



ZERO HARM

7 Key Insights for a Safer Contractor Workplace

White Paper

TABLE OF CONTENTS

Overview: A Shift in Thinking About Safety	3
Summary of Key Insights	5
Methodology	7
Key Insight #1: Growing Reliance on Contractors	8
Safety And Culture	9
Key Insight #2: The High Value of Prequalification	11
Integrating Contractors into the Workforce	12
Health and Safety in the oil sand	13
Key Insight #3: Succession Planning	14
Succession Planning: Start with the Basics	15
Key Insight #4: OHS: Driven from the Top and Standardized	16
Health and Safety Committees	17
Leadership As A Key Indicator	18
Taking Ownership and Applying Equal Standards	18
Health and Safety in the Pharmaceutical Industry	20
Key Insight #5: Applying Canadian Standards Globally	21
Towards Sustainable Mining	22
Key Insight #6: Working With Millennials	23
Lagging or Leading	24
Competing and Collaborating	24
Key Insight #7: Addressing Substance Abuse	25
Conclusion	26
References	27
About Alcumus Cognibox	28

DISCLAIMER

The contents of this publication are intended for informational and general guidance purposes only. Although this document is designed to provide authoritative and accurate information about the subject matter covered, Cognibox makes no warranties that it is free from error or suitable for any purpose. This publication is not intended to and does not constitute any manner of advice, recommendation or proposal for a particular course of action on behalf of Cognibox to any user hereof. Cognibox disclaims any direct, indirect or consequential losses or damages, however arising, as a result of user reliance on the contents of this publication. Before relying on any such material or data, users shall carefully make their own assessment of document accuracy, currency, completeness and relevance for their purposes and shall obtain appropriate professional advice relevant to their individual circumstances. Any use of any information or material contained in this publication is at the user's own risk and constitutes agreement with the terms of this disclaimer.

OVERVIEW: A SHIFT IN THINKING ABOUT SAFETY

With growing societal and legal pressures to be more socially responsible and sustainable, companies operating in heavy industries must continually raise their safety performance standards and approaches. Contractors have become increasingly important to the labour pool. In the companies engaged for this whitepaper, contractors can account for up to 80% of the workforce.

Organizations have generally responded positively to these demands and have raised their safety standards and approaches. However, although organizations have made considerable progress in improving their safety performance, outside workers remain vulnerable to occupational health and safety (OHS) risks because they are often not immersed in the organization's safety culture.

Contractors spend less time on site than regular workers and are three times more likely than employees to experience a job-related injury in the first month. In addition, contractor fatalities and injuries in Canada are often absent from safety performance reports and government datasets, making it difficult to fully gauge the extent of the challenge.

While some of the enhancements in safety are linked to stricter regulations, others are attributed to advances in technology that have upgraded all stages of contractor management and made safety programs easier to develop, monitor, and sustain. In addition, it all begins with hiring the right people through rigorous qualification and selection stages.

This approach provides the best opportunity to embed safety into the corporate culture proactively and holistically, and they prevent poor practices from permeating worksites. This approach instills a strong sense of confidence at the procurement stage regarding the future safety performance of the contractor.



Hiring companies can set strict minimum safety standards for contractors at the qualification stage and then rank companies against these requirements before selecting a suitable business partner. It is at these stages that the opportunity to set expectations and deliver real safety improvements is greatest.

Despite the progress, OHS risk management of contractors is still often regarded as primarily a legal and contractual consideration between the hiring company and the contractors.

The contractors formally agree to adhere to the hiring company's safety laws and guidelines and perform their job duties safely. This 'tick the box' approach may fulfil obligations on paper, but it does not improve safety standards in any meaningful way. Nor does it encourage coordination and alignment between key stakeholders on safety, including procurement staff, senior management, and the contracted workers.

Due to inconsistent follow-through and execution, lack of a prevailing safety culture, and the costs associated with proper management and oversight, contractors across industries still engage in inadequately controlled dangerous activities. This not only puts them at risk but also compromises their colleagues' safety and well-being.

At times, this poor performance is not necessarily due to technical qualifications but to a misalignment between the contractors' safety philosophy and the hiring company's own culture—a risk that organizations can identify at the qualification stage. In other cases, it is a weak or unclear contract lacking the necessary blend of incentives and penalties that encourages apathy.

When the investment is not made at the qualification stage and safety is not prioritized from the outset, embedding it into subsequent stages of contractor management becomes more difficult. By the time contractors are onboarded and safety protocols are executed in the field, the corporate tone has already been established. Reversing

SUMMARY OF KEY INSIGHTS



Organizations are increasingly relying on outsourcing to meet operational needs and improve profitability. But outsourcing also introduces new risks.

While contracting and outsourcing allow hiring organizations to focus on their core business, integrating outside workers into the company's safety culture poses a considerable challenge.

Skills and knowledge gaps begin to emerge, and if not addressed early on, they can quickly compound the risks already present at job sites. In addition to training, proper ongoing communication, education in health and safety, and systematic documentation of contractor qualification are key in mitigating these risks.



Prequalification of contractors is critical in reducing risk of accidents and maintaining continuity in the company's workforce.

Prequalification is a core business strategy for high-performing organizations. It ensures that unqualified individuals never enter the job site and endanger themselves or other workers. Prequalification focuses on accident prevention, and because it occurs at the beginning of procurement, the potential to imbed and sustain a safety culture is at its highest.

Contractors are often integrated into the company's own workforce eventually. Therefore, prequalification ensures that future employees are fully-prepared from the outset.



As experienced workers retire, better succession planning is needed to address a growing knowledge and skills gap.

By 2023, Canada's mining industry will need to hire 146,000 workers, and 67,000 of these will replace those who are retiring. In addition to frontline workers, some sectors are also seeing constant turnover at senior levels, causing instability throughout the organization.

Sound succession planning first requires companies to close the basic skills gap that persists at many jobs sites—prequalification is a highly effective way to do just that.

With such a turnover on the horizon, there is a risk that fundamental practices around safety will be eroded. To address this, organizations should implement rigorous occupational health and safety management systems for everybody entering a work site.



Health and safety should be driven from the top and applied equally to contractors and employees.

Almost universally, health and safety leaders agree that without commitment and support from the top, a culture of health and safety is simply unsustainable. Some executives adopt a short-term view and cut costs rather than invest in safety and secure longer term, ongoing results.

Companies that have management buy-in and treat contractor safety performance as part of their own performance measurement are most effective in reducing workplace injuries and often outperform the competition on profitability.



Canadian companies operating abroad are under greater pressure to comply with Canadian regulations.

Canadian mining companies are active in over 100 jurisdictions around the world, often with wildly varying safety regulations and standards. Non-governmental organizations and the media are placing greater scrutiny on international operations, and local workers are becoming more aware of their rights.



As millennials rise through the ranks, traditional corporate values will change.

Millennials place significant emphasis on social and environmental sustainability, which poses a challenge to some sectors. A 2016 McKinsey study suggests 14% of millennials surveyed would not pursue a career in the oil and gas industry because of its negative 'external footprint'. While they will challenge traditional corporate values, millennials are fully accustomed to digitization. This will make integrating technology into health and safety much easier and more efficient.



Companies need to enact stronger measures to control the use of drugs and alcohol.

As sensitive as the issue of substance abuse may be, keeping workers and contractors safe surpasses everything else. Legalization of cannabis in Canada has a direct impact on the issue, and companies need to be more systematic in developing workplace policies for employees and contractors.

Organizations can also supplement strict controls and policies related to drugs and alcohol with a more personal and humanized approach to health and safety. This can be especially valuable when substance abuse may be a result of other health or personal issues.

METHODOLOGY

Through extensive interviews, this white paper is built on the perspective and experience of health and safety leaders working in some of the world's largest mining, energy, and pharmaceutical organizations. Of these organizations, seven are Canadian mining companies operating domestically and across the globe with project sites in the U.S., Mexico, Russia, and other countries across Central and South America, Asia, and Africa.

We also interviewed a global pharmaceutical company and one of the world's largest producers of synthetic crude oil. Globally, these organizations employ more than 200,000 workers, directly and indirectly.





***WITHOUT CONTRACTORS,
WE WOULD CEASE TO EXIST.***



KEY INSIGHT #1: GROWING RELIANCE ON CONTRACTORS

Companies are increasingly relying on outsourcing to meet operational needs and improve profitability. But outsourcing also introduces new risks.

Canada's mining, energy, industrial machinery, and pharmaceutical sectors are major contributors to the national economy. Globally, the organizations in this whitepaper directly and indirectly employ more than 200,000 workers, more than half of whom are in the mining sector.

Within Canada, the mining industry employs more than 403,000 workers¹, including employees and contractors. Contractors allow hiring organizations to focus on their core business activities and reduce labour costs such as compensation fees and insurance costs.

Companies can also avoid providing added benefits such as paid vacation and sick days, dental benefits, and pension contributions. Contract workers offer companies greater flexibility as they can hire employees based on fluctuating demand and need for specialist skills, and enable them to scale up and down depending on the needs of projects².

This dependence on contractors is growing. In the companies engaged for this whitepaper, up to 80% of the workforce consists of local contractors. "Without contractors, we would cease to exist," said one occupational health and safety (OHS) manager at a gold mining company. This complicates operations considerably and requires systematic contractor management, as contractors are often not fully immersed in the safety culture and may not be familiar with work sites, practices, and procedures.

However, outsourcing also introduces health and safety risks. In addition to the inherent safety challenges in each sector and industry, these outside workers are not immersed continuously in a company's corporate safety culture. This situation creates dangerous gaps in knowledge and skills that make project sites even more dangerous. Ultimately, this puts contractors and their co-workers at risk.

SAFETY AND CULTURE


Companies spend significant time and effort developing a culture of safety. The existing mindset suggests that it is difficult to persuade contract workers to buy into that culture. Contractors on site are not as familiar with safety procedures as full-time staff, or might not adhere to them. As a result, contract labourers are more likely to fall victim to workplace accidents.

The statistics around this increased risk for contract labour are limited, but the elevated risk is clear. Employees in their first month at work have more than three times the risk of a lost-time injury than workers who have been in their jobs for more than a year, according to research from the Toronto-based Institute for Work & Health³. Contractors can have a new job every week, even every day.

Statistically, young people and new hires are more at risk of injury in the workplace. Nearly 20% of the injuries and fatalities happen during the first month in a role, and because they spend less time on the job site, contractors are also three times more likely than employees to be injured in this first month⁴. Therefore, given the elevated risk, it is the employer's responsibility to ensure that contract safety is prioritized.

Contract workers may be unsure about their safety rights and responsibilities and might feel uncomfortable speaking up about a hazard, but responsibility cannot be outsourced. As part of a contractor management program, it is ultimately the responsibility of the company to communicate with contractors about health and safety processes and procedures.

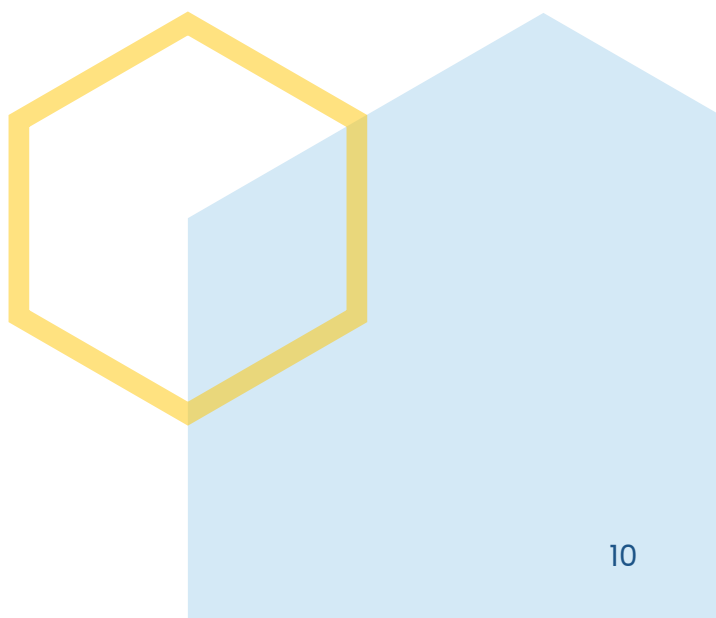
Employees in their first month on the job have more than three times the risk of a lost-time injury than workers who have been at their job for more than a year.



Aside from training, proper communication, and education on health and safety in the workplace, systematic documentation of contractor qualifications is key. This detail can involve significant paperwork and bureaucratic procedures to ensure credentials are up to date, which can itself present major challenges.

The current thinking on safety culture may pose a fundamental challenge to improving contractor safety, because it views culture as a pre-existing condition for better safety practices rather than an outcome.

A more realistic and practical approach is to invert that thinking by identifying the end goal (culture) and making concerted efforts to change what is observable and can be captured with data, including worker behaviour, values, and attitudes. This approach involves changing behaviour to alter thinking, and not the other way around.



KEY INSIGHT #2: THE HIGH VALUE OF PREQUALIFICATION

Prequalification of contractors is critical in reducing accidents and creating long-term stability.

The best approach to workplace safety is to focus on prevention. As such, prequalification is the nucleus that binds many other elements of robust safety culture, including succession planning, personal accountability, collaboration, and communication. It is also a core element of an effective risk management program. And, because it takes place at the beginning of procurement, the potential to influence safety holistically is at its highest.

Each of the organizations interviewed saw prequalification of contractors as a critical business strategy to reduce the inherent risks in outsourcing and ensure smooth and safe operations. “The mine is an active project, with 80% of the workforce made up of contractors. We place a strong emphasis on prequalification of contractors. We have a rigorous procurement process in which risks are identified early in the selection phase and discussions with contractors are conducted on risk prior to mobilization,” said a safety director at an iron mine.

The safety history of the contractor is also an important consideration when outsourcing. “Prequalification ensures the contractor has a strong safety program of its own. We examine their safety record. Ultimately, prequalification is an investment, saving time and money in the long-term,” said an occupational health and safety director at a mineral extraction mine.

Prequalification instills a sense of confidence in the hiring decision and ensures that the contractor has the required safety record, project experience, systems and protocols to perform the work safely. But selecting a contractor for safety goes beyond technical achievements and credentials. Hiring organizations must also assess whether the contractor has a strong safety philosophy and sufficient resources to maintain safe practices through the project lifecycle, and the extent to which this is aligned with their own safety culture.

A lower-cost contractor with a poor safety record or inadequate/outdated qualifications may put the company's operations at risk, leading to downtime and eventual cost escalation. A well-qualified contractor with a strong safety record may be more expensive to hire initially but poses less risk to the company's job site.

"When we started a new mining project, what I saw was that as the use of contractors went up, the injury rate went up. The upsurge of injury rate even went beyond the established limits: almost all workers on the site were contractors," said an occupational health and safety manager at a gold mine.

Intelligent prequalification, based on up-to-date information and consensus on how various assessment criteria are weighted, ensures that unqualified contractors are quickly excluded from the process and never enter a dangerous job site. Robust, well-specified contracts with a reasonable blend of penalties and incentives can ensure that those ultimately selected for the job act safely and maintain strict standards through to completion.

INTEGRATING CONTRACTORS INTO THE WORKFORCE

Another compelling reason for prequalification is that for many organizations, especially in mining, contractors are often eventually taken on as employees by the organization.

"Contractors are often being trained to be integrated into the company's workforce. Therefore, it makes sense to create a safety culture and lead by example from the beginning so that when they do become employees, they are ready," an occupational health and safety director stated.

Hiring well-qualified contractors can also improve the performance of existing employees through knowledge transfer. Over time, workers become better at identifying hazards, assessing and mitigating risks, and developing their own safety leadership capacity. These vital skills, when eventually brought in-house, further drive safety performance across the organization.

"The prequalification is invaluable, because the company always seeks to recruit higher caliber individuals to upskill the existing team," the occupational health and safety director said.

HEALTH AND SAFETY IN THE OIL AND SAND

Although companies strive to maintain a good safety record for workers, the oil sands themselves are higher-risk and inherently more dangerous than most other environments. As such, benchmarking safety performance with companies outside the oil sands industry remains a challenge.

As with most other industrial sectors, production in the oil sands relies heavily on contractors. This can compound existing health and safety risks. “While safety events for core staff have improved, changes are slower for contractors who can make up as much as 40% of the workforce at oil sands companies,” said a health and safety manager from a major synthetic crude oil producer.

Contractors are also involved in incidents two to three times more often than full-time employees. Many contractors have high turnover and are not familiar with the site. At times, the contractor’s expectations are not the same as the company’s. These two factors, along with unfamiliarity with the plant and fatigue, can combine and create significant risk on the work site.



KEY INSIGHT #3. SUCCESSION PLANNING

As experienced workers retire, better succession planning is needed to address a growing knowledge and skills gap.

Integrating contractors into a safety culture is already difficult. The loss of experienced workers who can provide leadership and mentoring makes the task even more difficult. As more baby boomers retire, organizations across Canada are experiencing a growing skills gap, and some sectors are more vulnerable than others.

By 2023, Canada's mining industry will need to hire 146,000 workers; 67,000 of these will replace those who are retiring⁵. Occupations that will experience a shrinking labour supply include supervisors, coordinators, foremen, and technical occupations. On average, retiring workers will have 37 years of experience, creating a skills gap that cannot be filled by education alone⁶.

"At one of our job sites, we are seeing 10–15 people a month retiring, leading to a critical knowledge and training gap," said an OHS director. As older, experienced workers retire, preparing younger employees through knowledge transfer requires planning in all industries. In mining and other heavy industries and dangerous sectors, it can save lives. "It's hard to rebuild that 'mining sense' and ensure new workers understand the whole package of mining," he continued.

In addition to retiring front-line workers, some sectors are seeing growing instability at the executive and leadership levels. "The greatest vulnerability in the oil sands industry will be poor succession planning for people to fill key roles in the plant. Whereas in mining, executives typically remain in a role for several years, the oil sands industry sees a higher turnover leading to frequent skills gaps," said an OHS director. "If executives are rotating frequently, it is difficult to ensure continuity of vision and best practices," he added.

Managing the inevitable loss of experienced workers requires sound planning that includes hiring the best talent available early on and retaining it for the long-term.

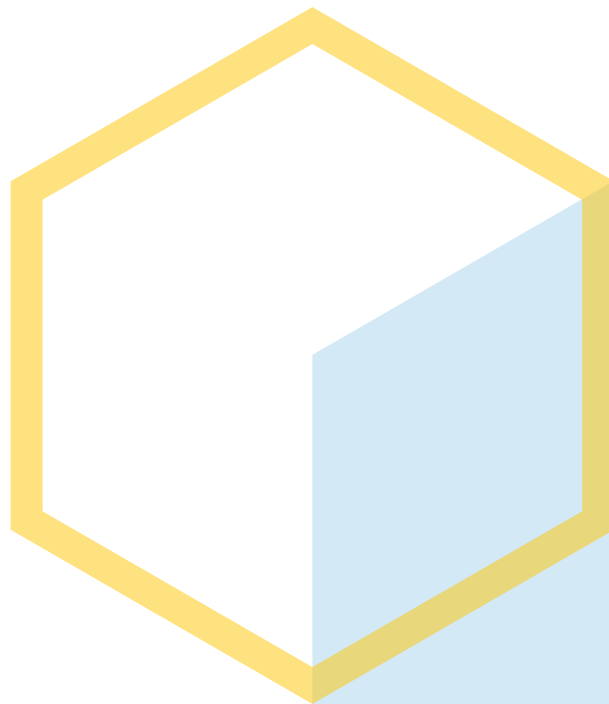
SUCCESSION PLANNING: START WITH THE BASICS

“Even before you can discuss cultural shifts, companies need to address the gap in skills and qualifications that persists in the workers and contractors,” said one health and safety director.

Outside of the mining industry, in sectors such as nuclear, it is virtually impossible to tell the difference between a contractor and an internal employee. The nuclear industry has many levels of safety and protection, the last of which is the public.

This situation exerts additional regulatory pressure on them. With that comes a health and safety management program that is probably the pinnacle of health and safety in North America. The challenge in mining is that the people working at mining sites often lack mining backgrounds.

What the sector needs to do is implement a best-in-class occupational health and safety management system (OHSMS). For example, ISO 45001, OHSAS 18001, CSA Z1000, the International Safety Rating System (ISRS), COR, etc., can be used as recognized models of OHSMS.



KEY INSIGHT #4. OHS: DRIVEN FROM THE TOP, AND STANDARDIZED

Health and safety should be driven from the top and applied equally to contractors and employees.

All the occupational health and safety experts interviewed agreed on one principle: without commitment and endorsement from senior management, a culture of safety is unsustainable. “Health and safety should be a continuous priority, and driven from the top,” a health and safety director stated.

Companies that have management buy-in are the most effective in reducing workplace injuries. C-suite buy-in, engagement, and involvement in safety programs can produce a 50% reduction in the total recordable incident rate (TRIR)⁷.

If senior management is absolutely committed to health and safety, it will reflect in the actions and beliefs of the employees.

It demonstrates that leadership is committed to their quality of life and well-being, and not just output. “At the mine, safety is driven from the president and project directors,” said another director.

Organizations should be willing to “demonstrate that worker safety is more important than profits,” the director continued. This is where some executive teams can be tempted to adopt a short-term view and cut costs, rather than investing in safety to secure longer-term, ongoing results.

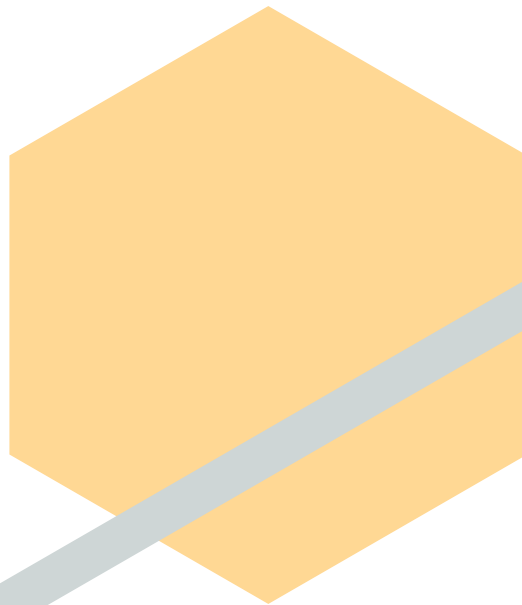
Contractors are even more likely to displace safety as a priority because of financial constraints. According to a survey by Engineering News-Record, 63% of contractors believe safety has no effect on profitability⁸. “From a contractor’s perspective, the amount of time and energy spent on improving health and safety is often dependent on how well the industry is doing. When times are tough, health and safety can be less of a focus and may not come to the forefront,” admitted one safety director who previously worked as a contractor. “Typically, contractors do not have many programs and processes, especially around safety. They are the guys who come in and get things done.”

When contractors do have their own safety standards and policies, these may differ from the hiring organization’s. Their safety briefings and orientations may be different; even their forms may diverge. This can create the perception that contractors are not held to the same rigorous standards as employees. Over time, if this perception is not altered, it can become a reality and cause employees to let their own standards slip.

HEALTH AND SAFETY COMMITTEES

Forming health and safety committees is a good way to encourage ongoing dialogue between workers, contractors, and management about on-site risks and encourage employees to participate in making their environments safer. The corporate function can then help support these committees in identifying solutions to recurring concerns – for example, a change in equipment, process, or policy.

Committees then prioritize which actions to take, and the results are discussed at monthly meetings with all employees. This approach helps demonstrate to employees that management is continuously acting on health and safety and not just talking about it.



LEADERSHIP AS A LEADING INDICATOR

Several of the organizations interviewed specifically encouraged implementation of visible felt leadership, or VFL. Felt leadership requires leaders to clearly and visibly behave in ways that promote health and safety. It also requires celebration and recognition of major safety milestones and incorporates all levels of workers.

This means more fieldwork. It also requires leaders to demonstrate through action that they truly believe in maintaining a safe and healthy work environment. This involves more interaction with workers and a passion for achieving zero work-related injuries and incidents.

This VFL approach creates important opportunities for workers to offer feedback to senior management, who can then evaluate the effectiveness of existing processes and integrate lessons into future planning so that safety can be improved continuously.

Rather than treating health and safety as simply another statistic, a compliance matter, or a talking point, VFL integrates trust and genuine care for the well-being of employees, contractors, and communities. It is ultimately about behaviour. Felt leadership empowers workers to say no to unsafe practices without fear of reprimand.

At one mine, VFL is used as an important leading indicator. “The company’s approach to VFL begins at the CEO, and cascades down to the superintendent level. There is a minimum number of VFL floor visits that must be performed each month, and this data is tracked,” noted one respondent.

The company’s business unit vice president reports quarterly to the board’s health and safety committee, lending executive-level endorsement and support to worker safety. The respondent continued: “Health and safety is driven by the CEO. If it’s not, a safety culture will never be established nor maintained.”

TAKING OWNERSHIP AND APPLYING EQUAL STANDARDS

As with leadership support for a safety culture, there was also consensus among the organizations on requiring all workers on the job site to adhere to the same standards, and for the hiring company to take ownership of all accidents, regardless of the employment status of the workers involved. This is a critical element of creating a single culture of safety.



WE DO NOT DISTINGUISH BETWEEN CONTRACTORS AND WORKERS.



“We do not distinguish between contractors and workers. One of the key changes at the company has been the merging of contractor and employee safety statistics into combined global indicators. If the contractor has a loss-time accident (LTA), or a fatality, it is reflected in the corporate performance reports,” said one health and safety director.

While this has become more common in the industry, without any provincial or federal reporting regulations, many still make a distinction between contractor and employee performance, leading to underreporting of incidents at the job site, especially those involving contractors.

Another mining company has developed a contractor management standard to better integrate outside workers into its safety culture and hold them to the same standard as employees. “Our corporate audit team not only conducts audits on financial performance and productivity, but also on the adherence to this contractor safety program,” said the safety manager.

The auditors conduct detailed interviews with all department heads at each site to identify business and operational challenges. In addition to these internal audits, the company will also use its contractor management program to receive certification from external auditors and organizations, including ISO 45001/OHSAS 18001.

The end results of a major injury are the same no matter who is at fault: serious injury or death, a hit to worker morale, and interruption in operations that can lead to financial losses. “In effect, all workers on the company’s job site are its employees,” a gold mine health and safety manager concluded.

Therefore, ensuring that everyone on a job site is fully qualified to be there is the best first step a company can take to keep workers safe and maintain fluid operations.

HEALTH AND SAFETY IN THE PHARMACEUTICAL INDUSTRY

Discovering, developing, and delivering innovative medicine is a capital-intensive process that can take over a decade to complete. Given the costs, there is little or no margin for error. However, it isn't just the financial costs that require a highly-controlled process and an error-free work environment.

Mistakes made during the manufacturing process can have lethal, long-term implications for public health and safety. Therefore, it is essential that workers are fully trained and qualified through every step of the process.

The pharmaceutical company in our sample has a dedicated program for contractor management that varies based on the status of the contractors. Some contractors are considered 'resident', as they remain at the facility for the long term. Others are more temporary. Regardless of their status, all resident contractors undergo the standard training program that all employees go through. The program lasts for three days and discusses key risks and hazards that workers may face, including confined spaces, working with heavy machinery, and working at heights. Best safety practices are then communicated to workers.

At the end of the day, the corporation is responsible for everyone working on its sites. As a result, measuring and monitoring health and safety performance and enforcing strict rules should fall under the control of the hiring organization. Companies should also have the same expectations of contractors as they do of their employees.





KEY INSIGHT #5.

APPLYING CANADIAN STANDARDS GLOBALLY

Canadian companies operating abroad are under greater social pressure to comply with Canadian regulations.

As Canadian companies have expanded their operations to other regions of the world, they have come to rely heavily on local supply chains and contractors they are often unfamiliar with. Canadian mining corporations are active in over 100 jurisdictions around the world. The organizations in our sample are no different, with operations spanning the Americas, Africa, and Asia.

These various regions have their own compliance standards and regulations that workers and employers are governed by and can differ significantly from what is expected in Canada. Complying with these different requirements adds another layer of complexity to supplier and contractor management.

One respondent explained: “At times, the company is required through national or regional laws and regulation to use the local workforce, which is not always fully qualified. This puts worker safety at risk. Choosing a contractor in an established mining community like Sudbury is less of an issue. However, when working in an area like Africa, it becomes a challenge.”

The application of Canadian occupational health and safety standards abroad is a growing trend. This is a very important and positive step. Canadian companies that operate abroad will be pushed much more by investors, customers, and wider society into implementing Canadian policies in all their activities.

Many industry associations, such as the Mining Association of Canada, are playing a proactive role in helping their members raise standards for safety worldwide. Having one industry approach helps to provide greater consistency for companies and contractors, making it easier to comply.

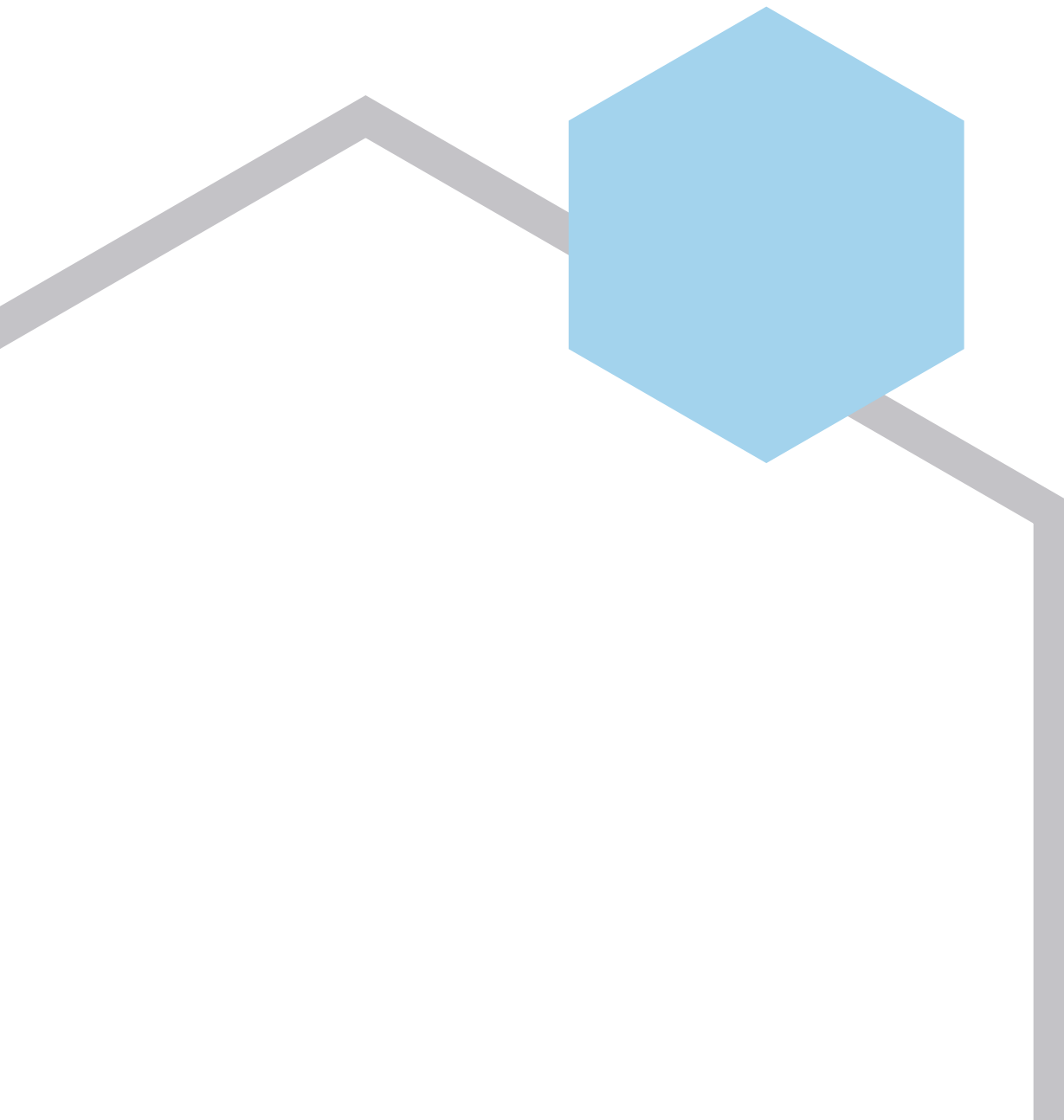
“The local population is becoming more aware of worker rights, and beginning to question why Canadian companies don’t apply the same standards to worker and environmental protection in their international sites as they do domestically,” said the health and safety director of a pharmaceutical company. “The government of Canada will be pressured to respond appropriately.”

TOWARDS SUSTAINABLE MINING

Recognizing the important role Canadian businesses play, the Mining Association of Canada introduced its Towards Sustainable Mining (TSM) initiative in 2004.

This provides principles, guidelines, and tools to promote responsible mining, including a commitment to engaging local communities, environmental responsibility, and high levels of health and safety.

Now, 100% of the companies that are signed up to the initiative have formal safety and health management systems in place.



KEY INSIGHT #6. WORKING WITH MILLENNIALS

As millennials rise through the ranks, traditional corporate values will change.

As more millennials continue to enter the workforce and assume positions of greater responsibility, the culture of safety will shift. Millennials are much more attuned to the personal and environmental side of work, and they will be a driving force in implementing a more sustainable level of health and safety.

They are committed and passionate about occupational health and safety, community impact, and environmental sustainability. In sectors such as mining and oil, this may pose a challenge in attracting talent.

A 2016 McKinsey study suggests 14% of millennials surveyed would not pursue a career in the oil and gas industry because of its negative “external footprint”⁹.

Millennials will transform what is currently considered to be business as usual. “Companies not taking care of employee and contractor welfare will struggle to attract talent,” said one director. While they will challenge traditional corporate values, millennials are fully accustomed to digitization.

This will make integrating technology into health and safety much easier and more efficient. In an EY study, the opportunity to use the latest technology was one of the top three driving forces for millennials when choosing a job¹⁰.

Organizations have already begun to shift to paperless environments; millennials will only accelerate this trend. Companies and governments are now putting much greater emphasis on ensuring that health and safety standards are implemented and enforced, rather than adding more rules. Streamlining administration is critical to reducing accidents, and digital applications will help with that, as well as making it easier to identify risks going forward.

At one company a respondent said that “previously, requests to work in a confined space were submitted through paperwork. Now, these are done through a software application.” The transition to a web-based application has made the process easier, and more reliable.

The request is automatically forwarded to a health and safety manager for approval, without which workers are stopped from entering a confined space.

Another organization interviewed is moving away from paper policies entirely because they are often not read. “The ease of access to digital versions improves the likelihood that workers are better informed about proper policies and procedures,” says its director of safety.

LAGGING OR LEADING?

Most organizations interviewed rely primarily on lagging indicators to gauge their safety performance, including lost time accidents (LTA) and lost time injury frequency rate (LTIFR). However, many are reporting a gradual shift to using more leading indicators, including frequency and quality of training, safety meetings, inspections, and visibility of senior leadership through site visits. One organization tracks ‘tendencies’, or worker behaviours that may predict or are associated with accidents. All incidents that occur on the site are logged into a program. Over time, this data makes it easier to identify areas of concern.

COMPETING AND COLLABORATING

There are still too many fatalities in the mining industry, and the sector as a whole needs to become better at managing critical controls around high-risk work, both internally and with contractors. One positive development is that companies are coming together more as a learning body to improve sectoral safety standards and performance.

The Mining Safety Roundtable is a good example of professionals from the mining industry coming together as peers. The roundtable serves as an OHS forum and working group in which subcommittees take on specific research projects, including greater research into occupational health-related illness and how it can be mitigated. Organizations can also compare their safety performance to group members for benchmarking.

KEY INSIGHT #7. ADDRESSING SUBSTANCE ABUSE

Companies need to enact stronger measures to control the influence of drugs and alcohol.

One issue that escapes most research into safety culture is the impact of drugs and alcohol on occupational health and safety, especially in complex environments such as mining and oil extraction. For one company in our sample, substance use and abuse by contractors and employees was an area in which it did not have control in the past. Recently, it has taken a proactive approach to minimize and eliminate drug-related safety risks.

Enforcing strict guidelines and educating workers on the workplace risks associated with drug consumption has had a positive impact on safety performance. “We recently instituted a random drug testing program. We have also seen methamphetamine show up in drug testing,” admitted one OHS director.

A key takeaway from the company is that sensitive though the issue of substance abuse may be, keeping workers and contractors safe trumps everything else. The legalization of cannabis has also directly impacted the issue, and companies have been more systematic in developing workplace policies.

Organizations can also supplement strict controls and policies related to drugs and alcohol with a more personal and humanized approach to health and safety. This can be especially valuable when substance abuse may be symptomatic of psychological stress.

“Often, companies forget that contractors are people, just like employees, and could be under stress from personal issues that may cause them to take their mind off the task at work. Therefore, it is important to personalize health and safety, and help workers see the true value of performance indicators, policies, and procedures. The more companies can do to bring contractors into the family of employees, the better they can be at making job sites safer,” noted one respondent.

CONCLUSION

There is increasing pressure on organizations to be socially responsible and sustainable, both from ever-changing regulations and from wider society. People are expecting more. With contractors making up a growing segment of the labour pool—and the disproportionate number of accidents associated with contractors verses in-house employees—it's clear action must be taken.

Part of the solution is to embed safety into the corporate culture. But even the best safety culture may not reach contractors unless a full contractor safety management solution is implemented. Bringing contractors' safety philosophy in line with that of the hiring company is paramount, and prequalifying contractors means greater integration, both into the workforce and the internal safety culture.

Outsourcing prequalification means complete visibility over who is assigned to a task and when they are scheduled to carry it out, their level of competence for this task, and whether additional training is required for them to become compliant. All of this can be managed from a single place: the Alcumus Cognibox CMS.

The result of prioritizing safety from the start is a reduction in incidents, a boost to long-term stability, and a contractor base that is fully aligned with your organization's safety culture.

REFERENCES

1. "Mining Facts", Sourced from <http://mining.ca/resources/mining-facts>
2. Younglai, Rachelle, "The missing middle." The Globe and Mail September 1, 2017. Sourced from: <https://beta.theglobeandmail.com/report-on-business/economy/jobs/temporary-work-canada-economy/article36144704/?ref=http://www.theglobeandmail.com&>
3. Trotto, Sarah, "New workers, higher risk." Safety+Health May 22, 2016. Sourced from: <http://www.safetyandhealthmagazine.com/articles/14053-new-workers-higher-risk>
4. Deane, Art, "Some Canadian workplace injury and fatality facts." SafeThink, sourced from: <http://www.safethink.ca/resources/pdf/Canadian%20Workplace%20Injury%20and%20Fatality%20Facts.pdf>
5. "Managing Through the Cycle: A Strategic Approach to Workforce Planning in the Mining Industry." Mining Industry Human Resources Council. August 2013. Sourced from: <https://www.mihrc.ca/pdf/publications/Managing-through-the-Cycle.pdf>
6. Jamasmie, Cecilia, "Canada's mining industry faces workers shortage of up to 127,000 – report." Mining.com. August 30, 2016. Sourced from: <http://www.mining.com/canadas-mining-industry-faces-workers-shortage-of-up-to-127000-report/>
7. "The Impact of Safety on Profitability." The Mechanical Contractors Association of America, Smart Solutions Winter 2016. Sourced from: https://www.mcaa.org/smart_sol_article/impact-safety-profitability/
8. "Understanding the Impact of Step Participation on Overall Safety Performance." Associated Builders and Contractors, Inc. 2017. Sourced from: <https://www.abc.org/Portals/1/STEP/2017%20Safety%20Performance%20Report%20Final%20020817.pdf>
9. Handscomb, Christopher et al. "The oil and gas organization of the future." Mckinsey & Company. Sourced from: <https://www.mckinsey.com/industries/oil-and-gas/our-insights/the-oil-and-gas-organization-of-the-future>
10. "EY poll finds oil and gas industry faces talent problem in young American perceptions." EY. June 20, 2017. Sourced from: <http://www.ey.com/us/en/newsroom/news-releases/news-ey-poll-finds-oil-and-gas-industry-faces-talent-problem-in-young-american-perceptions>

ABOUT ALCUMUS COGNIBOX

Alcumus Cognibox provides comprehensive supplier management, worker compliance and learning solutions that supports organizations in their drive towards a safer and more efficient work environment. It offers expert professional services to accompany corporations through their supply chain safety and risk control processes. Guided by its core values of transparency and excellence, Cognibox's flexible, client-centric approach is paramount to the customer experience, and serves over 290,000 members. To find out more, visit www.cognibox.com.



1 (877) 746-5653
info@cognibox.com
cognibox.com

All rights reserved.