



Assessment of CSR Risks in WETAC Operations





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1. Purpose

This procedure describes how the environmental aspects evaluation should be completed in order to produce the Register of Significant CSR risks across the axes of health and safety, environmental, labour standards, ethics and business continuity

2. Responsibilities

The Management System Manager (MSM) is responsible for the overall co-ordination of the exercise. The CSR team is responsible for input into the CSR integrated risk register. The Management Representative (MR) is responsible for approval of the risk register.

3. Related Documents:

- WR-08 Register of Significant CSR Risks and Impacts
- WR-02 Register of Environmental Legal & Other Requirements
- WR-09 Improvement Programmes

4. Procedure:

4.1 Co-coordinating the CSR risks and impacts evaluation exercise

The MSM co-ordinates the process for evaluating the environmental aspects and for ensuring that it is reviewed and updated at least annually.

New CSR risks and impacts may arise as a result of significant changes or future planned developments in WETAC's activities. These will be identified and addressed through:

- Review during CSR Meetings Management Review Meetings
- CSR Auditing internally or externally

The MSM (with additional support if required) shall complete the exercise according to the instructions given below (section 4.2). Managers are expected to participate by providing information on request.

The results including full records of the process are recorded on the Register of Significant CSR risks and impacts spreadsheet (WR-08) and are shared with the CSR Team for review. Any amendments are made as agreed. The agreed register is then reviewed by the MR for approval.

All significant impacts are then either managed through operational control procedures or by setting objectives and targets to improve performance. The Register of Significant CSR risks and aspects provides a summary of the measures employed to manage each significant aspect.

Managers are responsible for ensuring that all employees are aware of the significant CSR aspects and impacts arising from activities in their department and are aware of the documented control procedures in place.

4.2. Methodology

4.2.1 Activity/Service Breakdown.

WETAC have been divided into a number of separate Business Areas in which specific activities are undertaken (the WETAC value chain). These are detailed on the register (WR-02). The MSM is responsible for keeping this up-to-date to reflect new activities or services.

4.2.2 Identifying the CSR Risks & Impacts of each activity/service.

Each activity/service is reviewed to identify the CSR risks and impacts. This covers:

- consideration of activities including normal, abnormal, potential emergencies as well as past, current and planned activities.
- identification of inputs and outputs of the activities
- defining the risk/impact of each activity (related to the inputs and outputs) and recording on the register.

Health and Safety

In the risk details box, information will be given regarding the nature of the risk along with a short description providing greater detail.

- Physical – e.g. air pressure, heat, working at height, electric shock
- Chemical – e.g. exposure to toxic chemicals as fumes, vapours, liquids
- Biological – e.g. exposure to infection biological or viral
- Ergonomic – e.g. stress, repetitive strain

Environment

In the impact details box, information will be given regarding the nature of the risk along with a short description providing greater detail.

- Air pollution – e.g. fugitive refrigerant emissions from air conditioning, transport, boiler combustion products
- Water and ground pollution – e.g. fire extinguishant run-off, battery acid disposal
- Resource depletion – e.g. use of natural resources in purchased products, water consumed
- Climate Change – e.g. use of transport fuels, use of electricity
- Waste production – e.g. used battery disposal, food waste production



Labour

In the risk details box, information will be given regarding the nature of the risk along with a short description providing greater detail.

- Eligibility to work – e.g. Age, legal ability to work
- Discrimination – e.g. vulnerable, disabled and minority workers, union membership, recruitment
- Disciplinary – e.g. use of stepped processes, management power
- Right to free association – e.g. participation in and interaction with trade union members
- Wages and compensation – e.g. social insurance, equal pay
- Recruitment – e.g. appropriate qualifications, certifications
- Training and competency – e.g. induction, WETAC values and standards, continuous professional development

Ethics

In the risk details box, information will be given regarding the nature of the risk along with a short description providing greater detail.

- Corruption and bribery risk – e.g. departments and activities which interface with stakeholders that could manipulate due process. Sales departments and those working with regulatory bodies
- Confidential Information –e.g. protection of staff records, ability to raise issues without fear of retaliation
- Intellectual Property – e.g. the creation and respect for intellectual property rights, transfer of technology and knowhow is respected
- Conflict minerals – e.g. the identification of products and services bought or sold that may contain conflict minerals of tin, tantalum, tungsten and gold

Business Continuity

In the risk details box, information will be given regarding the nature of the risk along with a short description providing greater detail.

- Business area - e.g. the depth and breadth of impacted areas of the organization through a business continuity risk
- Risk source - e.g. ICT, biological, fire, catastrophe, key man, key equipment
- Mitigation – e.g. any approaches of factors currently employed that could reduce the impact
- Recovery time – e.g. the expected recovery time and approach to recover

4.2.3 Scoring the CSR Risks and Impacts for Aspects Significance

A number of criteria have been chosen to help to prioritize the various environmental aspects and impacts identified.

Universal to all of the CSR axes is legal which requires a Yes or No answer.

| | |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| Legal | Is this aspect under consideration subject to any CSR legislation or other requirements? (refer to WR-02 Register of Legal & Other Requirements) |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------|

| Criterion | Guidance on Scoring | |
|--------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------------------------|
| Frequency of activity What is the frequency of the risk/ impact occurring (without control measures in place)? | 1 | None or negligible, extremely unlikely |
| | 2 | Relatively few |
| | 3 | Occasional |
| | 4 | Repeated, regularly |
| | 5 | Almost inevitable. Constant |

Health and safety

| Criterion | Guidance on Scoring | |
|------------------------------------------------------------------------------------------------|---------------------|------------------------------------------------------------------------------------------------------------|
| Magnitude What would be magnitude of the actual or potential health and safety risk? | 1 | None or negligible health impact or injury not serious enough to require first aid but requiring reporting |
| | 2 | Minor – Potential to require on-site first aid but without lost time from work |
| | 3 | Moderate – Potential for a lost time injury or illness (but without permanent impacts) |
| | 4 | Major – potential for long term injury or illness with permanent disability or life-changing impacts |
| | 5 | Severe – potential fatality through acute or chronic exposure |

Environment

| Criterion | Guidance on Scoring | |
|----------------------------------------------------------------------------------------------|---------------------|---------------------------------------------------------------------------------------|
| Magnitude What would be magnitude of the actual or potential environmental impact? | 1 | None or negligible, affects few and small area, reversible, undetectable |
| | 2 | Reversible, local, short tem, small hazard, low eco-system toxicity |
| | 3 | Medium term, medium range, potentially reversible, medium eco-system |
| | 4 | Medium/long term, medium/high eco-system toxicity, not reversible but |
| | 5 | Global, long term, irreversible, major hazard, high eco-system toxicity, unmanageable |

Labour

| Criterion | Guidance on Scoring | |
|--------------------------------------------------------------------------------|---------------------|-------------------------------------------------------------------------------------------------------------------|
| Magnitude What would be magnitude of the actual or potential impact? | 1 | No or negligible impact on the employment of staff or willingness to perform tasks require by the company |
| | 2 | Omission or risk that could cause internal disharmony |
| | 3 | Reasonable expectation that failure would lead to legal action which could result in financial or other penalties |

Ethics

| Criterion | Guidance on Scoring | |
|--------------------------------------------------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Magnitude What would be magnitude of the actual or potential impact? | 1 | No or negligible impact on staff or the company in terms of engagement with external stakeholders |
| | 2 | Area of policy or practice that a customer could be reasonably expected to interrogate during an audit |
| | 3 | Reasonable expectation that failure would lead to legal action which could result in financial or other penalties, potential to cause the cessation or scaling back of business activities with customers |

Business Continuity

| Criterion | Guidance on Scoring | |
|--------------------------------------------------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Magnitude What would be magnitude of the actual or potential impact? | 1 | No or negligible impact on the company operation, the ability to recover within 24 hours back to normal operations |
| | 2 | A significant impact on company operation which would require senior management attention, recovery time would be in excess of 24 hours, poses a risk to the delivery of customer orders |
| | 3 | Reasonable expectation that failure would lead to legal action which could result in financial or other penalties, potential to cause the cessation or scaling back of business activities with customers |

4.2.5 Calculating the Final Score

The register has been set up to automatically calculate the overall significance score as follows:
(Frequency of Activity x Severity of Impact)

4.2.6 Decide which impacts are significant

The significance of CSR risks and impacts is defined in order to decide which will need to be controlled or improved.

An impact is **deemed significant** if it has either;

- A score of 15 or more on health and safety and environment areas
- A score of 8 or more on labour, ethics and business continuity
- A YES to legal requirements

4.2.7 Completing the register

The MSM compiles a summary of the CSR risks and sends it to the MR for approval.

4.3 Communication

The MSM is responsible for communicating the agreed significant risks and impacts internally across the organization including posting a copy on the intranet.

- 4.4** The significant risks and impacts shall then be used to focus the direction and delivery of the CSR Management system and in the setting of policy, operational controls or Improvement Programmes (WR-09).