

Occupational Health & Safety

Annual Report

Year ended 31 March 2016



SAFE at
all times

Contents

Executive Overview	3
Review of performance 2015-16	8
Occupational health and wellbeing	12
Occupational health and safety (OHS) management system and risk	14
Governance	18
Recognising excellence and achievements	21

Executive Overview

Welsh Water is the sixth largest of the ten regulated water and sewerage companies in England and Wales. Responsible for providing over three million people with a continuous, high quality supply of drinking water and for taking away, treating and properly disposing of the wastewater that is produced; we are fully committed to delivering best quality service at least possible cost. These essential public health and customer services (and the ancillary activities that support them) are delivered by over 5,000 people who work either for Welsh Water or for one of the Company's outsourced service partners.

Ensuring the occupational health and safety ('OHS') of all our employees and the health and safety of members of the public is always a key priority and a big responsibility. We operate 66 impounding reservoirs and supply an average 828 million litres of water every day through a network of 26,500km of water mains. We also collect waste water (including surface water and highway drainage) through a network of 30,000km of sewers, which is treated at 838 wastewater treatment works located next to rivers and along the coast of Wales. We are operating, maintaining and upgrading these assets and their associated pumping stations on a daily basis.

The financial year ended 31 March 2016 (2015-16) saw us consolidate and further improve our health and safety management systems and processes. It was the first year of the regulatory period ('AMP6') and during this year we started a new 5 year capital improvement programme, including the establishment of some new contract partners for the next 5 years. In 2009-10, only 220 people were directly employed by Welsh Water, but following 'in sourcing' in 2010 Welsh Water now has nearly 3,000 employees in the core business, which includes our Water, Waste, Retail and Support functions.

Where the nature of business activities has changed, or we have taken on additional responsibilities, we have assessed the health and safety impacts to ensure that the risks associated with these changes were effectively managed. In 2015 this has included supporting the business restructure and incorporating the new Retail function into our management systems.

Safety performance

In 2015-16 we have continued to see improvements in our safety performance. We have had 5 years of continual reductions in the number of HSE reportable injuries and we have had the lowest Non-Reportable Injury Rate of the last 10 years. All Lost Time Injuries (LTIs) will continue to be subject to additional focus to ensure that we are preventing harm and managing absence effectively with appropriate health support in place for employees.

During the year we have continued to encourage our employees and contractors to make Positive Interventions and take action where there are Unsafe Acts or Conditions observed. We place emphasis on these leading indicators as a precursor to a positive safety culture. Over 19,400 interventions have been reported, which is a 10% increase on the number recorded last year.

There have been some significant near misses reported during the year. These have included operational and construction site plant issues, working with underground assets and some reported unsafe behaviours. All of these incidents were thoroughly investigated and process changes / additional controls implemented, as appropriate. We will continue to encourage the reporting of significant incidents and will treat them seriously to ensure we are learning from them to effectively manage risks.

While our safety performance has continued to show improvements, we cannot be complacent and will continue to ensure that we are making Positive Interventions to prevent injuries and that all employees and contractors are involved, as Safety Takes Every Person.

Health and wellbeing performance

We have engaged a new Occupational Health service provider this year and have been working closely with them to monitor and improve employee health and wellbeing. Working alongside Human Resources, this service enables managers to obtain information and advice to manage employee health and wellbeing and to support employees with long and short term health conditions.

The Human Resources and Health and Safety teams have also worked together during the year to support managers to further improve our attendance management and monitoring systems. We have looked at our workforce demographics and identified future health challenges, including the needs of older workers as many employees now choose to continue working later in life.

A new programme of targeted occupational health surveillance for Welsh Water employees commenced in October 2015. Over 900 operational employees were initially targeted for screening and following on from these assessments 64 employees have been referred to Caer Health for further advice. This process is enabling us to effectively support employees and to identify and manage potential health risks before they become ill health absence issues.

We have seen an increase in working days lost due to illness during 2015-16. This year has been a period of change for many teams and several team structures have been revised as part of our AMP6 plans. This is an area we will continue to focus on with both our own employees and our contract partners. We are determined to continue to ensure that employees remain fit for work and will be focussing on health and wellbeing as part of our 2016-17 employee engagement corporate action plan.

In 2015 we signed the Institution of Occupational Safety and Health (IOSH) 'No Time to Lose' pledge that focusses on beating occupational cancer and IOSH also attended our 2015 health and safety conference where they provided health information to our employees and contract partners.

In addition we have completed a full review and retendering exercise of all our health and wellbeing support service. We will be working with a range of partners in the coming year to support managers and employees to remain 'Safe, Healthy and Happy' in their work.

Our proactive approach to managing OHS

To maintain the focus on improving our occupational health and safety performance, we have continued to develop and deliver occupational health and safety strategies and report back to the Quality and Environment Committee of the Board (QEC) on progress. This provides a clear framework for how we will achieve our aspirations (our 'Journey to Zero') and aims to ensure that good occupational health and safety practice is embedded across the business.

The last review of our health and safety performance was held with the Board in June 2015 and we were able to demonstrate good improvements against all the identified areas for focus as part of our AMP5 strategy. This has been refreshed and relaunched for AMP6 with a specific focus on 5 key themes: Leadership and Management, Health and Wellbeing, Risk Management, STEP and Culture and Contractor Management.

Specific activities during the last year have included:

Health, Safety and Wellbeing

Steering Group – this group meets 6 times a year and is led by the Chief Operating Officer, as the Board Director leading on health and safety. It is attended by key operational Directors and Heads of Service. The group gives direction and support to ensure that we are effectively managing our health and safety risks and driving continuous improvement.

Leadership Team Safety

Conversations and STEP Training for Line Managers – during the year we have continued to deliver training sessions for operational line managers and supervisors in safety culture (over 300 now trained in total) and senior managers have been tasked with undertaking quarterly health and safety conversations across the business. This health and safety culture programme – STEP (Safety Takes Every Person) – has included appointing 70 employees as cascade trainers during the year to deliver operational workshops. A STEP programme was also developed and delivered in the new Retail business function.

Trade Union Health, Safety and Wellbeing Forums

– these are held quarterly and enable Directors and senior managers to work closely with Trade Union Safety Representatives. This ensures that we are actively involving our workforce in developing and reviewing our health and safety performance and improvement plans. This group has reviewed all serious injuries and the investigations arising from them to ensure that we are identifying root causes and sharing learning effectively.

Bespoke Manual Handling Training – we have trained over 2,000 employees including our office based teams, in the principles and techniques of ergonomic handling best practice linked to their roles. We currently have 179 Traca Coaches in place to monitor and reinforce best practice and they reported 1868 Traca observations during the year.

2015 Health and Safety Conference and Awards – again this event was attended by nearly 300 employees and contractors and allowed people to showcase best practice and share new ideas. This has now become the highlight of our health and safety awareness programme. The 2016 event will focus on 'Safe, Healthy and Happy' employees and our health, safety and wellbeing improvement journey for AMP6.

Communications and Awareness – our annual employee engagement survey continued to show very high scores for health and safety. 96% of all our employees were clear what was expected of them with regard to health and safety and 93% believed that health and safety is taken seriously at Welsh Water. Delivery of our annual programme of monthly toolbox talks and regular health and safety days has kept the focus high and employees actively engaged in making improvements. During 2015 our programme was focussed on Slips, Trips and Falls, Manual Handling and our STEP improvement campaigns.

Working with our Partners – we have continued to work closely with our contract partners during the year. Alongside quarterly health and safety forums with our main operational and capital partners we are engaging our wider supply chain to share our aspirations and their best practices with their peers. The Health and Safety team have worked alongside the operational and capital teams to ensure a smooth transition for the business and the new capital partners working on our AMP6 programme.

RoSPA Training – in February 2016 we delivered a training course for the Welsh Water Executive Team on 'Director's Involvement in Health and Safety'. This course will also be delivered to all Board Members during May 2016.

Safety Takes Every Person – Our Health and Safety Culture Challenge

In previous annual health and safety reports we have highlighted that we believe that we experience too many avoidable injuries. We recognise the importance of human factors as contributors to incidents and have continued to focus on improving our business culture and behaviours. This has been clearly articulated in our Company Values and Code of Conduct where we expect everyone to ensure that we are 'Safe at all times'.

The avoidable incidents that we experience include slips, trips and falls on the same level and injuries from handling, lifting and carrying. We need to ensure that we are effectively identifying and addressing the root causes of these incidents.

These injuries are not good for employee health and well being and also affect the operating efficiency of the business. During 2015-16 107 injuries (45% of all injuries), were linked to manual handling or slips, trips and falls; compared to 190 injuries (56%) in 2013-14. We have focussed on these areas as part of our awareness campaigns and STEP training sessions over the last 2 years.

Alongside training, operational teams have reviewed their risk assessments and we have held both manual handling and slips, trips and falls awareness campaigns over the last 2 years. Human Resources have also mapped employee fitness requirements against individual roles ('task analysis') so that we can better assess employees' abilities when they are referred to occupational health with musculoskeletal (and other) illnesses and disorders.

We have encouraged managers and employees to hold health and safety conversations and have been measuring the number of Director and senior manager conversations as a leading performance indicator.

We have also devised and delivered a health and safety culture training programme for operational managers and supervisors in our Water, Waste and Capital teams. This has been badged as our STEP (Safety Takes Every Person) programme. Over the last 2 years we have developed and delivered a 'train the trainer' module for 70 operational colleagues, providing materials and tools for them to deliver short awareness workshops for all operational employees. These are now our 'STEP Champions' and we will continue to work with them to embed key messages during 2016.

Governance of OHS

Welsh Water has an occupational health and safety management system that is certified to the internationally recognised OHSAS 18001:2007 standard.

OHS performance is detailed in reports which are reviewed by the Board and QEC. QEC also reviews and when appropriate, briefs the Board on significant incidents, near-miss reports and matters arising from the regular updates they receive on key OHS issues, developments and legislation. Under our management system, each tier of OHS management (e.g. the Board, executive directors, steering groups and consultative committees) has a defined responsibility to encourage a positive culture in the business.

We continue to use the Institute of Directors and HSE 'Leading Health & Safety at Work' guidance as a benchmark for Board involvement in this key area. In February 2016 the Welsh Water Executive team participated in a Royal Society for the Prevention of Accidents (RoSPA) workshop for Directors and Leaders in health and safety governance and best practice

During 2014-15 we specifically conducted an internal review into the management of the 'Top 10' health and safety risks associated with Welsh Water activities. The findings from this review was shared with the Executive and QEC and a rolling programme of major risk ongoing assurance reviews has been built into our AMP6 health and safety improvement plans.

We also continue to place great emphasis on monitoring contract partner performance and oversight of procedures that promote and share good practice across the wider Welsh Water business. This is reflected in the following Occupational Health and Safety Report, which covers the performance of Welsh Water and its outsourced service providers during 2015-16. The report includes the performance of our main contract partners along with data from our wider contractor base.

Our aim is not to detract from the legal responsibility of each outsourced service partner to have its own governance arrangements and to manage and monitor its own occupational health and safety performance and obligations. However, we do encourage continuous improvement in the performance of all partners via a business support team comprising OHS specialists that meets quarterly. Through this arrangement we share information right across the business, issue safety-alerts and generally oversee the management of OHS to a consistently high standard across all activities undertaken by or on behalf of Welsh Water.

Priorities for 2016-17

The priorities for the next year are to continue to manage and monitor our health and safety risks and maintain our health and safety management system accreditation; while delivering further business improvements. We will reinforce our focus on 'Safe, Healthy and Happy' employees at our 10th health and safety conference in June, which will include the introduction of a new 'Healthy Working' award. This will incorporate key messages on leadership and management, health and wellbeing, risk management, STEP and culture and contractor management.

Of particular focus during 2016 will be working with our occupational health and wellbeing service providers, further embedding our 'STEP' health and safety culture programme and working closely with our partners and supply chain as work on sites increases during the second year of AMP6. We will also be continuing to develop our competence and approach to process safety management, promoting good process management practices and learning from the improvements we have made at our COMAH site and from others across the industry. We will also ensure that we monitor our 'top 10' health and safety risks.

We will continue to work with the HSE in Wales as our regulator and actively support the new HSE Strategy to 'Help Great Britain Work Well'. We will also work with HSE and our fellow Water Companies nationally via the Water UK Occupational Health and Safety Group and the Institution of Occupational Safety and Health (IOSH); where our Head of Health and Safety is an IOSH Council member.



Conclusion

Our health and safety performance has continued to improve during 2015-16 and we have effectively managed our OHS to protect the health and well being of the people who work to deliver services to Welsh Water's customers. It has been particularly encouraging to see a sustained focus on reporting 'leading indicators' with employees and contractors making Positive Interventions as well as a reduction in the number and rate of injuries.

We were delighted to achieve the Wales Corporate Health Gold Award for our health and wellbeing activities. We know that there is more to do on health and wellbeing and that this is now a clear driver of employee engagement within the company. This will continue to be a priority area during 2016-17 as we deliver our improvement plans.

We were proud to host the Welsh launch of the HSE's new strategy to help Great Britain work well in April 2016. We are committed to delivering our AMP6 health and safety strategy, learning from others and working with the Health and Safety Executive and other regulators and the wider water industry.

Our challenges next year are to further embed our plans to improve our health and safety culture via our STEP campaign, to continue to reduce the number of lost time injuries and to further improve our employees' health and wellbeing. We maintain our belief that everyone has the right to return home safely at the end of every day and strive to ensure that we are 'Safe at all times'.

Peter Perry
Chief Operating Officer

Review of performance 2015-16

This report details the occupational health and safety performance of Welsh Water, its contract partners and their main subcontractors in the twelve month period that ended on 31 March 2016.

The report covers the following activities:

- Asset Operation and Maintenance (all reservoirs, sewage/water treatment works and pumping stations, water and sewerage network systems including; mechanical/electrical/instrumentation work/CCTV surveys);
- Asset Investment (ownership/design/construction/refurbishment);
- Sampling and Laboratory Services (water and sewage);
- Customer Services (including billing and income, credit management, call centre management and meter reading);
- Meter Installations; and Provision and Maintenance of IT Systems.

Performance data

During 2015-16 we saw further improvements in our occupational health and safety performance. (It is worth noting that these numbers do not take account of the hours worked by the many smaller companies who work for Welsh Water, while the performance data does include all incidents reported by them while working our activities.)

During 2015-16 we saw a further reduction in the total number of reportable injuries across Welsh Water and our contractors, with a new low of 19 in the year. The RIDDOR Incident Rate (RIR) (per 100,000 employees) for 2015-16 was 432; this is slightly up on last year and is due to a reduction in the amount of Capital work that was undertaken during the first year of this AMP.

There was a significant reduction in the number of minor injuries, down to 207 (with 28 Lost Time Injuries last year compared to 49 in the previous year). This has been the result of a concerted focus on preventing all Lost Time Injuries, not just those that meet the RIDDOR criteria. The Accident Incident Rate (AIR) for all non-reportable injuries was 4,259. This is the lowest we have seen in the last 10 years.

The days lost due to injuries was slightly higher than last year. This was due to the recovery times for some injuries that resulted in broken bones.

Incident category	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Reportable injuries	19	20	23	24	29	24	39
Non-reportable injuries	207	275	313	292	261	277	353
Dangerous occurrences	2	1	4	4	4	2	2
Near misses	5,020	2,574	1,986	2,224	1,174	259	678
Positive Interventions	19,457	17,691	16,299	10,662	5,193	N/A	N/A
Reportable diseases	0	0	0	1	0	0	2
Enforcement actions	0	0	0	0	0	1	0
Days lost to injuries*	1,007	872	997	727	1,822	1,502	1,459
Days lost due to illnesses **	28,416	25,114	25,905	29,051	26,355	21,870	23,457
Average no employees (FTE)	4,860	5,324	4,924	4,508	3,878	3,938	4,843
Total hours worked in year	9,544,613	10,538,730	10,077,398	8,969,199	7,167,448	7,907,298	9,785,275

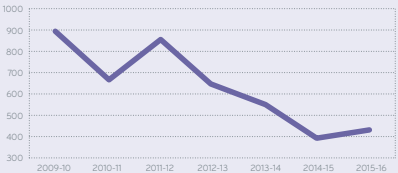
*Days lost within the year, including any carry-over days from previous year

**All illness, including non-work related absence

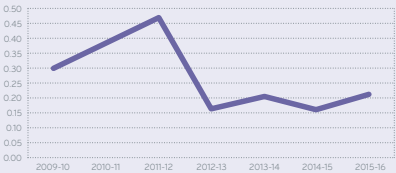
RIR – RIDDOR reportable incidents*	423	394	548	643	851	660	888
AIR – non-reportable injuries	4,259	5,165	6,357	6,477	6,730	7,034	7,289
Working days lost to injury per employee	0.21	0.17	0.20	0.16	0.47	0.38	0.30

*Includes all RIDDOR Injuries, Diseases and Dangerous Occurrences

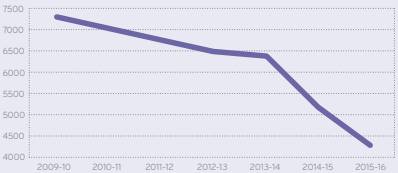
Reportable Incident Rate (RIR)
per 100,000 employees



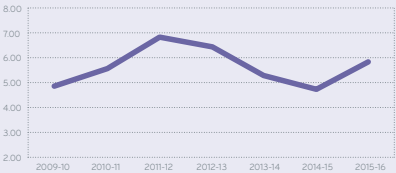
Injury days lost per employee



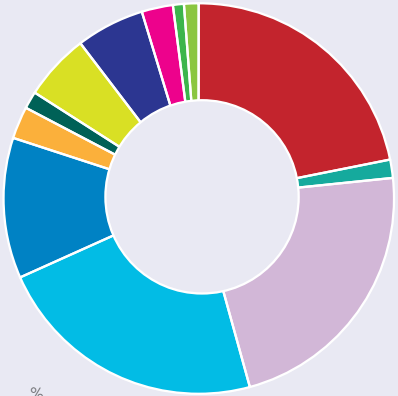
Non-Reportable injuries
rate per 100,000 employees



Illness days lost per employee

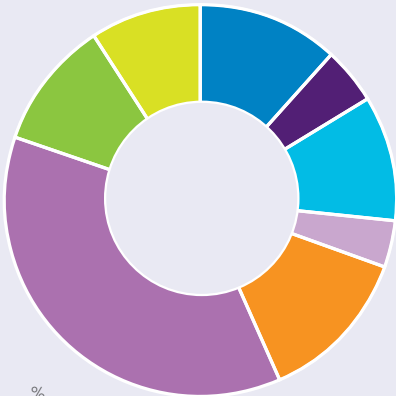


Causes of Injury



- %
- Lifting, handling or carrying
- Moving machinery
- Slipped, tripped or fell on same level
- Struck by object
- Strike against
- Other kind (other including needlesticks)
- Fell from height
- Exposed/contact with harmful substance
- Road traffic collision
- Injured by animal
- Collapsing/overturning
- Contact with electricity

Body part injuries



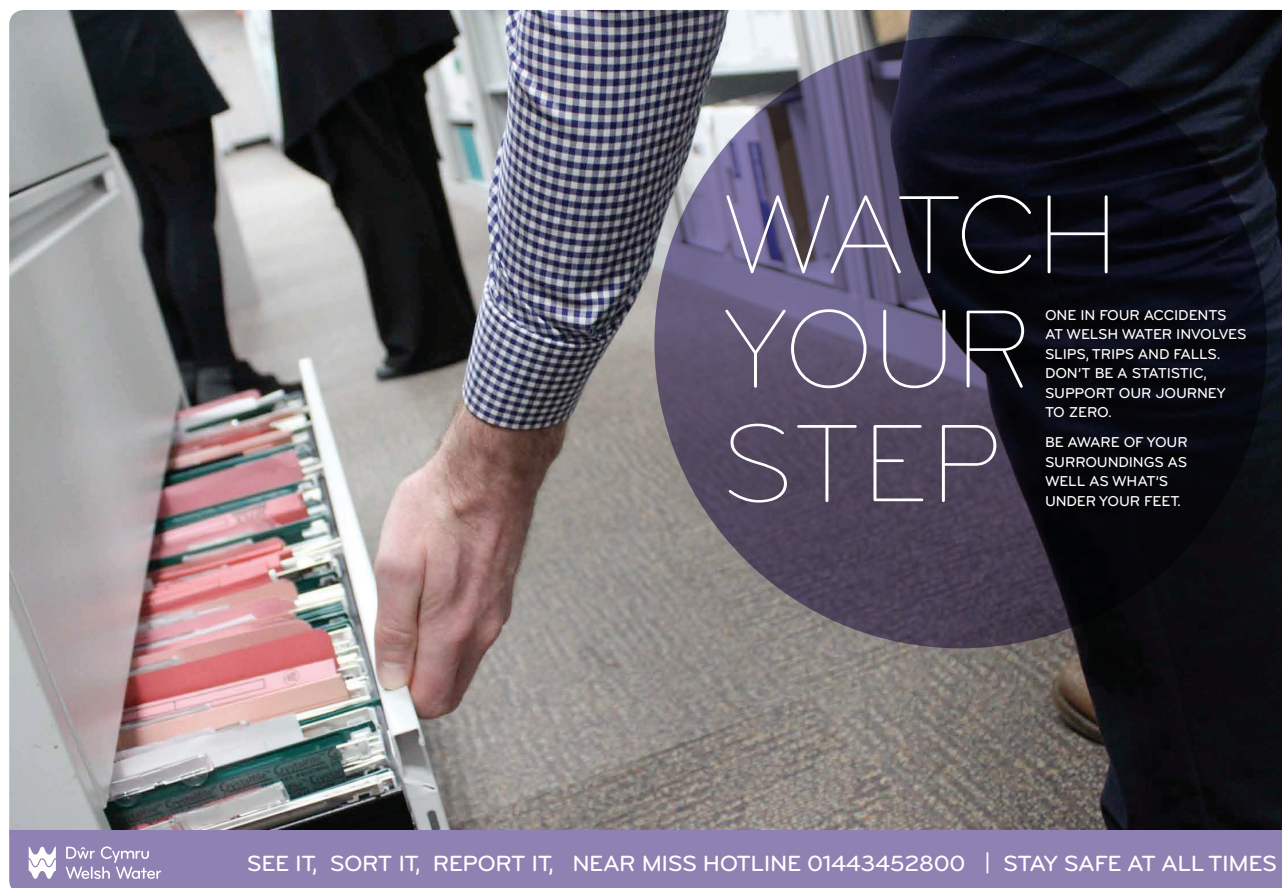
- %
- Hand/finger/wrist
- Leg/hip/knee
- Head/neck/face
- Foot/ankle/toe
- Arm/elbow/shoulder
- Back
- Eyes
- Torso

Specified injuries to workers

Specified injuries to workers that require reporting to the HSE are defined in RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013) and are mainly concerned with work related accidents resulting in fractures, amputations, permanent loss/reduction of sight, serious burns, or loss of consciousness. This list was formerly referred to as 'Major Injuries' and was revised in October 2013 when the new Regulations came into force.

In 2015-16, 7 of the 19 reportable injuries were classified as 'specified injuries'. 3 of these injuries were to Welsh Water employees. All three were as a result of slips, trips and falls resulting in two broken shoulder bones and one broken bone in the hand. The other 4 specified injuries were to contractors working on behalf of Welsh Water. All of the injuries were associated with work in the highway. 3 contractors were struck by moving objects (a lump of concrete, a manhole cover and a set of portable traffic lights) resulting in 2 broken arms and a broken bone in the foot. The fourth struck their hand against a fixed object (vehicle) causing a broken bone in the hand.

The remaining 12 reportable injuries during 2015-16 were lost time injuries resulting in the employee being away from work, or unable to perform their normal work duties, for more than seven consecutive days as the result of their injury.



Dangerous occurrences

There were two dangerous occurrences recorded during 2015-16. No-one was injured as a result of these incidents. One incident involved a contractor who hit a live gas main while carrying out excavation works. The main had been identified as disused as part of the task plan. The other incident involved a subcontractor who erected a scaffold inside a tank. Part of this installation collapsed immediately following some modifications to it.

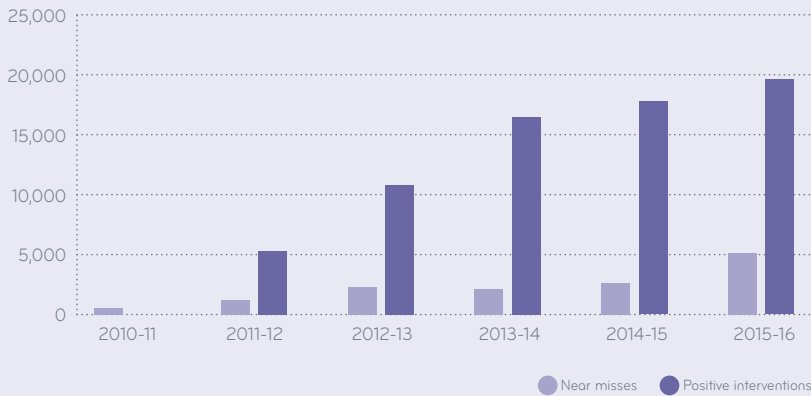
The contractors have investigated these incidents and identified a range of improvement actions to prevent recurrences. These have also been reviewed with Welsh Water operational managers to ensure that any system improvements are made and learning lessons shared.

Near miss reporting and positive interventions

We have previously focussed on encouraging employees and partners to report near misses and have defined them as 'an event or incident that had the potential to cause harm, without actually doing so'. Near misses are investigated by managers and the resulting information is used to notify others of potential risks and to revise safe working processes and procedures. During 2015-16, 5,020 near misses were reported.

This is a 95% increase on the previous year, where 2,574 near misses were reported. This significant increase has been both as a result of several companies actively promoting near miss reporting and the launch of a new Welsh Water reporting tool that allows employees to direct enter reports.

During 2015-16 we have also encouraged our employees and contractors to make Positive Interventions and take action where there are Unsafe Acts or Conditions are observed. Over 19,400 interventions have been reported, which is a 10% increase on the number recorded during 2014-15. We believe that taking action to address these hazards and unsafe behaviours this has led to the prevention of some near miss incidents and also prevented accidents and injuries.

Near Misses / Positive Interventions**Reportable diseases**

There were no HSE reportable diseases recorded during 2015-16.

Enforcement actions

There were no enforcement actions taken against Welsh Water during 2015-16.

There were some unannounced visits by HSE inspectors to Welsh Water construction sites during the year as part of HSE pro-active inspections. In all cases the inspectors were satisfied with the management arrangements in place and no actions were required.

Health and Safety Executive (HSE) COMAH Audits and Process Safety Performance Indicators (PSPIs)

During May and October 2014 the Health and Safety Executive (HSE) conducted two audits of our management controls at one of our Water Treatment Works which is a Lower Tier COMAH (Control of Major Accident Hazards) site. The first of these audits formally reviewed the Process Safety Performance Indicators (PSPIs) we use to monitor that this site is operating safely. The second audit was focussed on plant maintenance and management aspects. HSE hazard scores of 20 were reported following both of these audits to reflect the fact that we are fully compliant in these areas.

There were some suggested areas for further enhancement / continual improvements and we have been working with HSE on these during 2015-16. We have reviewed and revised some of the site risk assessments, further developed the PSPIs and refreshed our competency matrix and approach to assessing and measuring operational competencies.

Monitoring days lost due to illness

In 2015-16, 28,416 working days were lost as a result of illness amongst the 4,860 Welsh Water and Partner employees giving an average number of days lost per employee of 5.8. This is an area we need to continue to focus on during the next year to ensure we are effectively managing absence and supporting employees and contractors to return to health and work.

Conclusion - performance data and future challenges

The performance detailed in this report shows that Welsh Water has shown improvements in many areas over the year. However, there is more work to do to further reduce lost time injuries and to focus on improving our health and wellbeing; thus reducing sickness absence.

Our goal for 2016-17 is to continue this improving trend and, in particular, to drive down the number of avoidable incidents where human factors are a significant contribution. Safety culture and human factors will continue to be a significant theme within our Annual Health and Safety Conference and improvement activities for 2016.

Occupational health and wellbeing

As part of our commitment to improving occupational health and safety within Welsh Water, we have established a new contract with Caer Occupational Health Services. This commenced on 1st April 2015. The contract provides proactive and comprehensive Occupational Health (OH) services to all our employees.

The aims of the service is to:

- Implement comprehensive occupational health programmes that, as a minimum, meet the requirements of appropriate legislation and recognised best practice.
- Increase employee awareness of general health issues; which in turn will encourage them to make informed choices about their lifestyles and working practices.
- Emphasise the fact that Welsh Water cares about its employees' health, safety and welfare.
- Assist managers to help employees return to work following illness, accidents or general sickness absence. Ensuring that employees are fit for role.

Welsh Water receives no confidential information from Caer Health in respect of individuals. Where, as the employer, we are requested to make adjustments in the workplace to accommodate the circumstances of an individual employee, and the individual expressly consents; certain information may be shared.

Monthly reports are produced by Caer Health on their services and reviews are held with them to identify trends and ensure that effective support is in place. 262 management referrals for advice on employees were made to Caer Health during the financial year along with 100 review appointments. The majority of the referrals were for either musculoskeletal disorders or mental health issues (30% and 35% of cases respectively).

A programme of operational health surveillance commenced in October 2015 and continues until June 2016. A series of clinics have been held at 13 sites across Wales with 932 employees invited for screening. At the end of March 2016 64 referrals had been made to Caer Health for further advice.

This process is enabling us to effectively support employees and to identify and manage potential health risks before they become ill health absence issues.

Caer Health Services have worked with us during the year to support managers and employees to identify health risks arising from work activities and any health conditions that may affect employee well-being and performance at work. They provide confidential and objective occupational health advice to allow the business to make timely and effective interventions to both support employees and also enable managers to manage risks and further reduce sickness absence. We have worked closely with them to effectively implement our new attendance management policy. During 2016 we will be ensuring that we use the new task analysis tools and our modified duties and enhanced phased return processes to support colleagues to return to and remain in work.

In addition the Company continues to offer an Employee Assistance Programme (EAP) that is available to all employees and their families. As well as providing information, it includes free access to counselling sessions to support individuals to effectively manage their mental health and wellbeing.

We are determined to continue to ensure that employees remain fit for work and will be focussing on employee health and wellbeing as part of our 2016-17 improvement and engagement plans.



We previously signed up to the Department of Health Public Health Responsibility Deals and have pledged to support those employees with chronic conditions to remain well and in work. In 2015 we signed their 'Alcohol in the Workplace' pledge and we launched a new Drug and Alcohol policy and E-learning awareness programme. We are also supporting the IOSH 'No Time to Lose' pledge that is focused on beating occupational cancer and IOSH attended our 2015 health and safety conference.

Welsh Water service partners have their own arrangements for Occupational Health service provisions

Occupational health and safety (OHS) management system and risk

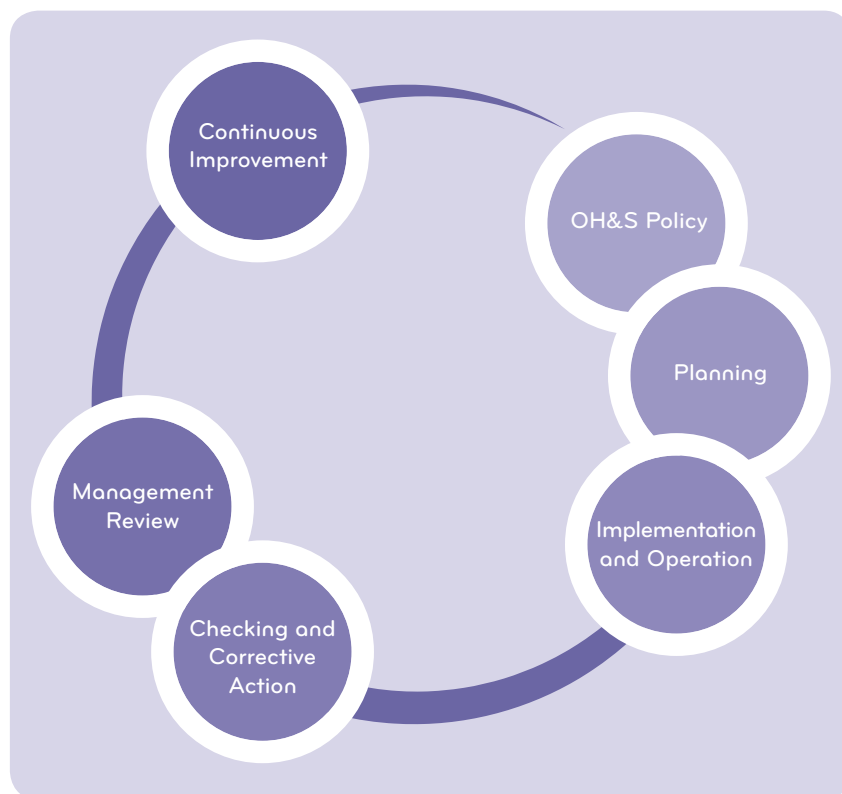
OHSAS 18001:2007

Occupational Health and Safety Assessment Series 18001:2007 (OHSAS) is the assessment specification for the Welsh Water occupational health & safety management system. It is designed to consistently identify and control health and safety hazards and risks, reduce the potential for accidents, aid legislative compliance and improve our overall performance. As with ISO 9000 and ISO 14001, the OHSAS 18001 system uses a cycle of plan, do, check, review and improve.

The following key areas are addressed by OHSAS 18001:

- Planning for hazard identification, risk assessment and risk control
OHSAS management programme structure and responsibility
- Training, awareness and competence
- Consultation and communication
- Operational control
- Emergency preparedness and response
- Performance measuring, monitoring and improvement

This certification process, and subsequent regular compliance audits to maintain the certification, will ensure that we continue to take effective measures and implement the necessary rigorous controls to identify and manage the health and safety risks associated with our business activities. BSI are our independent assessment and accreditation organisation undertaking the annual audit programme.



OHSAS 18001 is based on establishing and maintaining a formal occupational health and safety management system to ensure a structured, systematic approach to risk management.

Welsh Water first obtained the OHSAS 18001:1999 standard in 2007-08, and in February 2009 we satisfied the requirements of the external awarding and accreditation body and were awarded the OHSAS 18001:2007 international health and safety management systems standard. This underpins the management framework for occupational health and safety used throughout the business.

Re-accreditation of the existing system was successfully achieved in January 2012 and the scope was widened during 2012-13 to include our transport, ECARE and water distribution functions alongside the Water, Waste Water and Offices already included. Further planned extensions to scope include Asbestos Management, Leakage Management and Waste Water Networks.

There is an annual review of the effectiveness of our IMS and the business uses this as an opportunity to identify and drive continual improvement.



How we manage OHS risk

Underpinning our management system we have internet-based tools for recording and reporting on injuries, incidents, and illnesses. The initial system had been operational since April 2008 and was used for performance trend analysis and to track progress on the delivery of health & safety action plans under the company's continuous improvement programme. This system was further developed in 2009-10 to record details of the cross partner audits and to track completion of actions assigned to named individuals arising from these audits.

Following review of the usefulness of this system and business feedback, a project commenced in 2014/15 to identify and develop a new management system better suited to future business needs.

This new system was launched on 1st April 2015 and we have worked closely with the business to effectively embed and utilise this tool during the year. It allows for better action tracking and local management of incident reports and allows managers to develop tailored health and safety performance dashboards to suit their needs. It also allows us to track safety conversations, positive interventions and improvements.

All incidents must be immediately reported and investigated by relevant line managers. Main partner organisations are required to provide monthly OHS performance data reports and we are looking to see if the new system can be extended to allow them to input their data directly into our new system.

Illness and absence records are maintained by the Welsh Water and contractor HR departments and identify absence causes.

We have developed and further improved the quality of our internal performance reports over the last few years to ensure that meaningful data is presented and areas for improvement are clearly identified. This has involved analysis of employee and main contractor data and the inclusion of other contractors and suppliers. As we now have 12 months' worth of data and experience in using our new system, we will be looking to see how we can further enhance the use of the dashboards and reports to help managers to monitor and manage their performance locally.

Promoting good practice

The following illustrates some specific actions taken in 2015-16 to mitigate OHS risk and raise awareness:

Employee Engagement Survey:

The results of our 2015 annual survey showed that 96% of all our employees were clear what was expected of them with regard to health and safety and 93% believed that health and safety is taken seriously at Welsh Water. This was higher than all other Utilities that complete this ORC survey.

Director health and safety days:

During the year we held 3 company-wide Director health and safety days. These focussed on manual handling awareness, winter preparations and healthy and hygienic hands. Senior managers were involved in leading briefing sessions and many of the Directors participated in health and safety conversations and visits to sites. The Water, Waste and Capital teams have carried out some targeted H&S stand-down events during the year to focus on specific topics relevant to their activities.

In addition the H&S team have supported the employee road shows during the year with information and advice along with reminders about our STEP health and safety culture programme and how to 'Take 5' and have effective health and safety conversations.

Water wellbeing week – halt for health: We participated in the 3rd Water Industry Water Wellbeing Week alongside many other UK companies during October 2015. The themes included health and wellbeing in mind and body for employees, healthy workplaces and health in the wider community. All managers were provided with a 'Halt for Health' presentation to discuss at team meetings and articles and posters were sent out to raise employee awareness of different health topics. We also created a new health and wellbeing information microsite for 2015 where monthly health topics and documents have been added throughout the year.

Major risks review: During 2014-15 we conducted an internal review into the management of the 'Top 10' health and safety risks associated with Welsh Water activities. These are those risks that have a low probability, but a high severity, should they arise. The aim was to seek assurance that all the risks had suitable and sufficient management and mitigation plans in place; and to identify any additional appropriate controls and improvements. The findings from this review was shared with the Executive and QEC and a rolling programme of major risk assurance reviews was built into our AMP6 health and safety improvement plans.

During 2015-16 the Health and Safety Team have carried out some operational site visits to check on the management controls in place to address the risks from Chlorine and Toxic Gases and from Fire and Explosion and identify any improvements. We have also reviewed and improved our lone worker monitoring systems and provided further management training.

Process safety and best practice benchmarking: In order to increase our understanding of process safety management and its' potential applications within Welsh Water, we have participated in a range of Water Industry benchmarking and best practice events. In 2014 we also joined the South Wales Responsible Care Cell to learn from those in the chemical industry and shared internally our learning from working with HSE on COMAH. This has been an area of continued focus and in 2015 we participated in a Water Industry process safety event, established a new Welsh Water Process Safety Group and arranged a Cogent Skills training course for selected Directors and Heads of Service in Process Safety Leadership. The Process Safety Group are developing a company improvement plan including a tool box talk for operatives and are working closely with other specialist groups, such as the company Digester Safety Group to deliver business improvements.

Safety alerts and bulletins: Many health and safety alerts, bulletins and briefings were also issued during the year, covering issues from equipment failures to chemical risks to slips, trips and falls. These are distributed across the business, including contract partner organisations, and are used to highlight areas of potential risk to occupational health & safety. Alerts can originate from internal and external sources, including our contract partners, other water companies and the HSE.

Occupational health & safety training and competence: We have continued to develop and deliver a range of bespoke OHS training courses through both face to face and E-learning media during the year. Training and toolbox talks that have been reviewed and refreshed during 2015 have included: Pressurised pipelines, lone working, COSHH and chemical deliveries, risk assessment and accident investigation. In addition we have delivered corporate induction health and safety sessions for new employees, apprentices and graduates.

Control of Major Accident Hazards and progression in role matrices: We have previously mapped out the health and safety competencies required for all business roles and included these as part of the company progression in role process. This has enabled managers to identify whether all health and safety training is in place and where competencies needed to be developed to meet business needs. This was first rolled out during 2013 and all employees have completed a competence matrix identifying their developmental needs.

These were reviewed by the Talent Development team to ensure that we are delivering appropriate training and support to further develop employee competence. During 2015 we have been developing and testing the competencies required for those employees who work at our COMAH site to ensure that they reflect best practice and support our process safety improvement plans.



WATCH YOUR BACK

DIP 'N' DRIVE

USE THE DIP AND DRIVE TECHNIQUE
WHEN PUSHING AND PULLING
OBJECTS

SEE IT, SORT IT, REPORT IT, NEAR MISS HOTLINE 01443 452800 | STAY SAFE AT ALL TIMES

STEP safety culture programme:

During the last year we have actively encouraged senior managers and employees to continue to have health and safety conversations. Over 50 senior managers and the Executive team participated in our safety culture training programme and have had quarterly objectives to conduct site visits and report back on their conversations since April 2013. We have been monitoring the number of conversations held, the teams and areas visited and the good practices and areas for improvement identified.

The Executive have reviewed the findings and this has been included as a lead indicator in our quarterly health and safety performance reports.

Following on from this, we devised and delivered a safety culture training programme for operational managers and supervisors in our Water, Waste and Capital teams. This has been badged as our STEP (Safety Takes Every Person) programme.

Delivery commenced in January 2014 and over 300 managers have attended these training sessions. This has been supported by a series of workshops led by the health and safety team to facilitate manager learning and ensure that the training principles are being used locally and over 200 managers have participated in these workshops.

During 2014 we developed and delivered a 'train the trainer' module for 70 operational colleagues, providing materials and tools for them to deliver short awareness workshops for all operational employees.

This has been extended in 2015 with the concept of STEP Champions being established and a new set of materials have been developed for them to deliver during 2016 incorporating health and wellbeing messages. A STEP programme was also developed and delivered in the new Retail business function. A short case study on this programme has been included on the HSE website as part of their new H&S Strategy enabling us to share ideas and improvements with others.

Governance

Welsh Water's OHSAS 18001 accredited safety management system defines the processes, policies, legal framework and structures that we have established to manage all aspects of our operation. It provides a governance framework by setting out the responsibilities for the management of occupational health and safety, and ensuring we remain focused on the accountability of individuals and teams within the business. It uses both reporting structures and formal management systems to identify and control any operational or other business risks.

Good governance also requires us to have proactive, open and transparent reporting relationships with key stakeholders. In this respect, key stakeholders include the community we serve, Welsh Water's regulators, supply chain partners and government, as well as all employees across the business.

Roadmaps and unit assessments - continuous improvement action plan programme

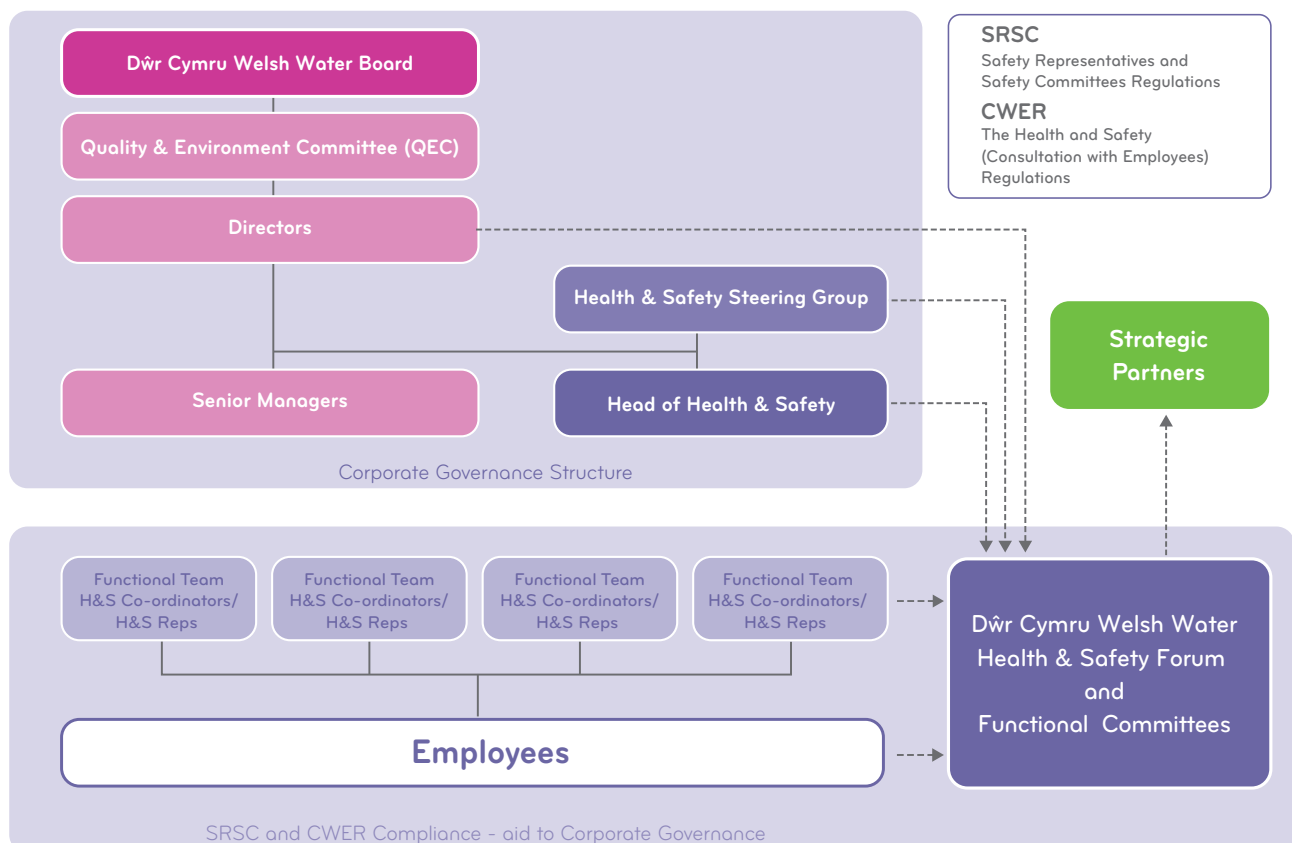
In 2011-12, all Welsh Water teams set up a team specific 'unit assessment'. This identified the health and safety risks and management controls that should be in place for that team. The unit assessment covered a 3 year period and was reviewed regularly to ensure that team procedural briefings were delivered and that risk controls were in place.

The last 3 year programme concluded in March 2014 with overall company compliance reaching 96%. A new 3 year action plan commenced in April 2014 which reflects the current areas of improvement focus. Overall compliance at the end of March 2016 was above the compliance target (73% against a target of 70%).

Progress against unit assessment targets is included in the quarterly QEC health and safety performance reports.

Monitoring performance

Our arrangements to review occupational health and safety performance are described in the Organisational Structure chart.



A high level monthly performance dashboard is produced and shared widely for use on company notice boards. Quarterly reports are presented to the QEC meetings for their review. There are also Water and Waste specific reports that are cascaded through line management to support performance monitoring and management locally.

In February 2016 the Welsh Water Executive team participated in a Royal Society for the Prevention of Accidents (RoSPA) workshop for Directors and Leaders in health and safety governance and best practice. This session is also being held with the Board in May 2016.

- **Health and safety steering group:** Monitoring and review of overall occupational health and safety performance and progress against improvement initiatives is undertaken during bi-monthly meetings involving the Director responsible for health and safety and other selected Directors and senior managers. This group was established in April 2011 and has ensured that business focus is kept on improving health and safety.

- **Main contract partner performance reviews:** Monitoring and review of contractor occupational health and safety performance is undertaken during quarterly meetings between Welsh Water's Health and Safety Managers and the Health and Safety Managers of our main partner organisations. These groups review progress against improvement action plans, together with details of any reactive events such as accidents and incidents. Audit reports are also discussed and checks made to ensure that any corrective actions have been closed out within agreed timescales. Best practice and lessons learned are discussed and, where appropriate disseminated further. The new Capital Partner Alliance is also developing joint standards and holding seminars on key areas of risk.
- **Welsh Water's health and safety consultation forum:** This Trade Union consultation group meets quarterly to review policies, procedures and performance and to consider opportunities for further improvements to our management arrangements. Chaired by the Chief Operating Officer, the committee links back to the Welsh Water Health and Safety Steering Group, which approves priorities and, where required, the release of resources.

Contractor Health and Safety Management

- **Selection of contractors**
Before any contractor is appointed to work for Welsh Water, the company will be required to provide evidence of a current SSIP (Safety Schemes in Procurement) registration. In some cases a Welsh Water health and safety competent adviser or appointed agent will review a pre-qualification questionnaire completed by the contractor.
- **Setting performance targets**
As part of the appointment process for main contractors and partners a Welsh Water Manager, supported by the Health and Safety team will meet the organisation and discuss their health and safety management arrangements and improvement plans. This will include company specific health and safety improvements and objectives; delivery of which forms part of their contract. Any recommended improvements identified during contract reviews are based upon a joint assessment of the occupational health and safety risks, and can include both quantitative and qualitative targets. Any partner improvement action plans are reviewed and updated on an annual basis.
- **Monitoring performance**
Performance monitoring will involve both pro-active and re-active monitoring arrangements. This information is discussed at routine review meetings and used to assess whether the pro-active measures are having an impact on reducing the accident/incident rates, and assist with trend analysis and wider learning.

Auditing performance

– Cross partner audits

Welsh Water has previously hosted programmes of cross partner and safety management system audits, where main partners are audited by their peers. During 2014-15 a series of focussed site audits were held as part of the tendering exercise for the AMP6 capital programme. Cross audits can demonstrate conformance with policy and procedures, but this is not the main benefit. We can gain a long term view of the health and safety competence of our partners and also give them a view of health and safety procedures and processes in other organisations. This facilitates considerable sharing of good practice and cross fertilisation of ideas. We have developed a new process to facilitate this practice during AMP6 and this will evolve during the next few years as we deliver our improvement plans.

– Insurance audit reviews

We take pride in our close working relationships with our contract partners and have extended this good practice to encompass other service providers, like RSA, who provide insurance for the business and our capital programme. This working relationship and programme of insurer audits has benefits for both parties; RSA can review our partners and their systems to clearly understand the risk to the business, and we benefit from their work with other clients who might have different procedures for minimising losses.

A programme of insurer reviews and support to forums will take place during the year, having regard to the assessment of key risks.

– OHSAS 18001 audit

The OHSAS 18001 occupational health and safety management system is subject to audit every six months by the external accreditation body. In addition, Welsh Water has established a programme of internal audits, which are designed to identify any opportunities for improvement.

– Department for Transport audit

In August 2015 Welsh Water were audited by the Department for Transport on our compliance with the ADR legislation. This was successful and the auditor was very complimentary about the standards on our site the comprehensive nature of the supporting policies and arrangements.

Reporting our performance

A monthly report is prepared for the executive management team, which is also submitted as a standing agenda item to the Board and the Quality and Environment Committee (QEC). In addition to performance, this report addresses key issues of policy and procedure, training and regulatory engagement and communication. The Board also reviews and endorses the annual occupational health and safety report before it is published at the annual general meeting.

Industry reporting

Historically UK water companies have been required to submit a report to the industry regulator Ofwat on its health and safety performance. This included occupational health and safety performance data for core employees and partners and was commonly referred to as 'Table 41'. In addition, Ofwat has previously selected one or more occupational health and safety specific topics on which all companies must report. All performance data submitted to Ofwat is available to the public and can be viewed on their website.

From 2012, there was no specific requirement to submit health and safety data to Ofwat. However, Welsh Water participates in a water industry cross-company performance benchmarking system that is supported by the Water UK Occupational Health and Safety Group members.

Recognising excellence and achievements

Health & safety conference

In June 2015 Welsh Water held our ninth annual health and safety conference. Over 300 individuals, including executive and non-executive directors, senior managers, safety representatives and health and safety specialists from across the business, attended the event which was sponsored by our new insurers RSA.

The theme for the event was 'Our Next STEPs' and focussed on STEP – 'Safety Takes Every Person' and what everyone can do to prevent injuries and ill health and participate in our health and safety improvement strategy. (Our 'Journey to Zero' strategy with our ambition of achieving zero reportable and lost time injuries).

The keynote speaker was Gemma Morgan (Morgan Eight Ltd). Gemma, a leadership performance specialist, spoke about her experiences whilst serving in Kosovo and also as a former international athlete. Gemma talked about good leadership, operating under extreme pressure and in situations where not everything is under your control. She highlighted the importance of doing the routine tasks, following procedures and having safety conversations.

Delegates were also able to participate in a series of workshops highlighting key aspects of our health and safety management system. These included sessions covering:

- Streetworks and Vulnerable Users
- Guide Dogs for the Blind
- Slips, Trips and Falls – Severn Trent Water
- Managing Stress – Caer Health Ltd
- Pressurised Pipelines – Network 75
- Effective Communication – Ian Harper, Harper Safety Risk Management

The conference also featured presentations from the Health and Safety Excellence and Innovation Awards finalists which were voted on by the conference delegates. The 2015 Welsh Water annual awards recognised OHS Excellence for both employees, teams and contract partners.

Excellence awards

Introduced in 2007, the Welsh Water Occupational Health and Safety Excellence Awards recognise excellent performance by our employees and contract partners. Each year there are awards for health and safety excellence, innovation and an award for individuals and teams nominated to recognise an 'outstanding contribution to health and safety'. These awards are a regular feature of the Welsh Water's annual Health & Safety Conference.

The Welsh Water Health and Safety Excellence Award winners as voted by delegates at our 2015 event were the Waste Water Networks Team.

The team were able to demonstrate how they had focussed on their risks from manual handling and working with equipment, identifying and making improvements in both work equipment and employee culture to reduce injuries and prevent ill health.

The Supply Chain Excellence Award went to Morgan Sindall who were able to demonstrate year on year health and safety improvements with a strong focus on leadership and workforce engagement.

The award for Best Innovative Idea went to Peter Duffy Ltd who shared two good ideas with their 'Safety on the Move' mobile risk assessment tool and 'Trim' tags for manual handling.

The Outstanding Contribution Award went to Josie Lee, a Morgan Sindall Survey Team Manager. Josie was recognised by Welsh Water as someone who always leads by example and ensures that high standards of health and safety are maintained by her team as well as setting clear standards for all her external suppliers.



External recognition

In April 2015 Welsh Water were awarded the Swansea and West Wales Occupational Safety Group Wellbeing Shield to acknowledge the work we have done to raise and maintain the profile of health and wellbeing amongst our employees. We have recently been shortlisted for the Group's Large Organisation Shield, the Wellbeing Shield and the Presidents Shield for our work over the last 12 months. The winners will be announced at their annual awards event in April 2016.

As part of our continuing improvement programme we supported the third year of Water Industry Wellbeing Week during October 2015.

We have been recognised by Welsh Government again this year. Following on from achieving their Bronze Corporate Health Standard Award in March 2015, we were assessed against the Silver award criteria in March 2016. The assessors determined that we had achieved Gold standard and we will be attending a Healthy Working Wales ceremony to receive this award in Autumn 2016.

In addition, the Welsh Water Capital Delivery Engineering Team won a RoSPA Gold Award in July 2015 for their health and safety performance and improvement initiatives.

A number of our partners have also received external recognition in the last 12 months for their achievements in occupational health and safety.

These include:

RoSPA President's Award for 10 years consecutive Gold Awards – Alun Griffiths Ltd and Man Coed VM

RoSPA Gold Medal and RoSPA Gold MORR Award – ACIEM

RoSPA Gold Medal and Future Water Associations Health & Safety Award 2015 – Peter Duffy Ltd

RoSPA Gold Award and President's Award 2015 – Skanska

RoSPA Gold Award – Hortech

RoSPA Guardian Angel Award for individual contribution to health and safety 2015 – Amey

Fleet News Awards 2016 – Safe Fleet of the Year – Skanska

CECA Health and Safety Company of the Year 2015 – Mott MacDonald Bentley (MMB)

Considerate Contractor – Performance Beyond Compliance – Lewis Civil Engineering Ltd

External representation

The Head of Health and Safety is a long standing member and past Chair of the Water UK Occupational Health and Safety Group. This group works to share learning and improve performance collectively across the water industry. Having also been a member of the Institution of Occupational Safety and Health (IOSH) for 22 years, they are currently serving as an IOSH Council member. The Council holds the Board of Trustees accountable for its performance against key responsibilities on behalf of members and debates key strategic, professional and policy issues.

In February 2016 Welsh Water were invited by the Health and Safety Executive to host the Welsh launch of their new 'Helping Great Britain Work Well' strategy. We welcomed members of the Health and Safety Executive and businesses across Wales to our Tŷ Awen site. Neil Craig, Head of Field Operations (Wales) and Isobel Garner, Board Member from the HSE joined Peter Perry, our Chief Operating Officer to talk about the Help Great Britain Work Well campaign and the six associated strategies which will bring a renewed emphasis on improving health in the workplace, as well as building on the highly successful track record on safety. We will continue to support this strategy and work with HSE and others to deliver further improvements.