Safety – Is it Reasonable to be Unreasonable?



Gerdau Jackson TN Mill



IRD Conference Nashville, TN October 2015



Agenda

- Gerdau Values & Integrated Policy
- Gerdau Jackson TN Mill Overview
- Is It Reasonable To Be Unreasonable
- Closing Comments





Gerdau VALUES

- Be the CUSTOMER'S choice
- SAFETY above all
- Respected, engaged and fulfilled EMPLOYEES
- Pursuing EXCELLENCE with SIMPLICITY
- INTEGRITY with all stakeholders
- Focus on RESULTS
- Economic, social and environmental SUSTAINABILITY
- What is a value?
- Value = A belief that does not change no matter the situation or circumstances.





Integrated Policy

Health and Safety, Environment and Quality

For Gerdlau, people and their integrity is a value above all other company objectives and priorities. No emergency situations, production or financial performance can compromise our people's health and safety, the environment, or the quality of our products and services.

Gerdau, as a provider of steel products and services, strives to satisfy shareholders, customers, employees, suppliers and communities through the continuous improvement of products and services, processes and management systems. Gerdau is committed to quality, employees' health and safety risk control, management of environmental aspects, and prevention of environmental impacts. Its actions are always guided by and intended to fulfill objectives and goals of the company while consistently meeting the applicable regulations and commitments, necessary to achieve sustainable development (environmental, social and economical).

Principles:

 The leadership is primarily responsible for the safety of all individuals who work under his/her management, promoting all needed efforts to preserve people's health and safety, sustainable development, and the productivity and efficiency of the processes.

 Each employee is responsible for his/her health and safety, as well as of his/her colleagues, of the environment and of the quality of products and services.
 Employees must perform their job according to the company established procedures, instructions, standards and rules.

 Gerdau and its employees are committed to seek continuous improvement related to people's health and safety, environment, process efficiency and customer's satisfaction with the quality of products and services. All efforts must be directed for preventive actions, by seeking and sharing best practices and utilizing the learning in an effective way in the entire Organization.

GO GERDAU

NOM-PO-ENA





Leadership Is Responsible

Each Employee is Responsible

Continuously Improve

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We considered bragging about some recent safety recognition

- TN Labor Commissioner's Safety Award 2015
- Gerdau 2 year no LTA Safety Award 2015
- SMA 1 year no LTA Safety Award 2013, 2014
- Gerdau 1 year no LTA Safety Award 2012, 2014







What Are The Most Basic "X" Factors In Safety Performance?





Leadership & People

- We decided instead to focus on Leadership & People because you can have the best engineering controls, have all the best PPE, have thorough policies / procedures, etc., BUT none of it matters if you do not have the PEOPLE ENGAGED.
- How do you engage people? LEAD, LISTEN, COACH, CORRECT
- We can spend all of the money and time that we can imagine to improve safety, but it all comes down to the individual decisions / actions (or lack thereof) of people.
 - Anybody ever bought a really expensive safety fix just to see it go unused because people don't believe in it?
 - "You either can or you cannot, there is no try" Yoda
 - "If you think you can or think you cannot, you are right" Mark Twain



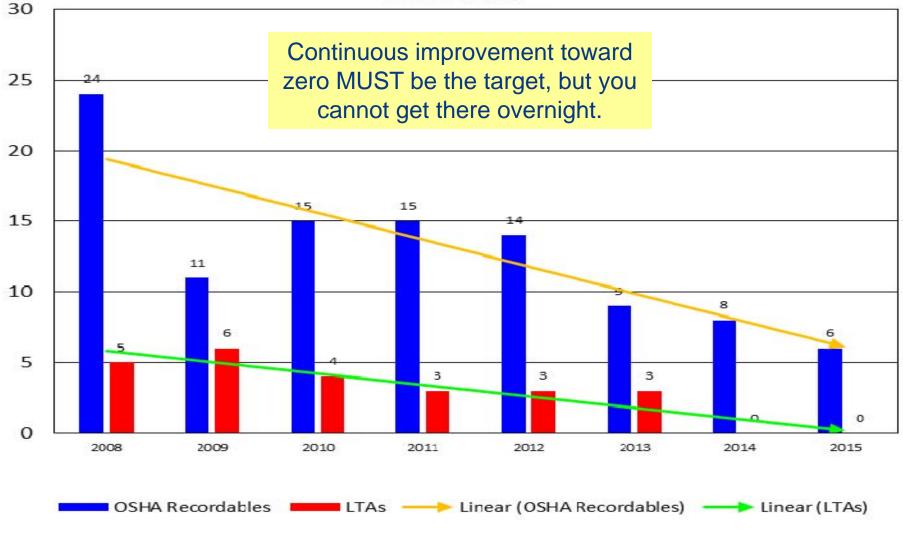


Safety Performance Trend





Jackson TN Mill OSHA Recordable & LTA Events 2008-2015





2+ Years Without A Site LTA



So We Should Feel Pretty Good That We Have This Safety Thing Down, Right?





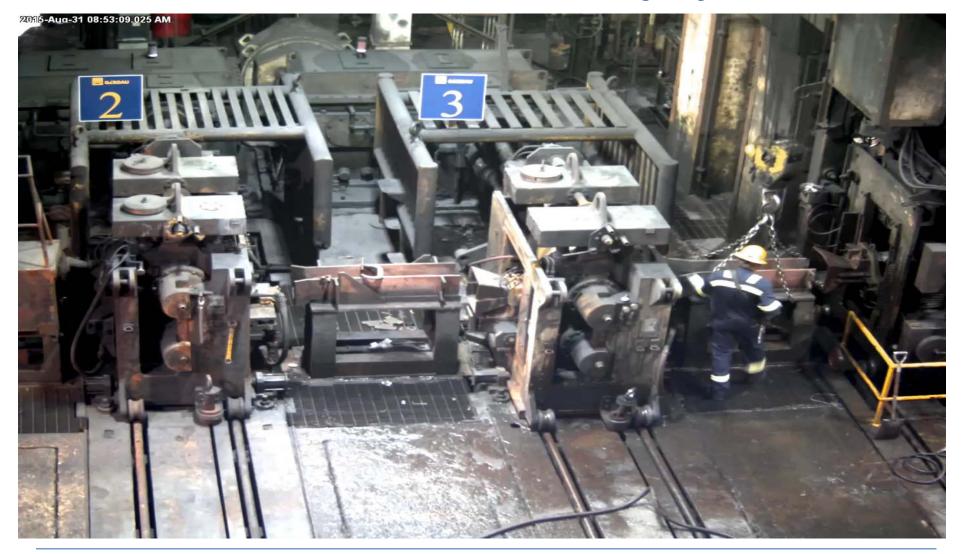
Maybe Not







It is a very short distance from a near miss to a serious injury







Is It Reasonable to be Unreasonable?*

- We must be "Unreasonable" in our Safety Goals & Expectations
- Unreasonable taking a belief that is largely accepted as fact and turning it upside down – REJECT the status quo
 - Put a person on the moon & bring them back safely, unreasonable Done
 - Working 2 years without a site LTA at a steel mill, unreasonable Done
 - Working 1 year in a Melt Shop & Rolling Mill without an OSHA Recordable, unreasonable Done
 - Wearing fall protection at all times above 4', unreasonable Done
- Most Change goes through 3 Stages
 - It is ridiculed "That is the dumbest thing I have ever heard, who came up with that ____?"
 - It is opposed "We cannot do it, are you trying to shut down the mill?"
 - It is accepted as being self-evident "Who didn't know that?"
- We have to get our minds focused to push our performance forward to attain "Unreasonable" Safety Goals & Expectations – make them Self-Evident
 - "If you don't like change, you are going to like irrelevance even less" US General Eric Shinseki





Safety Process People Components





Leadership





Leadership Commitment

- Compliance is minimum & expected Continuous Improvement
- "Walk the Talk" Don't ask others to do what you won't.
- Safety is never a priority. Safety is a value remember the definition?
- Safety KPIs on performance appraisals, promotion selection personal accountability.
- Coach safe performance.
- Indifference to small issues leads to increased tolerance of serious problems. Fix issues when they are still small.
- Calibrate group risk perception / tolerance and acceptance.
- Don't manage to the exception. There may not be a 100% solution. Manage the process to reduce risk.
 - "A good solution applied with vigor now is better than a perfect solution applied later." General George S. Patton U.S. Third Army





Leadership Safety Hour & Safety Hour





Leadership Safety Hour

- Weekly 1 hour safety review meeting each Friday at 10:00
- All Leadership attends ~ 70 people
- Lead by the VP/Plant Manager & Safety
- Leadership visibility of current safety performance
- Consistent message to all Leadership
- Problem solve safety concerns
- Transfer best practices and learning
- Engages Leadership consistently





Safety Hour

- Leadership on the floor one hour each day at the same time focused on safety
 - Planned General Inspections
 - Safety Observations
 - Area specific safety concerns
- All Leadership participates ~ 70 people
- Consistently visible on the floor having PERSONAL safety discussions with personnel
- Red FR jacket visual management
- Bring up safety concerns on the floor on their turf and helps Leadership better see and understand concerns.
- CONSISTENCY in Safety Hour demonstrates Leadership commitment to improving safety. Folks notice.





Safety Multipliers





Safety Multipliers



- Engages hourly employees more intimately with the safety process.
- Volunteer to serve as a safety contact in their working cell and perform safety tasks to assist the Routine Facilitator.
- Eight hours of training.
- Current tasks performed
 - Pre-Use Equipment Inspections (PUEIs) validation
 - PRG Reports & Open Actions monitor status & assist in closure
 - Substandard Action & Condition Reports assist Cell members
 - Pure Safety Completion Status monitor completion
 - PRA Review review, assist Cell members, compile # completed
 - DMS Meeting & Monthly Crew Meeting Safety Review communicate
 - Safety Culture Opinion on current status in Cell based on data
 - Outage Safety Observers no other duty during assigned time





Safety Multipliers



- Scorecard on the current status of their activities.
- Meet at least monthly with Superintendent and Safety to discuss the status of their cell. There are also periodic meetings of all Safety Multipliers for reviews, training, etc.
- Safety Multipliers have been rolled out in waves to help refine the process.
 - Wave 1 September 2014 10 Multipliers
 - Wave 2 May 2015 17 Multipliers





Employee Engagement Example





Employee Engagement

- Logistics Safety Improvement
 - Re-Evaluated the placement of our personnel when trucks move in the warehouse after an incident at another location (employee backed over)
 - Controls In Place
 - Gates at warehouse doors to control truck access
 - Communication
 - Opportunities Identified
 - No designated area for personnel to stand or procedure when trucks move in warehouse
 - Computer work station placement





Employee Engagement

- Logistics Safety Improvement
 - Previous Configuration







Employee Engagement

- Logistics Safety Improvement
 - Recalibration of Risk Tolerance
 - What Could Happen & Likelihood It Could?
 - Employee Involvement & Input
 - Initial Discussions & Resistance "Never Happened Before"
 - Put Solution In Place & Let Employees Suggest Improvements
 - Acceptance & Improvement on Initial Solution
 - Relatively Inexpensive Changes





Employment Engagement

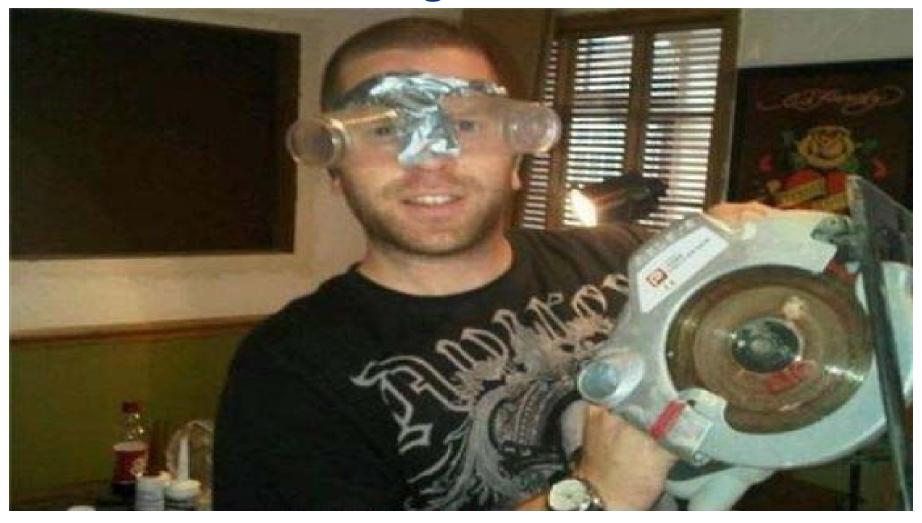
- Logistics Safety Improvement
 - Current Configuration







Engaged to Improve Safety - Right Idea, Wrong Method







Safety Performance Management





Safety Performance Management - SPM

- Understand what drives decisions / actions and how to coach performance - training
- Focused on behaviors, not physical conditions
- Safety Observations (SO) evaluates & coaches individual performance to get COMMITMENT to change the at risk behavior – 8 step process
- SO initially conducted by Leaders. Peer to peer observation and coaching is next Working Cell concept (Brother's Keeper)
- Leaders required to conduct SO with a monthly target tracked and tied to annual performance appraisals
- Safety Culture Index evaluates area performance and generates a "score"
- SPM is will move safety performance forward by calibrating risk perception / tolerance and acceptance through coaching





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		3 After observing, comment on traffeer safe performance	brough positive reletionsemen
Commitment implemented: Tes No		4 Express your concern about his/her health and sofely.	
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		 Thank the employee for the time spect in this activity. 	





Even seemingly small lapses in safe decision making can lead to consequences.







Anybody can have lapses in decision making







Training





Training

- Time and resources dedicated to training personnel to work safely
- Monthly safety meeting topics are presented by the Facilitator to personnel. Video service develops content specifically focused on the steel industry.
- Tests ensure that personnel understand the information presented.
- Some subjects like Overhead Crane, Mobile Equipment, Rail, etc. also have an operational performance evaluation where personnel operate the equipment / perform the task and are scored on their performance to ensure they meet a specified proficiency level.





Training

- Outside firms perform training on specific topics like mobile crane, arc flash, fall protection competent person, aerial lift, etc.
- Experienced mentors are assigned to new employees to the site or area. Peer to Peer coaching.
- Investing in training and evaluation ensures that all personnel can safely and proficiently perform the tasks that are required.
- Investment in continuously improving our people.





How Well Do People Really Recognize Hazards?







Preliminary Risk Analysis





Preliminary Risk Analysis - PRA

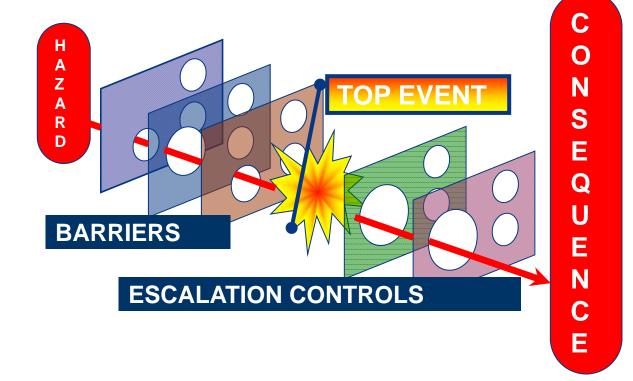
- Standard process to identify and address Major Injury Hazards for non-routine tasks.
- Non-routine tasks are tasks that do not have a written procedure.
- ALL contractor work and all Gerdau non-routine tasks require PRA.
- Checklist format.
- Safe Work Permits high risk operations like work at heights, confined space entry, excavation, etc.
- All personnel participate and sign off on the evaluation.
- Two signatures required to approve the PRA to allow the work to commence. The releaser is always a Gerdau employee.





Swiss Cheese Model

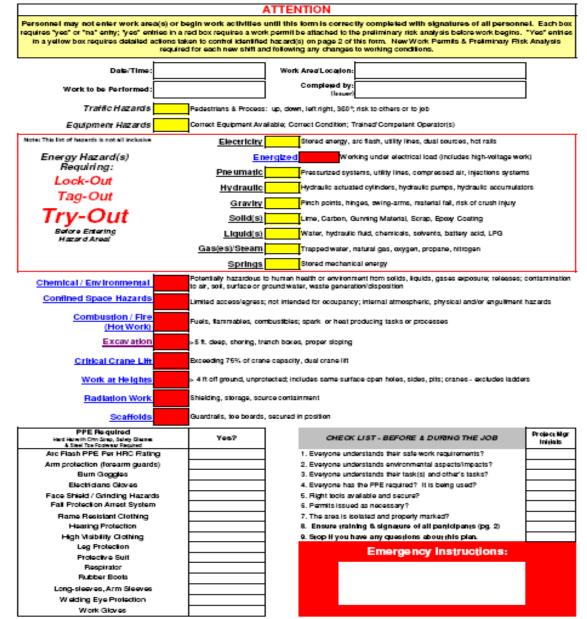
- Barriers put in place between initiating event and accident
- Barrier failure/weakness visualized as holes
- Accident occurs when all barriers fail...







SAFE WORK PERMITS & PRELIMINARY RISK ANALYSIS





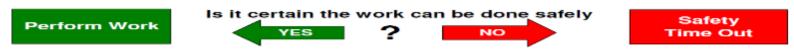


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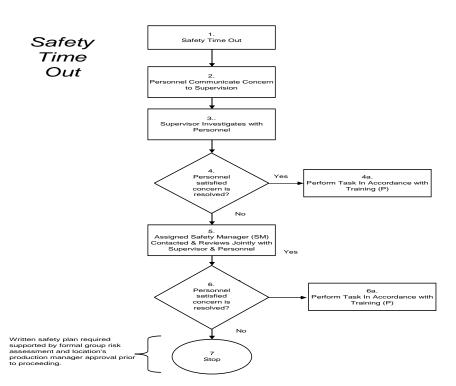






"Safety Time Out!"

- Allows personnel to stop work without fear of "getting in trouble." It allows for a thorough review of the practice by employees and management.
- In a healthy (safety) culture, taking a *time-out* is celebrated, not criticized.







Work Rules





Cardinal Safety Rules

- There is Zero Tolerance for violations of Cardinal Safety Rules. These must be non-negotiable.
- Cardinal Safety Rules apply to ALL personnel on site.
- Employee violations result in discipline up to termination.
- Contractor violations result in immediate removal of the contractor from site and can result in a fine of \$1,000 per violation.
- Clear expectations have to be set for everyone entering the site, no exceptions.







General Safety Rules



1. Only trained and authorized employees may operate equipment



 Only perform tasks after all risks have been adequately evaluated and controlled.



2. Always maintain a safely distance from suspended loads and hooks.



7. Do not defeat safety devices and maintain them in perfect operating condition.



 Lock out and try out all power sources before working on machines or equipment



 Immediately communicate all accidents, potential failures, substandard acts, and substandard conditions.



 Always keep your hands away from machinery and equipment where your hands or other parts of the body can get caught.



9. Always use the Personal Protective Equipment required for the task.



 Only authonzed employees may enter restricted areas.



10. Follow all slandards, instructions, signs, warnings, and rules.



Immediately report all accidents, near misses, substandard acts and substandard conditions

Report all injuries to the on-duty EMT and your Facilitator, no matter how minor

Wear all required Personal Protective Equipment for the area / task

Jewelry is prohibited to be worn in any Industrial area. Medical alert necklaces only may be worn

Maintain a safe distance from suspended loads and mobile equipment

Only operate equipment you are trained and authorized to utilize

Complete a Preliminary Risk Analysis (PRA) for all non-routine activities

Always follow and maintain pedestrian pathways clear of obstructions. Use pedestrian doors only.

Never bypass or remove equipment safety guards or devices

The use or possession of alcohol or drugs on company property is prohibited





How well do your folks understand & apply the rules?







Celebrate





Celebrate Team & Individual Success

- World Safety Day observance
 - Safety Observations by Leadership
 - Cookout by Leadership for each crew
- 2 Year No LTA Celebration
 - Corporate Leadership on Site to present trophy
 - Catered meals for each crew
 - Recognition on the Gerdau intranet site
 - Personalized Yeti brand cups for each employee
- Quarterly department safety lunches
- Annual individual safe worker awards
 - Gerdau logo clothing item & gift card
- Kids / Grandkids Calendar Contest
 - Calendars with safety message with kid's drawings on them





World Safety Day



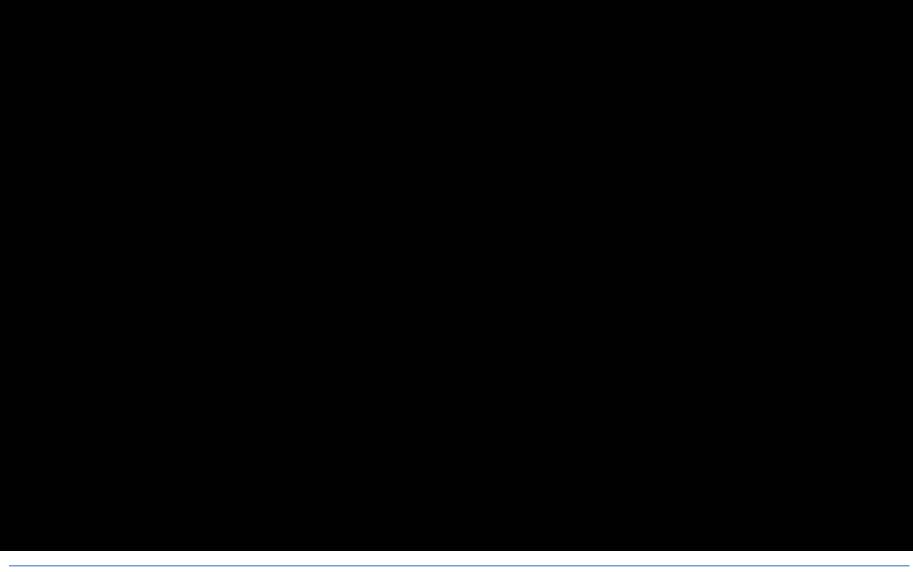








Is "Luck" A Reliable Component Of Safety Performance?







Is "Luck" A Reliable Component Of Safety Performance?

Are we relying upon "luck" or are we actively leading safety to prevent incidents?

How can we individually actively lead safety?

Equip your folks to make safe decisions, give them the tools / training and hold them (and yourself) accountable.





Sometimes Life Throws You Over The Handlebars With An Incident







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Things Can & Do Change Drastically in a Brief Instance









Be Unreasonable*

- We must be "Unreasonable" in our Safety Goals & Expectations
- Unreasonable taking a belief that is largely accepted as fact and turning it upside down – REJECT the status quo
- Push Change through the 3 Stages
 Ridicule, Opposition, Acceptance
- We have to get our minds focused to push our performance forward to attain "Unreasonable" Safety Goals & Expectations – make them Self-Evident





Is it Reasonable to be Unreasonable?

- What one thing in this discussion gave you pause to reevaluate something at your location?
- What are some behaviors / processes that you could improve upon at your location?
- After this discussion, is it reasonable to be unreasonable? Can we afford to think any other way as it relates to safety?





"Create a Healthy Level of Discomfort with Current Performance, Be Unreasonable"





Contact Information

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