LEADERSHIP & SAFETY CULTURE: A L’OREAL CASE STUDY

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LEADERSHIP & SAFETY CULTURE
A L’OREAL CASE STUDY

From EHS driven by EHS to EHS driven by line management - a strategy of transformation and company culture change

✔ Safety leadership: where are we today?

✔ key leadership tools that are helping with L’Oréal's transformation in this are

✔ Who are the safety leaders of the future and how do we influence them - preparing for the future.
1st Beauty industry company
22,5 billion € turnover
12,5% market share
130 countries
78,610 people
17,3% operational margin
TAKE HOMES

1) You need to know who you are, where you are and where you want to go!

2) “Leadership starts at the top” is history – too much Generation X!
   ✓ Look everywhere for your future leaders

3) The world is changing fast, people have changed, as EHS professionals you need to change

4) Future Health & Safety challenges will be solved together
OUR FIRST STEPS – INTO A NEW WORLD

✓ Benchmarked with other companies – cross industry
✓ SWOR Analysis

**Strengths (perceived)**
- Performance – lost time rate
- Technical safety
- Fire safety
- EHS expertise
- EHS training for EHS Managers
- H&S Standards
- Operations – H&S network and expertise
- Internal audit program
- Number of EHS professionals

**Opportunities**
- Transfer accountability to line management
- Line management visibly driving safety
- Proactive employee participation
- Training of line management
- Improved networking
- Good practice implementation
- Improve effectiveness
- Extend H&S across the business
- Leading indicators
L’OREAL HEALTH & SAFETY APPROACH – 2008 TO 2016?

TOWARDS EXCELLENCE
...through High Performance Teams

Organisation & Strategy
Employees
Technical: Methods & Tools
Practices & Culture
EHS AS A WAY OF LIFE - ONE GLOBAL APPROACH

**TOP approach**

1. Demonstrable Alignment
2. Improved Safety Performance
3. Robust risk management & assurance

**Operational EHS**
- Group EHS Policy
- Defined Objectives & focus areas
- Universalisation of best practices, methods and technologies
- EHS Manual
- EHS Audits
- Prioritise actions & follow up

**4 main drivers**

**H&S Expectations**

a) I am my brothers keeper mindset
b) Employees take home safety to family & friends
c) Continuous improvement of safety performance & culture
d) Visible Business Value Added

**Defined Group EHS Strategies**
- Aligned with L’Oréal Business Values, Needs & Initiatives
OUR EHS DRIVERS

1. Leadership & Capability
2. Understanding & Managing risk
3. Engagement & personal Ownership
4. Governance
Where are we going?

EHS CULTURE

TFc 5.0 ± 5.0
Reactive
- EHS by Natural Instinct
- EHS Compliance is the Goal
- Delegated to EHS Manager
- Lack of Management Involvement
- Environment by legislation

TFc 2.2 ± 1.5
Dependent
- Management Commitment
- Condition of Employment
- Fear/Discipline
- Rules/Procedures
- Supervisor Control
- Goals & Objectives
- Value for Environment
- EHS Training

TFc 1.6 ± 0.8
Independent
- Personal Knowledge, Commitment, & Standards
- Internalization
- Value for Self
- Care for Self
- Practice, Habits
- Individual Recognition
- EHS by design

TFc 0.6 ± 0.2
Interdependent
- Help Others Conform
- Others’ Keeper
- Networking
- Care for Others
- Organizational Pride
- Share EHS values

Variation in Incident Rates

Conscience
Natural Instincts
Thoroughness
Supervision
Vision
Self
Teams

0 is unrealistic
0 by luck
0 by design
0 by DNA
At L’Oreal, when it comes to E, H, S, each individual and every small action count and will ensure our common successes!

Take care of yourself, Take care of others
Operations

- Visible management commitment & involvement
- H&S system in all sites
- Active Employee Participation
- Risk focus
- Best Practice sharing

2009 → 2013
Leadership & Safety Culture Training

**Monday**
- Program introduction
- Facing a fatal accident

**Tuesday**
- Human factors in risk judgement and decision making

**Wednesday**
- Leading Change

**Thursday**
- Leadership, safety & stress management

**Friday**
- L’OREAL Module
  - Practices sharing
  - Make it Happen

**Course Outline**
- How to implement a sustainable Safety Culture
- Strategies of influence
- From managing human error to a global vision of safety culture
- Debriefing – half session
LEADERSHIP & SAFETY CULTURE

382 senior leaders in L’Oréal trained
# EHS Line Management Training

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<td>Make it Happen</td>
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**Break**

Lunch
Antecedent \[\rightarrow\] Behaviour \[\rightarrow\] Consequences

**The ABC model**

**Consequences Drive Behaviour**
EHS Operations - Line management training

1216 line managers trained to end 2016
20 lost time accidents in April across the Group

Prevent Actions Handling Slips

For action: all sites including stores and line force employees
- Ensure that current safety action plans include Slips, Trips and Falls prevention and Manual Handling training.
- Ensure that these are being effectively and efficiently deployed.

We must never forget that when each accident statistic there are people and families. Thank you for your continued support.

Malcolm Staves

1. The number of lost time accidents in Sales & Stores, predominantly in North America, whilst Operations doubled their number of lost time accidents for the year in one month.

A severe accident where someone fell down 14 stairs whilst using the mobile phone will be further communicated through a SAC.


Number of Cumulative lost time Accidents (1)
(L’Oreal Group & temporary employees)

Operations MESUR rate: 591 (vs 592 in 04/2015) Objective: 550
Group training rate: 2.2 (vs 2.3 in 04/2015) Objective: 2.0
Group SFO rate: 243 (vs 252 in 04/2015)

World Safety Day Event in Clifty

The World Day for Safety and Health at Work is promoted each year by the United Nations and is always on the 28th April. All sites in L’Oreal were requested to organise relevant communications and activities around this day.

One key practice by our Clifty Campus, France involved the very relevant topic of diving safely.

The objective of the day was to highlight the importance and raise awareness of those kind of incidents that affect all parts of our lives, whether working, continuing to work or what of home outside of work. More than 500 employees participated in one or more of the 8 activities proposed, including a workshop by Clifty. This event was a follow on to the promotion made last year by Clifty when the focus was on slips, trips and falls as well as ergonomics.

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Group Health & Safety Director

Friday, 24th of April 2015

Prevention / Training / Participation /
Group EHS Governance

Network animation
Ergonomic Indicators
Vision & Objectives
Organisation for Ergonomics

Good practice: Identification & sharing
Focus: Work Groups
Risk Identification
Training & Awareness
4 FUNDAMENTALS FOR LINE MANAGERS

- Back straight
- No twisting
- Hands below the shoulder line
- Load against the body
NEXT STEPS – TRANSFORM EVERYONE INTO SAFETY AMBASSADORS

✓ Constructive Challenge

✓ Safe@Work, Safe@Home
CONSTRUCTIVE CHALLENGE

- Develop a “I am my brothers keeper mindset”
- Train people to challenge others in a positive way
- Engage staff in the deployment of the initiative
- Train lead people at all levels of the organisation
- A bottom up approach to safety
EXCELLENCE & BEYOND – SAFETY CULTURE v4.0

L’Oréal

Organisation & Strategy

Methods & Tools

All employees

Culture H&S

Family & friends

I’m Actor
Employee proactive participation is key and we can feel the safety commitment & passion from in their everyday interactions with each other.

Everyone is aware of and understands the dangers and risks around them. Expectations and actions are clear to all and we continually deliver a positive outcome.

Our people have the knowledge and capability to perform tasks the safe way every time. Leading safety is a natural instinctive discipline right across the business.

Employee proactive participation is key and we can feel the safety commitment & passion from in their everyday interactions with each other.

All management processes are aligned. Data and indicators are driving the right behaviours, interventions & learnings.
WHAT DID WE PRACTICALLY DO!

✓ H&S strategy - 5 year horizon strategy cascaded throughout organization
  ✓ Strategy to deploy safety outside of Operations – 2020 horizon

✓ Defined roles & responsibilities – across L’Oréal

✓ Published EHS Policy – link to Hummingbird

✓ New initiatives – TOP approach
  ✓ Training at all levels – at same time
  ✓ Fork Lift Truck pedestrian safety program
  ✓ Ergonomic Attitude program
  ✓ Management BBS program (MESUR) – developed in house
  ✓ Employee hazard reporting initiative (SIO)
  ✓ Visible Fundamentals – check list safety audit
  ✓ EHS Culture Audits
  ✓ Constructive Challenge

✓ Maintained EHS position as expert but added dimension of coach & mentor
WHAT DID WE PRACTICALLY DO!

- Development of a Group E&HS Management System
- H&S professionals to be externally certified – NEBOSH or equivalent
- Developed targeted training
  - Leadership and Safety Culture - Senior management – INSEAD/CEDEP
  - EHS Operations & Lab - Line Managers
  - EHS Expertise – EHS function
  - Ergonomics – 3 modules
  - Evolved safety communication & reporting
  - e-learning
- Defined L’Oréal's H&S Management System, drivers & expectations
- EHS Culture audit program – focus leadership & employee shop floor participation
- Developed bottom up hazard reporting program (SIO)
- Tracked MESUR, SIO & Safety training at Corporate level.
Thank you
Any questions