



Dŵr Cymru
Welsh Water

Occupational Health & Safety

Annual Report

Year ended 31 March 2017

A large, white, teardrop-shaped graphic that tapers to a point at the top and widens at the bottom, serving as a background for the safety slogan.

SAFE at
all times

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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. 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. 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 health and safety of all our employees, contractors and members of the public is always a key priority and a big responsibility.

The financial year ended 31 March 2017 (2016-17) saw us consolidate and further improve our health and safety management systems and processes. It was the second year of the regulatory period ('AMP6') and during this year we have increased the amount of construction works being delivered as part of our 5 year capital improvement programme. 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.

Safety performance

In 2016-17 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 all RIDDOR Reportable Incidents 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 28,500 interventions have been reported, which is nearly a 50% increase on the number recorded last year.

There have been some significant incidents and near misses reported during the year, including an electrical incident where two subcontractors were hurt. 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 engaged a new Occupational Health service provider in 2015 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.

Our latest programme of targeted occupational health surveillance for Welsh Water employees commenced in October 2016. Over 1200 operational employees were initially targeted for screening and following on from these assessments 91 employees have been referred to Caer Health.

This process is enabling us to effectively support employees and to identify and manage potential health risks before they result in ill health and sickness absence. One employee was identified as having Hand Arm Vibration Syndrome (HAVS) through this surveillance. While the cause was primarily historic exposure, this diagnosis was reported to the HSE and has been investigated along with an internal review of our HAVS management procedures.

There has been a reduction in the total number of working days lost due to all illness during 2016-17. 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 2017-18 employee engagement corporate action plan.

We are also continuing to support external bodies such as HSE and IOSH to promote good health and wellbeing. During 2016 we have increased our use of occupational health specialists, including working with an ergonomist to help review our management of manual handling tasks.

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. We will also continue to promote our annual 'Healthy Working Award' that was launched at our 2016 H&S conference.

Our proactive approach to managing Occupational Health and Safety

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 Board Quality and Environment Committee (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 May 2016 and we were able to demonstrate good improvements against all the identified areas in our AMP6 strategy. We have a 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:

RoSPA Training – in February 2016 we held a training course for the Welsh Water Executive Team on 'Director's Involvement in Health and Safety'. All Board members also participated in this during May 2016 alongside their annual review of our health and safety strategy progress.

Bespoke Manual Handling Training – we have now trained over 2,000 employees including our office based teams, in the principles and techniques of ergonomic handling best practice linked to their roles. During 2016 we had 179 Traca Coaches in place to monitor and reinforce best practice and they reported over 1800 Traca observations during the year. During February and March 2017 we have identified some additional coaches and held workshops to refresh their knowledge to help them support their teams.

Communications and Awareness – our 2016 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 2016 our programme focussed on Mental Health, Manual Handling/Back Care, Healthy Hearts and our STEP improvement campaigns.

2016 Health and Safety Conference and Awards

– 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 2017 event will focus on how we can contribute to the new health and safety strategy to 'Help Great Britain Work Well'.

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.

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 wellbeing and also affect the operating efficiency of the business. During 2016-17 116 injuries (46% 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 3 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 recent 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. This has been badged as our STEP (Safety Takes Every Person) programme. Over the last 3 years we have developed and delivered a 'train the trainer' module for 75 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 2017. A bespoke STEP programme has been delivered in the new Retail business function and a companywide health and safety climate survey was launched in February 2017.

Governance of Occupational Health and Safety

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

Occupational Health and Safety (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. During 2016 the Welsh Water Board and Executive team participated in Royal Society for the Prevention of Accidents (RoSPA) workshops for Directors and Leaders in health and safety governance and best practice.

We have clearly identified and risk assessed the 'Top 10' health and safety risks associated with Welsh Water activities. There is 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 2016-17. 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 regular meetings between Welsh Water and contractor OHS specialists. 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 2017-18

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 look at how we can contribute to 'Helping GB Work Well' employees at our 11th health and safety conference in June 2017. This event will incorporate key messages on leadership and management, health and wellbeing, risk management, safety culture and contractor management.



Of particular focus during the year 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 construction work on sites continues to increase during the third year of AMP6. We will continue 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 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 2016-17 and we have effectively managed our OHS to protect the health and wellbeing 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 2017-18 as we deliver our improvement plans and work towards Platinum status.

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 continue to 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 2016-17

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 2017.

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 2016-17 we saw further improvements in our occupational health and safety performance.

We saw a further reduction in the total number of reportable injuries across Welsh Water and our contractors, with a new low of 12 in the year. The RIDDOR Incident Rate (RIR) (per 100,000 employees) for 2016-17 was 303; this is the lowest it has been in the last 10 years.

There was a slight increase in the total number of minor injuries with 238 being reported. There was a significant increase in reports of minor injuries being reported by the office based teams (66 compared to 31 last year) which could be due to better awareness and use of the new H&S reporting tool. There were 36 Lost Time Injuries last year compared to 49 in 2014-15. There is a continued focus on preventing all Lost Time Injuries, not just those that meet the RIDDOR criteria.

The days lost due to injuries has significantly reduced. This reflects the fact that the injuries sustained were less severe and as a result individuals were able to return to work more quickly.

Incident category	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Reportable injuries	12	19	20	23	24	29	24	39
Non-reportable injuries	238	207	275	313	292	261	277	353
Dangerous occurrences	3	2	1	4	4	4	2	2
Near misses	4,963	5,020	2,574	1,986	2,224	1,174	259	678
Positive Interventions	28,510	19,457	17,691	16,299	10,662	5,193	N/A	N/A
Reportable diseases	1	0	0	0	1	0	0	2
Enforcement actions	0	0	0	0	0	0	1	0
Days lost to injuries*	730	1,007	872	997	727	1,822	1,502	1,459
Days lost due to illnesses **	26,240	28,416	25,114	25,905	29,051	26,355	21,870	23,457
Average no employees (FTE)	5,275	4,860	5,324	4,924	4,508	3,878	3,938	4,843
Total hours worked in year	10,643,211	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*	303	423	394	548	643	851	660	888
AIR – non-reportable injuries	4,512	4,259	5,165	6,357	6,477	6,730	7,034	7,289
Working days lost to injury per employee	0.14	0.21	0.16	0.20	0.16	0.47	0.38	0.30

*Includes all RIDDOR Injuries, Diseases and Dangerous Occurrences

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.

Specified injuries to workers

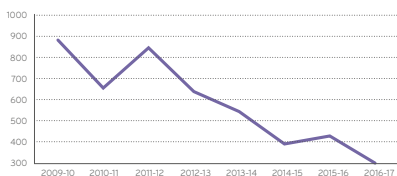
Specified injuries to workers that require reporting to the HSE are defined in RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013) and are mainly concerned with work related accidents resulting in fractures, amputations, permanent loss/reduction of sight, serious burns, 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 2016-17, 4 of the 12 reportable injuries were classified as 'specified injuries'. There were no specified injuries to Welsh Water employees. All four of these injuries were to contractors working on behalf of Welsh Water. Three injuries were fractures – one broken ankle due to tripping over equipment, one facial fracture due to being stuck by a skip door and one facial fracture due to work-related violence. The fourth was an eye injury following an electrical flashover.

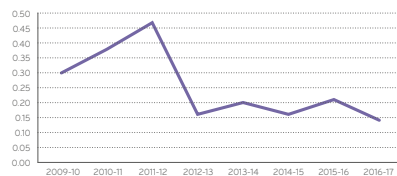
The remaining 12 reportable injuries during 2016-17 were lost time injuries resulting in the individual being away from work, or unable to perform their normal work duties, for more than seven consecutive days as the result of their injury.

In April 2016 there was an electrical incident at a Water pumping station that resulted in two specialist subcontractors being injured. They were working on a capital scheme and were injured whilst undertaking work on an electrical panel at the site. A cross party investigation panel identified that the system of work being carried out was unsafe and did not reflect the Risk Assessment or Permit to Work. An H&S alert was issued to all Welsh Water employees and shared with all operational and capital contract partners reminding them about good electrical practices. We have worked with the HSE to investigate this incident and have carried out an internal review of our electrical safety management practices. We have also shared the learning with other water companies via the Water UK Occupational Health and Safety Group.

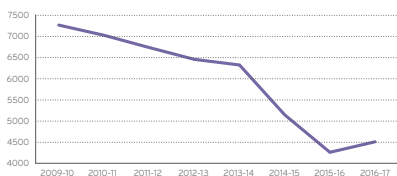
Reportable Incident Rate (RIR) per 100,000 employees



Injury days lost per employee



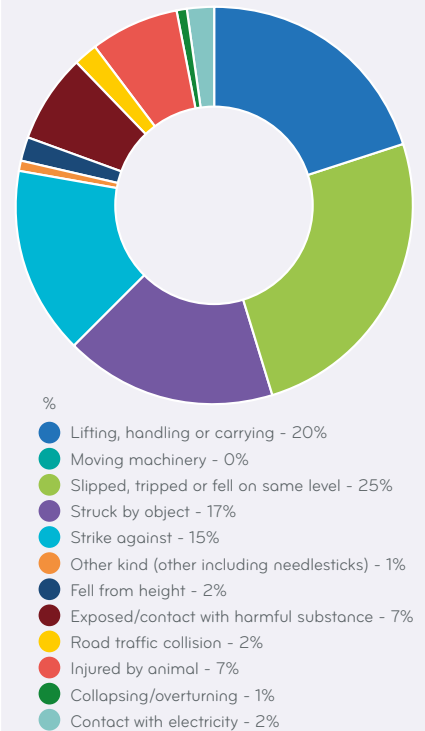
Non-Reportable injuries rate per 100,000 employees



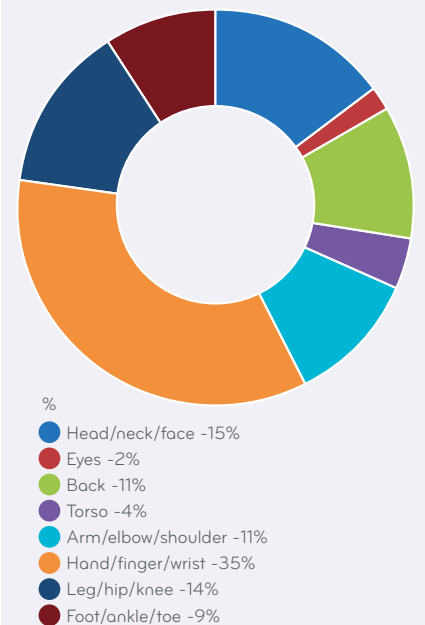
Illness days lost per employee



Causes of Injury



Body part injuries





SEE IT, SORT IT, REPORT IT, NEAR MISS HOTLINE 01443452800 | STAY SAFE AT ALL TIMES

Dangerous occurrences

There were three dangerous occurrences recorded during 2016-17. 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 was advised as being a significant distance away from the work area. Another other incident involved a contractor who hit an overhead cable while tipping sludge on private land.

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.

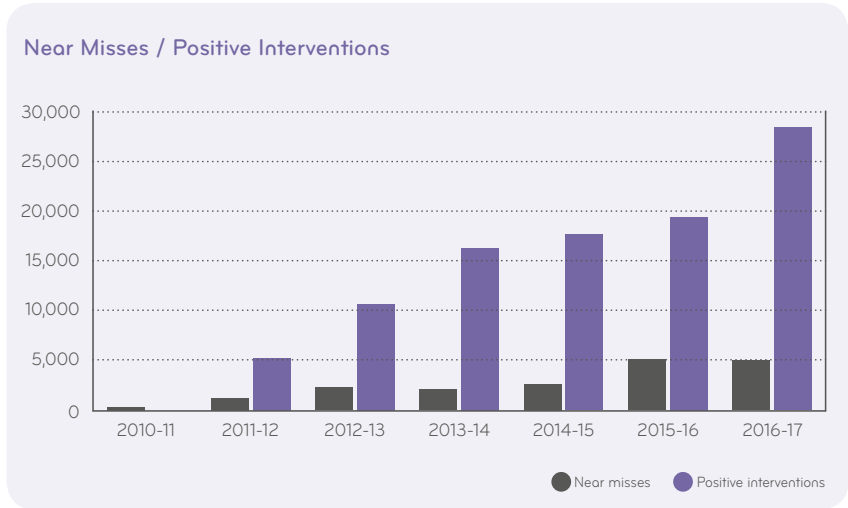
In addition a fire occurred at a Sewage Pumping Station in North Wales which caused significant building damage. The cause was not confirmed despite specialist investigation, but rodent damage to the electrics was suspected. This has prompted a wider review of how these assets are managed and the fire risk management arrangements in place.

Near miss reporting and positive interventions

We have continued to focus 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 2016-17, 4,963 near misses were reported.

The number of these types of incidents being reported has increased as a result of several companies actively promoting near miss reporting and the 2015 launch of a new Welsh Water reporting tool that allows employees to direct enter incident reports.

During 2016-17 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 28,500 interventions have been reported, which is nearly a 50% increase on the number recorded during 2015-16. 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.



Reportable diseases

There was 1 HSE reportable disease recorded during 2016-17. This was a case of Hand Arm Vibration Syndrome (HAVS) in an employee who historically had worked with vibrating tools. We have reviewed our management arrangements and controls with those business areas that may use vibrating tools. We have also developed some new guidance and training materials for use by teams.

Enforcement actions

There were no enforcement actions taken against Welsh Water during 2016-17.

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)

We are subject to Health and Safety Executive (HSE) audits of our management controls at one of our Water Treatment Works which is a Lower Tier COMAH (Control of Major Accident Hazards) site. These audits have included reviews of the Process Safety Performance Indicators (PSPIs) we use to monitor that this site is operating safely, along with plant maintenance and management arrangements. HSE hazard scores of 20 have been reported to reflect the fact that we are fully compliant in these areas.

There are always some areas for further enhancement / continual improvements and we have worked with HSE on these. We have reviewed and revised some of the site risk assessments, further developed the PSPIs and refreshed our competency matrix for assessing and measuring operational competencies.

Monitoring days lost due to Illness

In 2016-17, 26,240 working days were lost as a result of illness amongst the 5,275 Welsh Water and Partner employees giving an average number of days lost per employee of 5.0. 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.

The Welsh Water Attendance Management policy was reinforced as part of the 2016 roll out of annual Performance Management Review (PMR) training to all managers. We also launched a new package of wellbeing initiatives to help support employee fitness to work. This included some tailored health and wellbeing awareness campaigns, gym membership benefits, and a new employee healthcare provision to support employees to get back to work more quickly.

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 2017-18 is to continue this improving trend and, in particular, to drive down the number of avoidable incidents. Safety culture and human factors will continue to be of focus within our improvement activities for 2017.

Occupational health and wellbeing

As part of our management of occupational health within Welsh Water, we have a contract with Caer Occupational Health Services. This commenced on 1st April 2015. The contract provides a proactive and comprehensive Occupational Health service 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.
- Assist managers to help employees return to work following illness, accidents or general sickness absence. Ensuring that employees are fit for role.
- Increase employee awareness of general health issues; which in turn will encourage them to make informed choices about their lifestyles and working practices.

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. 296 management referrals for advice on employees were made to Caer Health during the financial year along with 90 review appointments. The majority of the referrals were for either musculoskeletal disorders or mental health issues (33% and 27% of cases respectively).

A programme of operational health surveillance by Industrial Diagnostics Company commenced in October 2016 and continues until June 2017. A series of clinics have been held at 13 sites across Wales with over 1200 employees invited for screening. At the end of March 2017 91 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 implement our attendance management policy. We have been using new task analysis tools and phased return processes to support colleagues to return to and remain in work.

In addition Welsh Water 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 promoted this service as part of our 2016 mental health awareness campaign and shared some films on mental health and wellbeing for teams to use as part of their meetings.

We have signed the Department of Health Public Health Responsibility Deal and pledged to support employees with chronic conditions to remain well and in work. We have also signed their 'Alcohol in the Workplace' pledge and are supporting the IOSH 'No Time to Lose' campaign that is focused on beating occupational cancer.

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 2017-18 improvement and engagement plans. A series of new manager toolkits for attendance management have been launched to support this. During 2017 we are holding a series of smoking cessation classes as part of our Smoke Free aspirations. We are also training some employees to become 'Wellbeing Champions' and support colleagues and managers to maintain positive mental health and wellbeing.

Occupational health and safety (OHS) management system and risk

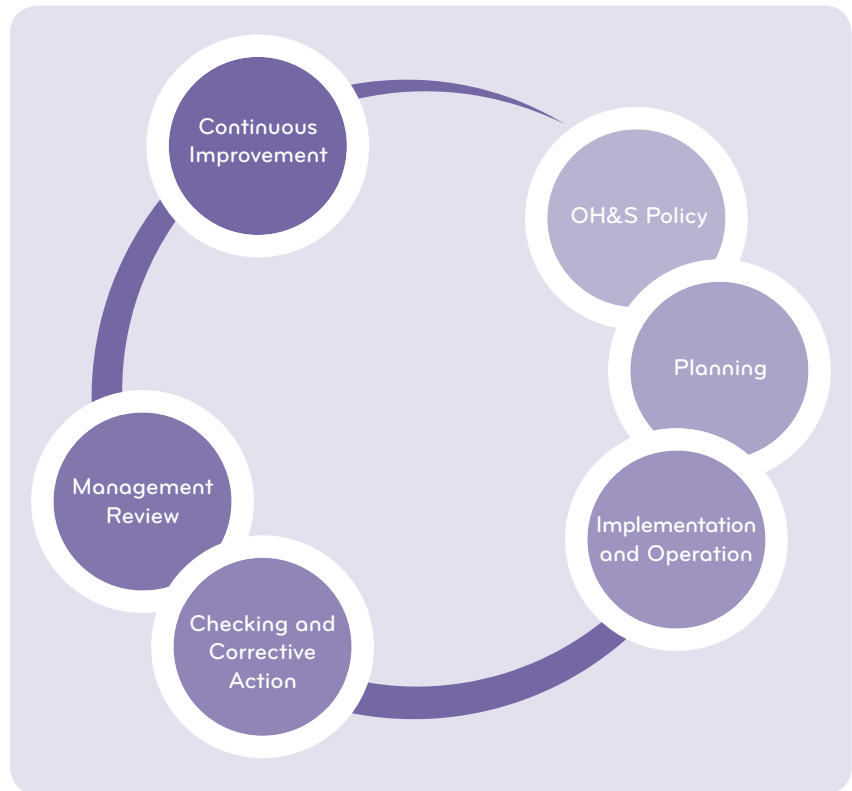
OHSAS 18001:2007

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 certification compliance audits, ensures that we continue to take effective measures and implement rigorous controls to identify and manage the health and safety risks associated with our business activities. BSI are our independent assessment and accreditation organisation who undertake 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. In February 2009 we were awarded the OHSAS 18001:2007 international health and safety management systems standard. The scope covers the operation, maintenance, contract management and management of potable and waste water services including storage and treatment of sewage sludge and advance

digestion. Administration of water and wastewater services provision including contract management. The provision and management of educational and recreation facilities for the public. The operation, management and maintenance of the Potable Water Network and Leakage.

There is an internal 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.

A new system was launched on 1st April 2015 and we have worked closely with the business to effectively embed and utilise this tool. It provides a facility for 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.

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

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. We are continually 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.

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 2016 have included: Pressurised pipelines, lone working, fire risk management and accident investigation. A new passport scheme has been developed for contractors working on potable water pressurised pipes. In addition we have delivered corporate induction health and safety sessions for new employees, apprentices and graduates.

Promoting good practice

The following illustrates some actions taken in 2016-17 to mitigate OHS risk and raise awareness:

Employee Engagement Survey:

The results of our 2016 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 companies that complete this ORC survey.

Director health and safety days:

During the year we held 4 company-wide Director health and safety days. These focussed on safety culture and behaviours, fitness for work, winter preparations and lone working / employee protection. 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. These included 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 4th Water Industry Water Wellbeing Week and the 1st GB Health and Wellbeing Week alongside many other UK companies during October 2016. 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 are also using a health and wellbeing information microsite where monthly health topics and documents have been added throughout the year.

Major risks review: We have identified 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. A rolling programme of major risk assurance reviews has been built into our AMP6 health and safety improvement plans. During 2016-17 the Health and Safety Team have carried out some operational and construction site visits to check on the management controls in place to address the risks from Work at Height and from working with Pressurised Pipelines and identify any improvements. We have also reviewed our lone worker and employee protection monitoring systems and provided further management information and a new film for use at team meetings.

Process safety and best practice benchmarking: We have been developing our process safety management understanding and skills over recent years. 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 have shared internally our learning from working with HSE on COMAH. 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 co-ordinating all our process safety improvement activities. During 2016 they developed a tool box talk for operatives and have worked with Hastam to develop a bespoke course on 'Managing Major Hazards' that was piloted with selected operational managers and supervisors during early 2017.

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. These are regularly reviewed by the Talent Development team to ensure that we are delivering appropriate training and support to further develop employee competence. During 2016 we have also developed a new competency matrix and process specifically for assessing and testing the competencies required for employees who work at our COMAH site. This is to ensure that they reflect best practice and support our process safety improvement plans.

STEP safety culture programme: During the last year we have actively encouraged senior managers and employees to continue to have health and safety conversations. The Executive team and over 50 senior managers have participated in our safety culture training programme. Senior operational Directors and managers have quarterly objectives to conduct site visits and report back on their conversations. We have been monitoring the number of conversations held, the teams and areas visited and the good practices and areas for improvement identified. This has been included as a lead indicator in our quarterly health and safety performance reports.



We have also devised and delivered a safety culture training programme for operational managers and supervisors. 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 was extended in 2015 with 75 STEP Champions being appointed. A new set of materials was developed for them to deliver

during 2016 which incorporated 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.

TRACA coach programme: To support our manual handling training programme and ensure that colleagues continue to use safe handling techniques we have had over 150 'Traca' coaches in place across the business. The coaches carry out manual handling observations and support employees and managers to identify any areas of concern. They will also support employees returning to work after injuries to ensure they are able to safely carry out their role.

Completion of these observations are one of our leading indicators.

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.

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.

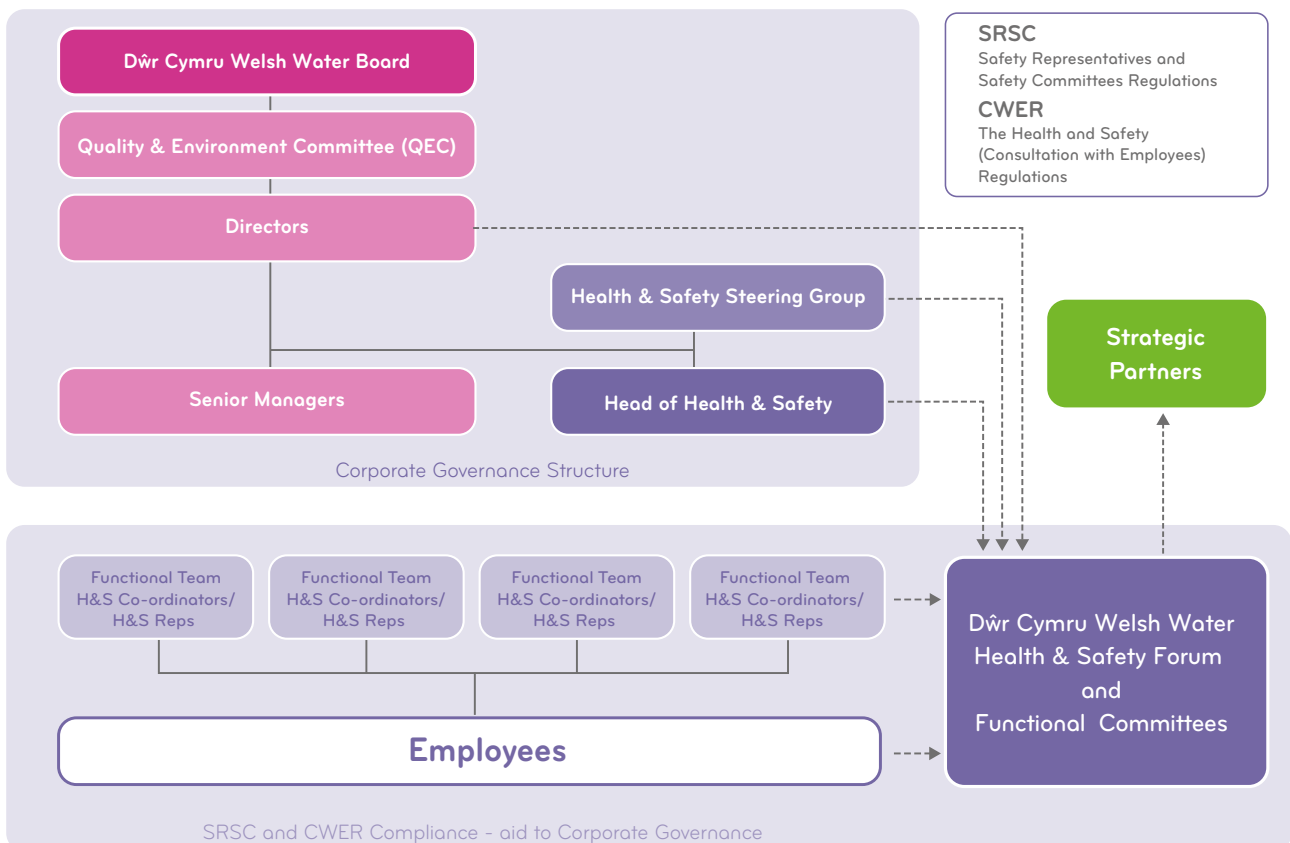
Good governance also requires us to have proactive, open and transparent reporting relationships with key stakeholders. In this respect, key stakeholders include the community we serve, Welsh Water's regulators, supply chain partners and government, as well as all employees across the business.

During 2016 the Welsh Water Board and Executive team participated in Royal Society for the Prevention of Accidents (RoSPA) workshops for Directors and Leaders. These focussed on health and safety governance and best practice.

Roadmaps and unit assessments - continuous improvement action plans
 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. This 3 year programme concluded in

March 2014 with overall company compliance reaching 96%. A second 3 year action plan commenced in April 2014 and progress against unit assessment targets is included in management health and safety performance reports. We are reviewing the effectiveness of this process during 2017 and working with users to further develop this as a future monitoring and improvement tool.

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



A monthly H&S performance dashboard is produced for use on company notice boards. Quarterly reports are presented to the Board Quality and Environment Committee (QEC) meetings for their review. There are also operational leadership team specific reports that are cascaded through line management to support performance monitoring and management locally.

- **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 regular 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 identified and, where appropriate disseminated further. The Capital Partner Alliance has also developed some joint standards and held seminars during the year 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 forum 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 as a minimum. This sits alongside the full procurement process for contractor assessment.
- **Setting performance targets**
As part of the appointment process for main contractors and partners Welsh Water Managers, supported by the Health and Safety team will meet organisations and discuss their health and safety management arrangements. This will include any company specific health and safety improvements and objectives; delivery of which will form part of their contracts.
- **Monitoring performance**
Performance monitoring will involve both proactive and reactive 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. Any recommended improvements identified during contract performance 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 a regular basis.

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. There is a process to facilitate this practice during AMP6 and it 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 reviews 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 takes 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

During 2016 Welsh Water have been audited by the Department for Transport on our compliance with the ADR legislation. This has been successful and the auditor was very complimentary about the standards on our sites and the comprehensive nature of the supporting policies and arrangements.

Board review of performance

A monthly report is prepared for the executive management team and a quarterly performance report is presented to the Board Quality and Environment Committee (QEC). In addition to performance, this report addresses key issues of H&S 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 were required to submit a report to the industry regulator Ofwat on their 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 previously 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 has continued to participate in a water industry cross-company performance benchmarking system that is supported by the Water UK Occupational Health and Safety Group.

Recognising excellence and achievements

Health & safety conference

In June 2016 Welsh Water held our tenth 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, sponsored by our insurers RSA.

The theme for the event was 'Keeping Ourselves Safe, Healthy and Happy' and looked at what we can all do to prevent injuries and ill health as part of our health, safety and wellbeing improvement strategy. (The 'Journey to Zero' strategy with our ambition of achieving zero reportable and lost time injuries).

The keynote speaker was Mark Gallagher. Mark has many years' experience working in Formula 1 and spoke about how to ensure that health and safety is integrated into performance and what can go wrong. He highlighted the importance of continual improvement and learning and that no-one can be complacent.

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

- Street Works and Vulnerable Users
 - Guide Dogs for the Blind
- Safety Conversations – Quentin Emery, Ryder Marsh Sharman
- Challenging Myths & Supporting Older Workers– Caer Health Ltd
- Know Your PPE – Liscombe
- Protection of Underground Services – Ian Harper, Harper Safety Risk Management

The conference also featured presentations from the Health and Safety Excellence and Healthy Work Awards finalists which were voted on by the conference delegates.

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 and awards for individuals and teams to recognise their 'outstanding contribution to health and safety'. These awards are a regular feature of the Welsh Water annual Health & Safety Conference.

The Welsh Water Health and Safety Excellence Award winners as voted by delegates at our 2016 event were the North East Water Distribution Team. The team demonstrated how they have identified and developed a new system for changing filter cartridges on site. This system reduced both manual handling and slip, trip, falls risks and made a routine task simpler, quicker and safer. The entry showed the value of engaging employees in identifying solutions and taking ownership to prevent injuries and ill health.

The Supply Chain Excellence Award went to the Welsh Water Capital Alliance who were able to demonstrate how they had worked together to deliver a high level of health and safety performance, having been established as a new alliance to work on the AMP6 investment programme.

The new Healthy Work award also went to the Welsh Water Capital Alliance recognising the focus that the companies had collectively placed on maintaining and improving colleagues' health and wellbeing.

The Outstanding Contribution Award went to Claire Roberts, Welsh Water Education Manager. Claire was recognised for the work she has done over many years to educate the public on water safety and how to enjoy our reservoir assets while not putting yourself at risk. The 2016 reservoir safety campaign included a new hard-hitting film – 'One Last Breath' that was widely shared and positively received on national and social media.

External recognition

In April 2016 Welsh Water were awarded the Swansea and West Wales Occupational Safety Group Wellbeing Shield for the second year running. This award acknowledged 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. Our Education Manager has also won an H&S employee of the year award. The winners will be formally recognised at their annual awards event in May 2017.

We have also been recognised by Welsh Government. We achieved the Bronze Corporate Health Standard award in March 2015 and then the Gold in March 2016. Our next step is working towards a submission for the Platinum Standard award in 2018.



In addition, the Welsh Water Capital Alliance and in-house Engineering Team won a RoSPA Gold Award in July 2016 for their health and safety performance and improvement initiatives.

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

These include:

RoSPA Gold Award 2016 – Skanska, MMB (as part of DCWW Capital Alliance), Lewis Civil Engineering Ltd, O'Connor Utilities Ltd, ACIEM

RoSPA Gold Award 2016 – Fleet Management – ACIEM

Considerate Constructors Award - Performances Beyond Compliance – Lewis Civil Engineering Ltd

Fleet Award 2016 - Safe Fleet of the Year 2016 - Skanska

Constructing Excellence in the North East – Integration and Collaborative Working Award - MMB

Skanska IFE Award – Lewis Civil Engineering Ltd

Safe, Effective, Quality Occupational Health Service certificate of accreditation – Skanska

Investors in people GOLD award – Skanska

Northumbrian Water GEM Awards – Individual Contribution Winner – Peter Brodie, MMB

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 23 years, they are currently serving their second 3-year term 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. This has six associated strategies which will bring a renewed emphasis on improving health in the workplace, as well as building on the highly successful UK track record on safety.

We have continued to support this strategy during 2016 and a summary of our health and wellbeing improvement plans has been included within the HSE 2016 Commitments report. We met HSE Board members in Wrexham in September, attended the HSE strategy commitments launch in London in November and participated in the HSE Strategy workshop in Swansea in March 2017.

The Welsh Water Chief Operating Officer and Board H&S lead has also joined the HSE Estates Excellence Board and is working with them to support other companies to improve their H&S performance.