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BIAC COMMENTS

Draft OECD Guidance for the Integrated Management of Safety, Health, Environment & Quality (SHE&Q)

The Business and Industry Advisory Committee to the OECD (BIAC) welcomes the opportunity to submit comments on the draft OECD Guidance for the Integrated Management of SHE&Q (December 2005) to the OECD Working Group on Chemical Accidents.

Position Summary

BIAC supports the promotion of proactive management of health, safety, environment and quality, but does not believe that this should be done through the development of a new integrated management system. Therefore, based on our current understanding of the program and other initiatives, we would strongly but respectfully recommend against continuing development of guidance on SHE&Q in the Working Group on Chemical Accidents (WGCA), at least until there has been a robust discussion among the range of relevant expert interests regarding why other organizations have in the past declined to pursue an integrated management system standard (MSS). Notably, the International Organization for Standardization (ISO) has decided not to pursue an integrated MSS standard, and will instead constitute an advisory group on the matter to the ISO Technical Management Board. Given the decision and approach taken by this authoritative international standards group of experts, practitioners, governmental representatives, business people and other stakeholders, the current OECD WGCA effort would not add value and could even cause confusion.

General Comments

As an initial matter, BIAC acknowledges and regrets that we have not been able to participate in this work following the loss of our resident expert. The OECD business community represented by BIAC has been in the forefront of developing and implementing management systems to address environment, health, safety and quality, and believes such systems are critical to compliance and continuous improvement. Some companies have moved to put in place integrated management approaches that have been developed to suit their specific businesses and challenges.

BIAC's current position on integrated MSS is based on that broad experience as well as on our participation in the historical wider debate within ISO on an integrated MSS. The

arguments against the development of an ISO integrated MSS, which convinced ISO not to develop such a standard, included the following points:

- 1) First and foremost, there is still no widespread demand for an integrated MSS on the part of standards users. The reasons for this are many, but include the facts that there are no trade barriers or customer-supplier difficulties associated with this issue.
- 2) The lack of demand for an integrated MSS also stems from the fact that there is nothing in the existing ISO standards on quality and environment or the non-ISO standards on occupational health and safety that prevents any users of those standards who want to integrate them from doing so in the way that is most suitable and tailored to their needs and circumstances.
- 3) Quality, environment, and health and safety are different issue areas with important distinctions related to terminology, practices, and processes. The nuances that are important to each of these individual disciplines would need to be carefully considered in any integrated MSS. Furthermore, the emergence of derivative standards like QS 9000 or TL 9000 demonstrates that not even all of the relevant aspects of quality alone could be covered in *one* MSS. An integrated MSS would face even more difficulty.
- 4) An integrated MSS is essentially a generic MSS. The differences in the many disciplines being addressed can result in a standard with a very high degree of abstraction and generality. Given this level of generality, an integrated MSS is little more than a standard on process management, which has also been opposed by business as lacking any value. This is particularly true in the case of the guidance document as even the terms SHE&Q are sufficiently vague as to lack any clear performance-based meaning. For example, the term “health” has a broad definition and could be presumed to connote anything from employee health to public health, which are two very different management issues. In summary, it is unclear what kind of performance is being driven by the draft guidance.

The primary beneficiaries of the OECD integrated MSS would be certification and auditing interests. As far as we can tell, the proposed MSS is not targeted at reducing chemicals accidents, and would have little or no impact in that area.

BIAC believes that all of the above arguments against an integrated MSS are still valid and should be reflected in the OECD discussions on this topic. Years of debate within ISO on this question resulted in a very clear decision not to develop an integrated MSS for the reasons cited above. In light of ISO’s decision, and given ISO’s authoritative mandate and expertise in this area, we do not understand the rationale for the OECD WGCA proceeding on its own track.

Finally, it is unclear why the OECD Working Group on Chemical Accidents in particular would seek to develop a guidance encompassing broad issues like quality management that seem beyond its remit and area of expertise. Given that an integrated MSS would affect interested parties well beyond the scope of organizations and technical professionals with which the Working Party normally engages, BIAC strongly recommends

that the Working Party at a minimum agree to hold consultations with all affected parties before any decisions are made to proceed.

Rather than create a new management system guidance, OECD should leverage existing integrated management system models, such as the Responsible Care management framework and other relevant management systems (ISO 14000 series). The OECD WGCA is well-placed to foster and support capacity building on these matters, and such a capacity-building oriented focus would mesh well with the OECD-wide priority now being given to working with non-OECD countries.

Conclusion

BIAC questions the value of an integrated management system standard (MSS) and therefore does not support the proposal to develop an integrated MSS in the Working Group on Chemical Accidents. BIAC strongly recommends that the Working Group at a minimum agree to hold consultations with the affected parties before proceeding further. There should be a robust discussion among the range of relevant expert interests regarding why other organizations have thus far declined to pursue such a standard. The OECD WGCA should acknowledge the precedence of the ISO Advisory Group on this topic, and take that group's emerging views into account. Instead, we encourage the OECD WGCA to support efforts to spread existing environmental and other management systems that would decrease chemical accident incidence in non-OECD countries.