

EBC Seminar--March 23, 2007

Evolving Role of EHS Manager

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Presentation Objectives

To highlight Siemens Diagnostics examples of:

- Key drivers of today's EH&S priorities.
- Impact of business changes to EH&S.
- Successful business tools and applications.
- Measurements of success.

Healthcare Market

Globally, Healthcare is growing significantly.

At the same time, pressure from governments and insurers puts pressure on pricing of products and services.

Pressures on our business to perform extend to all areas, including EH&S.

This includes both the value added of EH&S services as well as cost of those services.

I Remember When...

Environmental, Health and Safety, and Medical were their own departments and were buried in the organization.

Premium was on functional expertise.

EH&S priorities were largely set by EH&S.

Greater demands meant more additions to EH&S staff.

Compliance was the overriding contribution to the organization.

You were lucky to have a computer.

But, times have changed...

Major Influencers of Change

Customer expectations:

- Cost effective products that do not harm their employees, patients or their compliance.
- Round-the-clock service from individuals who do not jeopardize their employees, patients or their compliance.
- 24/7 access to product information (MSDSs, package inserts).

Change in company owners and historical makeup:

- Corning, Ciba-Geigy, Gilford, Chiron, VGI
- Ames, Miles, Technicon, Revlon, Cooper, Bayer
- DPC, Siemens
- Puts pressure on change management, ability to adapt to changing priorities and integrating as one entity, quickly.

Major Influencers of Change

Management expectations:

- 100% compliance as a given.
- Application of EH&S skills and knowledge to benefit the business.
- Foresight and action to drive value.
- Efficiency of EH&S resources.

Information technology:

- Leverage for efficiencies (knowledge acquisition, reporting, data collection & trending, administrative support, communications).
- Raised expectations from employees.

Company Expectations

Siemens Diagnostics Expectations:

- Best in class for **OSHA-recordable injuries** (top 20% of medium size Responsible Care companies- 0.85 TRIR).
- Year to year 10% improvement of **lost work days away** (severity).
- Managing EH&S through a **management system** (OSAS 18000, ISO 14001).
- **Product stewardship** deliverables for new products:
 - Safe for customers and employees.
 - Minimal environmental impact.

Senior management scorecards include safety AND environmental deliverables.

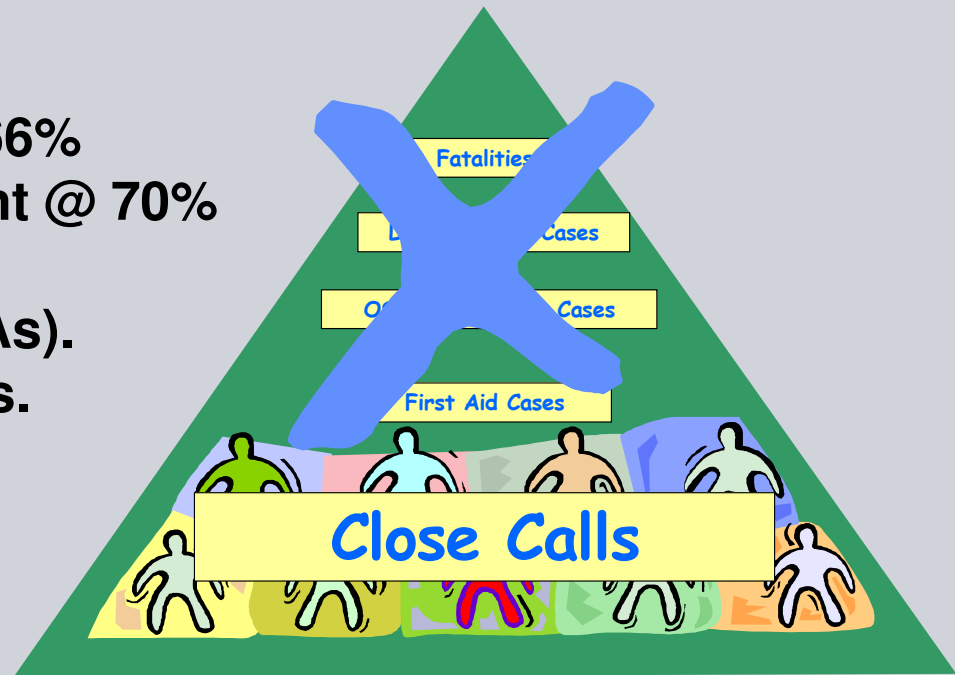
EH&S Manager- Leader

- Know the business, strategy, products and organization.
- Manage multiple functional disciplines- environmental, safety, IH, occupational health, wellness.
- Interact/network with senior management/executives as peers & partners.
- Bring strategies to the table to prevent problems and clear solutions for the few occasions when something goes wrong.
- Leader first; manage technical issues often with external resources.
- Communicate successes of a function that is in the business largely to prevent problems.

EH&S Manager- Communicator

YTD Performance:

- Participation is excellent @ 66%
- Corrective action involvement @ 70%
- Training participation >90%.
- 325 Job Safety Analysis (JSAs).
- 1006 behavioral observations.
- 58 internal audits.



# Close Calls	Closed (%)	Open (%)	Temp (%)
4050	3885 (96%)	155 (4%)	10 (<1%)

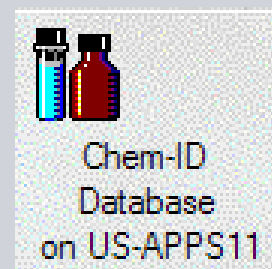
EH&S Manager- More Than Compliance

Solutions with Broader impact on business:

- **Wellness** offerings and education (flu shots, health fairs, bone density, blood screening, fitness centers).
- Reduction of **ergonomics** stressors.
- Job safety analysis & process **safety reviews** that identify EH&S as well as other (e.g. quality) issues.
- **Behavioral observations** to reinforce right way of doing activities and create stronger managers/employees of the future.
- Integrating solutions into **existing business tools** (e.g. documentation control, internal audits, business meetings).
- Integrate EH&S deliverables into **new product development** cycle to prevent product issues/create more responsible products.

Business Tools and Applications

- Close Call system- simple method for employees to report (and sometimes resolve) events that may have caused injury, illness, environmental or facility damage.
- One stop shopping for site EH&S resources (Skippy).
- Chem ID database- partnered with Quality to create chemical inventory, hazard summary and controls tool for employees.
- Audit database- uses business communications tool (Lotus Notes) to assure follow-through/closure on findings.



Results- Metrics/Scorecards



Environmental, Health and Safety 2007 Scorecard DRAFT

SHAREHOLDER	CUSTOMER
<ul style="list-style-type: none"> Continues Database Internal audits to Walpole, Edgewater, Cambridge & Norwood to assure no Business Interruptions from compliance. (KJ, TT, QWR) Support construction/move projects in N. Indiana and Walpole. (KJ, QWR) Achieve or better than HES budget. (KJ, GW, TT, DF, SG) Align O&D services with HR, Risk Management and EHS. (SG) Develop and document return to work program for US sites. (SG) Expand birthday wellness program to TTN and MSP. 	<ul style="list-style-type: none"> Pass SSHP effectiveness audits and certification for USB and Southbury. (GW, TT, DF, HR, KJ) Conduct gap analysis between SSHP and Siemens EMS management system. Support DC TSAs in TTN and USB. (DF, TMSG) Sustainability/MSRP: 7 EHS role vs. R&D Align EHS support with new organization structure. (KJ) Interface with IT to validate completeness of cloning and map-over for EHS databases. (QWR, SG, DF, TT, KJ)
LEADERSHIP	QUALITY
<ul style="list-style-type: none"> Achieve site targets for TR & LW. (KJ) Support regional management system implementation (DF, TMSK, KJ) Implement site-specific SSHP scorecard for all US sites. (KJ, TT, DF, HR, TL, SG, TMS) Participate in HES teambuilding session. (KJ, BE) Each employee to have development plan discussions with supervisor at least once per year. (KJ, GW, DF, HR, KJ, SG) 	<ul style="list-style-type: none"> Complete electrical safety compliance assessment for USB field and sites and improve training as needed. (TMS, DF, TT, GW) Update emergency preparedness and crisis communication plans. (QWR, TT, DF, KJ, SG) Conduct wellness program survey for defining future utilization. (SG) Update emergency preparedness and crisis communication plans. (QWR, TT, DF, KJ, SG) Conduct wellness program survey for defining future utilization. (SG) Timely & accurate submissions of key HES reports: Tier 9, TR9 Annual Hazwaste, Air emissions, Sasis and OSHA 300 logs. (DF, TT, TL, HR, SG, JK, GW)

Division level metrics- injuries, lost workdays.

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Function/SBU level metrics- injuries, lost workdays, SSHP effectiveness.

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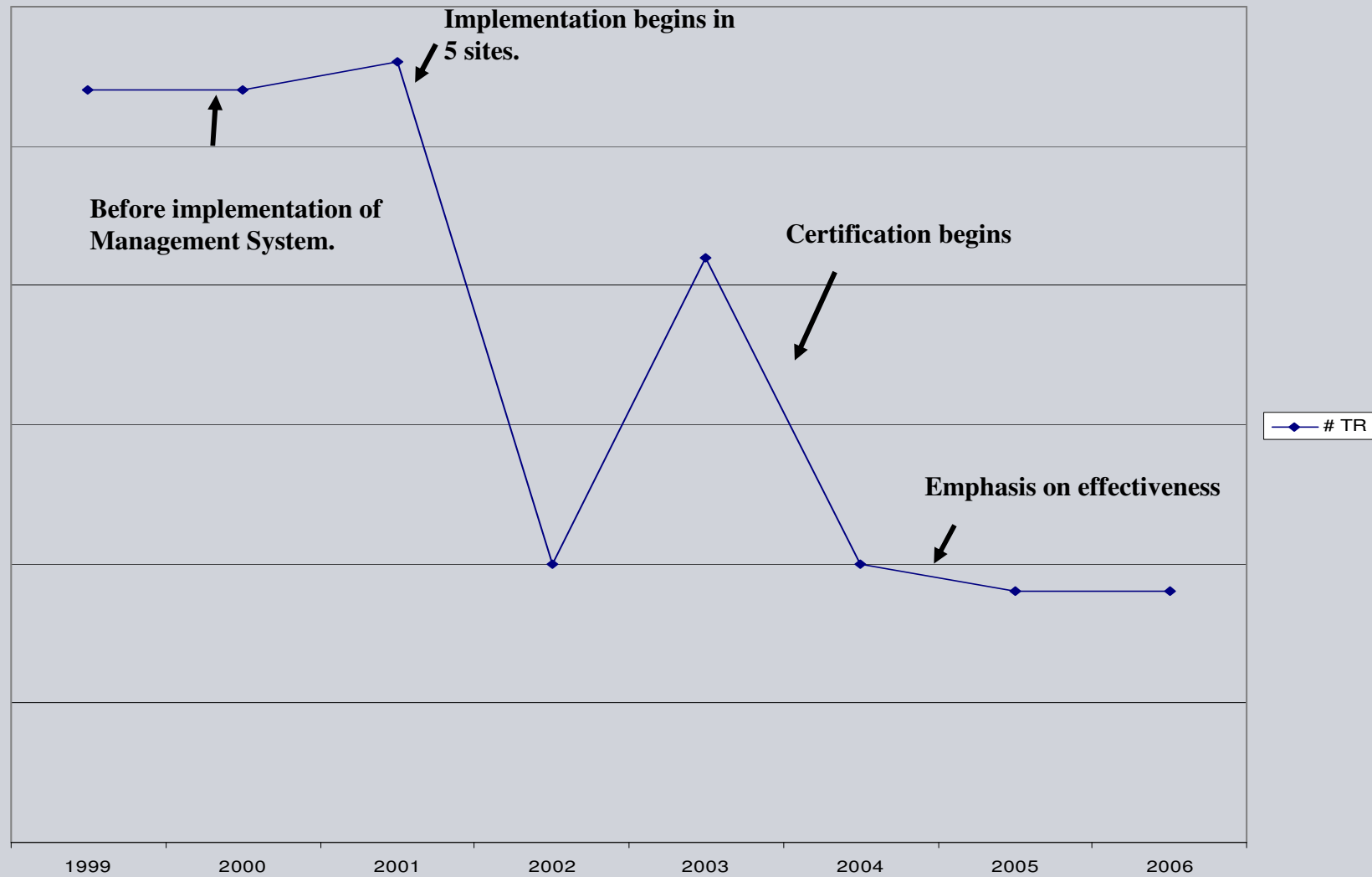
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Plant level metrics- injuries, lost workdays, SSHP effectiveness, SSHP site scorecard.

Results- Injury Reduction



Injuries at SSHP Sites



Affect on Culture

- Survey results against company Vision showed safety and environmental focus # 1 & 2 most favorable (90% favorable).
- Employees have been far more engaged in the prevention process than ever before (> 30,000 Close Calls, 1000's of behavioral observations and safety evaluations, 100's of internal audits).
- While results and activities have improved/increased, EH&S resources have been level or decreased.

Summary

Times have clearly changed for the EH&S Manager at Siemens Diagnostics:

- The EH&S Manager is truly a valued member of the business team.
- Both the expectations on performance and the breadth of EH&S responsibilities have increased.
- The impact on the professional growth on the EH&S Manager has benefited from this new role.