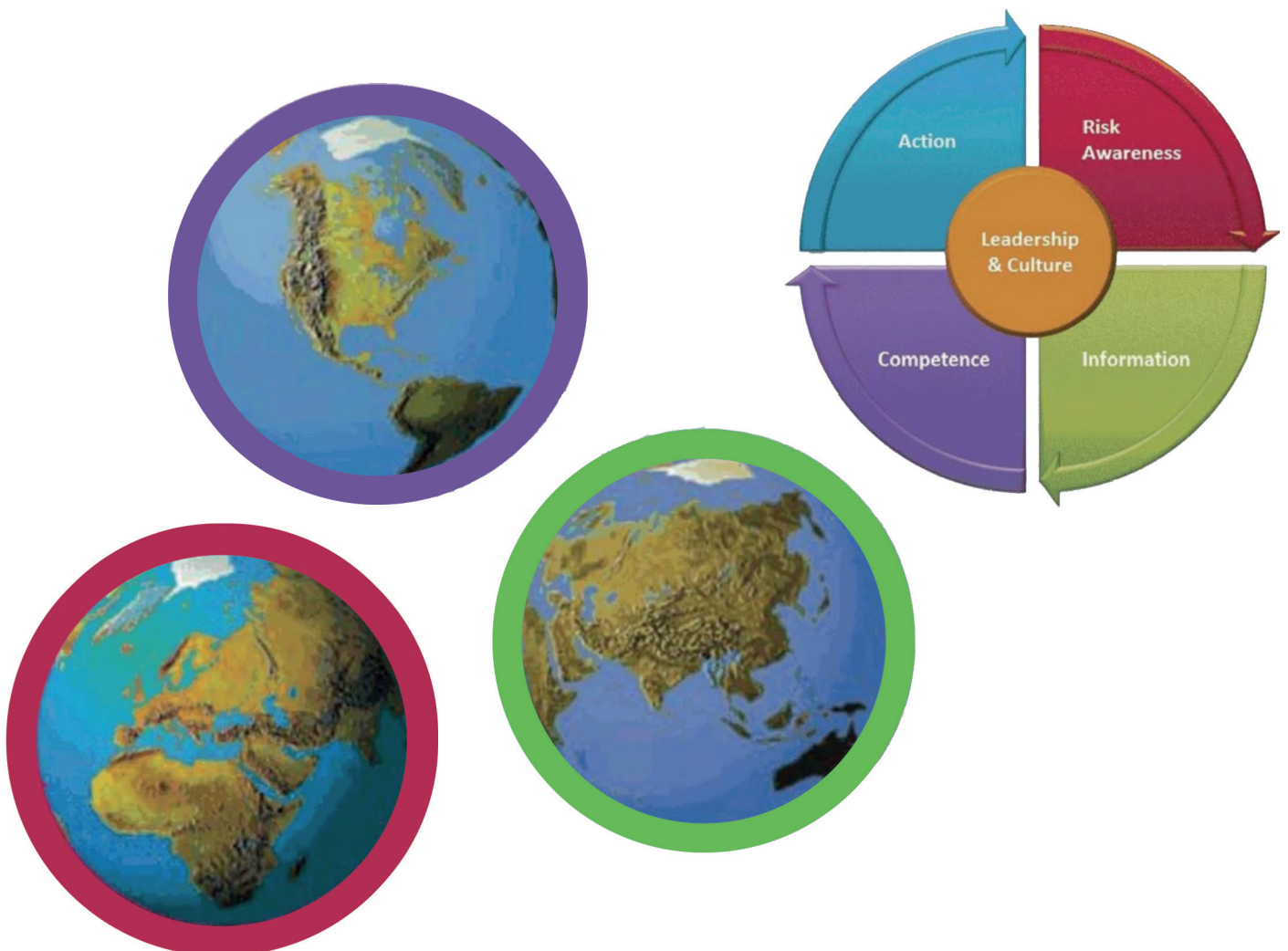
National Institute for Public Health
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Ministry of Health, Welfare and Sport

Corporate Governance *for Process Safety*

OECD Guidance for Senior Leaders
in High Hazard Industries

Abstract of the report

August 2015



In control of process safety

The five pillars of process safety management according to the OECD

In industry, operational safety and long-term success go hand-in-hand. The OECD Guidance on Process Safety Management provides:

- Better insight into what process safety management involves
- Clear explanations of the basic principles of process safety management
- Insight into the skills and knowledge needed for process safety management
- Practical tips

‘Safety and reliability are the bedrock of everything we do. Managing safety and reliability is a precondition for achieving efficiency.’

Harro van de Rhee, ExxonMobil Rotterdam Refinery Manager

Long-term success

Effective process safety management is essential for achieving good operating results, in both the short term and the long term. Good process safety management has a positive effect on operations and the associated costs:

- Fewer interruptions to production
- Higher plant availability
- Increased working life for plant and equipment
- More predictable maintenance costs
- Increased efficiency and flexibility
- Cheaper capital and insurance
- Better relations with personnel, clients, contractors, the public and the government

Failure to control serious hazards in the right way is extremely expensive: accidents are a big drain on profits and can even negate profitability altogether. They also put the continuity of your business at risk.

Are you in control of process safety?

Good process safety management requires senior managers to be actively involved in decision-making on the shop floor. Visibility within the organisation and insight into the risks associated with the organisation’s activities are very important in that regard.

The OECD Guidance on Process Safety Management includes a self-assessment tool for reviewing how process safety is managed in your organisation.

‘Leadership at all levels – from the boardroom to the shop floor – is our licence to operate.’

Anton van Beek (Chair of Veiligheid Voorop and CEO Dow Benelux)

The OECD’s five pillars for process safety management:

1. Leadership and culture

- Put process safety on the management agenda and encourage the reporting of ‘bad news’.
- Use every opportunity to discuss and promote process safety.
- Use every opportunity to act as a role model.

2. Risk awareness

- Make sure that you understand your organisation’s vulnerabilities and risks.
- Personally assess the risks associated with proposed budget cuts.
- Make sure that bonus schemes don’t encourage people to put production ahead of process safety.

3. Information

- Set up management systems to analyse, prioritise and manage risks.
- Make sufficient resources available for improvements and the investigation of near-accidents.
- Actively share experience and knowledge.

4. Competency

- Ensure the continuous development of process safety expertise.
- Get expert advice on process safety in the context of decision-making processes.
- Communicate openly about critical aspects of process safety.

5. Action

- Formulate clear action plans and actively monitor their implementation.
- When making commercial decisions, consider potential process safety risks.
- Make sure that risk management activities and corrective measures are carried out promptly.

Download the full OECD Guidance on <http://www.oecd.org/chemicalsafety/corporategovernanceforprocesssafety.htm>

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