



TLG CLIENT BULLETIN

September 2000

SHOULD EXECUTIVE MANAGEMENT SEE THE WHOLE EH&S PICTURE?

EDITORIAL

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I am sure that you have seen, heard, or read about the recent massive automobile tire recall that involves a major tire and automobile manufacturer. The media is flooded with company executives pledging fair and quick action, as well as asking for time and understanding. This incident is destined to be in the public eye for a long time. This incident will be the focus of studies on the need for executive management to be continually informed on issues concerning compliance. These current specific challenges are promising many long and expensive ramifications. These ramifications will directly affect the respective Chief Executive Officers (CEO), their subordinates, employees, and stockholders. This incident is not exactly related to Environmental, Health & Safety (EH&S), but does include compliance issues as to internal and external standards and regulations. There are some extremely important lessons that can be learned from this unfortunate event. I used this incident as an example during a recent presentation to a group of multinational executives. I believe it may be of some value to share some of the following thoughts, and I invite Executive Management, and their senior managers, to review and discuss them in their staff meetings.

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Is Executive Management aware of potential liabilities that could affect the company, and themselves personally, regarding EH&S non-compliance.

Companies are liable for significant financial penalties; sanctions that include the closing of facilities or job sites, and imposed requirements for extreme documentation. Additionally, there is the potential for bad press. Personal liabilities can arise from incidents, including criminal charges, when there are personal injuries and/or damages to the environment. Any manager, including Executive Management, who holds an oversight responsibility within a guilty company, can be held personally liable. Pleading ignorance to the facts, regulations, or laws is never an acceptable defense. These liabilities are now crossing borders and regions of the globe.

Is there a formal method document (policy / procedure / internal standard), related to the EH&S auditing process, and the handling of any issues

found to be in need of enhancement?

Every company should have a statement, signed by Executive Management, that endorses stewardship of the environmental and employee health and safety. In this statement, there should be a strong commitment to regulatory compliance, and methods that ensure compliance. There should be specific steps as to how challenges are to be addressed; corrective actions taken, and verified.

Is the EH&S program internally audited, as well as audited by an external independent resource?

Every company should have a documented method, and schedule, as to the scope of EH&S audits, methods of documentation, expectations as to addressing discovered opportunities and management responses. In the compliance assurance program, there should be resources selected to conduct independent surveys, reviews, and audits. In making agreements with any selected outside resource for this purpose, there must be specific definitions as to who will receive the final reports, confidentiality assurances, and definitions as to the final document being under an attorney / client privilege.

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Is Executive Management aware of company challenges related to EH&S issues?

A good exercise is for the Executive Manager to write a list of any current major EH&S compliance challenges and program enhancements, and at the same time, have the EH&S Manager do the same. Obviously, the list from the Executive Manager will not be as specific as the EH&S Manager. However, there should be specific matches on EH&S issues that are of major importance. If there are no matches, there is definitely a problem.

Does EH&S appear regularly on meeting agendas?

Are EH&S issues a regular topic on Executive Management meeting agendas? There should always be a documentation trail that indicates both issues and remedies. Never document a compliance challenge without planned steps addressing the challenge. Executive Management should always receive a copy of the meeting minutes. Again, attorney / client privilege should be considered for any documentation.

How far down "the ladder" is the EH&S Manager?

The ability of the EH&S Manager to convey concerns to the Executive Manager must be encouraged. The ability of the EH&S Manager to prioritize these concerns is critical in making this process work. A company, and the Executive Manager, is not well served by being falsely alarmed by the EH&S Manager on compliance issues that do not require executive intervention. The EH&S Manager must be empowered and responsible. The EH&S Manager must above all be accountable for compliance issues within the company.



TLG Creative Design / Administrative Services Group has extensive experience in creating Global EH&S presentations, audits and documentation packages.

TLG Creative Design / Administrative Services Group produces all types of professional materials for meetings and training sessions.

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TLG QUICK BRIEFS

INDOOR AIR BASELINE STUDIES

There is growing awareness and activity in employers addressing interior air issues. Part of this growing awareness is due to some of the unusual weather activity in different regions that is causing heating/ventilation/air-conditioning (HVAC) systems to be susceptible to different molds and mildews.

There are various U.S./International federal agencies involved in studies focusing on establishing various standards for indoor air. There are other regional initiatives in Europe attempting to address the same issue.

TLG suggests that clients take a series of baseline indoor air samples to establish the quality of their employees' working environments. After the initial sampling, there should be scheduled similar samplings. Sampling should also be scheduled after any major remodeling.

"GRAND-FATHERED" GOING, GOING, GONE...

The term "Grand-fathered" is a common term used in environmental regulations and standards. The term

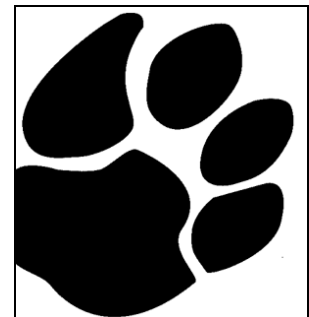
normally defines a situation that existed before the implementation of a new standard or requirement.

An example would be an older manufacturing process that has air emissions. A new regulation comes into effect that applies to the process air emission. Because the process was in place before to the new regulation, it would be considered Grand-fathered.

Typically Grand-fathered only applies if the following HAVE NOT taken place after a new regulation takes effect:

- No mechanical changes to equipment (Note: Preventative maintenance is allowed but no major renovation.)
- No increases or decreases to the amount of time of operation or volume of products produced or handled
- The air emission is reclassified as hazardous to human health or the environment

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TLG Industrial Hygiene Group is experienced in all phases of Indoor Air Studies. Services range from simple design of testing protocols to intensive industrial studies.

Safety, Health, and Environmental engineering design services for HVAC systems are available through TLG Engineering.

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This term has enjoyed a long period of time in which it was not challenged by the public, environmental activist, and regulatory agencies. The term today is being redefined into narrower limits, and is therefore forcing older production processes to be reengineered, and in some instances, closed down. TLG suggests that clients document current air emissions, even if they consider themselves not affected by air emission regulations. Clients should remain diligent in being informed as to any changes in air emission regulations, including some of the definitional changes regarding terms.

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on professional consulting services provided on:

**AIR EMISSIONS
REGULATORY REVIEWS
AIR PERMITS
EXEMPTIONS
AUDITS
SUBMISSIONS**

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SUPPLY CHAIN MANAGEMENT INCLUDES EH&S ISSUES

Supply Chain Management programs must include an assessment regarding regulatory risks. The risks that typically need review are found within the vendor's EH&S program. The assessment should include reviews of programs and regulatory compliance. A process of documentation review, site inspection, and regulatory inquiry must be systematically conducted. A defined procedure is the critical foundation of this process.

TLG suggests that clients consider the EH&S factors in their current or future Supply Chain Management programs.

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on customized EH&S modules to enhance a company's present supply chain management process.

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OSHA AND THE FAA

The U.S. Department of Labor/Occupational Safety and Health Administration (OSHA) and the Federal Aviation Administration (FAA) have signed a memorandum of understanding (MOU) in which OSHA / FAA will be reviewing flight deck hazards including recordkeeping, bloodborne pathogens, noise, sanitation, hazard communication, and access to employee exposure and medical records.

TLG suggests that clients take note of these MOUs between regulatory agencies. This trend means a sharing of inspection records, regulatory history, and the right of an agency to step outside their normal areas of regulatory oversight.

UNION PUSHING ACCOUNTABILITY FOR EXECUTIVES IN CASE OF WORKER DEATHS

In Canada, unions are intensely lobbying for legislation that would make corporate executives and managers liable for criminal and negligent events that may occur in areas under their areas of responsibility.

This issue is the focus in numerous regions and countries. All TLG clients need to be acquainted with the various levels of liability in the countries in which they have operations.

OSHA COMPLIANCE DOCUMENT ISSUED ON FORKLIFT TRAINING FOR INSPECTORS

OSHA recently published a compliance directive for their inspection officers. The memorandum included directives to inquire about the employer's training approach, competency of the trainer, ensure

training includes operating instructions, warning/precautions in the operators manual, observation of actual forklift operations, certifications and evaluations of the drivers.

TLG suggests that clients review their respective programs and conduct audits to ensure compliance with the OSHA regulations.

CALL TLG FOR MORE INFORMATION
on Forklift Programs, designed by TLG Regulatory and Creative Design Group, which include all the mandated components in a system that allows an efficient method of Forklift Program Administration.

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OFFICE BUILDINGS + ADMINISTRATIVE TASKS = ENVIRONMENTAL, EMPLOYEE HEALTH AND SAFETY REQUIRED PROGRAMS

Office buildings are commonly overlooked in EH&S programs. These types of workplaces can be extremely difficult to manage because of the present variations in work hazards. Common safety and health programs that are typically needed in any large administrative building settings include Emergency Evacuation, Emergency Response Plan, Hazard Communication, Bloodborne Pathogens, Lockout/Tagout, Ladder Safety, Personal Protective Equipment Program, Ergonomics and possibly many others. Environmental programs may require waste stream registrations, air exemptions and/or permits (printing, film development, emergency generators), and waste minimization programs.

It is interesting that although many countries and regions have basic common requirements, the regulations vary significantly. Additionally, some

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jurisdictions may also require energy conservation programs.

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on EH&S basic programs that can be customized to a company's specific requirements in the applicable country, state, county, city and/or region, and language.

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DIRECT FROM THE AGENCY ADMINISTRATOR OF OSHA

Here are condensed statements from Charles N. Jeffress, OSHA Administrator, given during a recent meeting with safety professionals on some issues of interest:

Ergonomics - The expectation is something will be approved this year, and then challenged in the courts. Despite efforts from various groups, there will be a final standard.

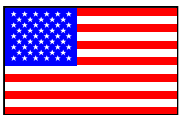
Recordkeeping - The proposal for change will be out by the end of this year. Expectations are that the form will be simpler and easier to fill out.

Safety and Health Program Standard - A proposed standard will not be out this year but OSHA expects to reignite efforts in the beginning of next year.

The OSHA Partnership Program - The program will continue to be pushed by OSHA and the funding of the agency will continue to be strong no matter what happens in the November election.



TLG CLIENT PROJECTS



Dallas, Texas USA
High Technology

Consulted and provided client with an emergency evacuation plan for a new multistory corporate headquarters building

complex. Provided client with written procedures, training materials, and building drawings detailing evacuation routes and muster points.



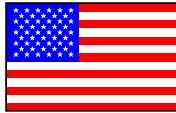
Madrid, Spain
High Technology
Manufacturing and
Distribution

Provided services to client relative to a new manufacturing site. Conducted due diligence on selected property, submitted appropriate permit(s) for the governmental agencies and gained approval, facilitation for client for governmental manager dialogue and provided production process engineering.



Manaus, Brazil
High Technology
Manufacturing

Provided consultation as to obtaining appropriate permits for construction of new manufacturing facility, environmental assessment of "green site", building / process design, construction contract, introduction to governmental agencies and managers.



Irvine, California
USA
High Technology
Assembly

Consulted client on expansion of present facility, provided submissions to state regulatory agency for approval of the expansion, and provided safety, health, and environmental (SHEL) review as to the new proprietary process.



Monterrey, Mexico
Plastic Molten
Extrusions and Sub-
Assembly of Products

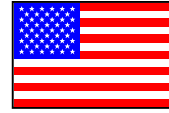
Conducted audit against corporate policy and federal, state, and local safety and environmental regulations, amended and submitted amended permit submissions for approval for expansion of current facility.



Buenos Aires,
Argentina
Chemical (raw
material)
Manufacturing

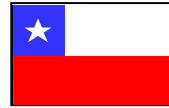
Provided European-based client with consulting service related to the permitting requirements as to the building of a large chemical manufacturing facility. Permitting process required process flow description and detail, environmental

impact study relative to surrounding community and economic impact factors related to number and type of employment positions. Project was approved in less than 60 calendar days.



Fort Worth, Texas
USA
High Technology
Manufacturing

Retained for the purpose of developing programs related to an Environmental Management System (EMS) which includes an audit system incorporating the Employee, Health, and Safety (EHS) program. Augmented the EMS & EHS programs and developed a Design for the Environment System including employee training presentations.



Santiago, Chile
Aviation Industry
Support Services

The client requested TLG to provide services related to an expansion of a current aviation facility in Santiago, Chile. Consultation related to obtaining governmental approvals, coordination with an international legal firm (US and Latin America expertise), retention of approved local engineering resources and completion and submission of a business plan and environmental impact study.



Maracaibo, Venezuela
International
Petroleum Production

Provided services related to the expansion of an expansive specialized refinery. Services included environmental impact study, submission of studies to applicable governmental agency, obtained permit approvals necessary for expansion, process safety program enhancement, coordination of local resources services and process audit (environmental / safety) on existing facility.

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