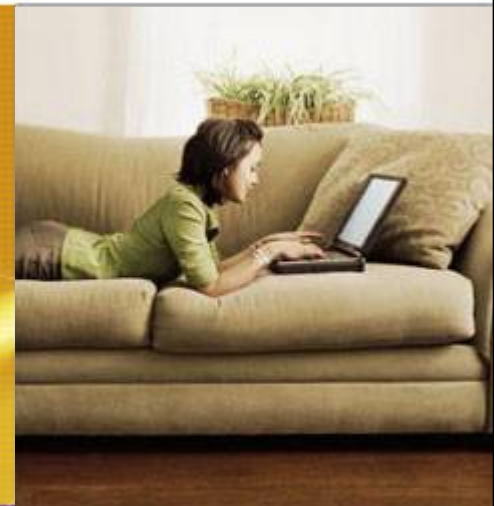


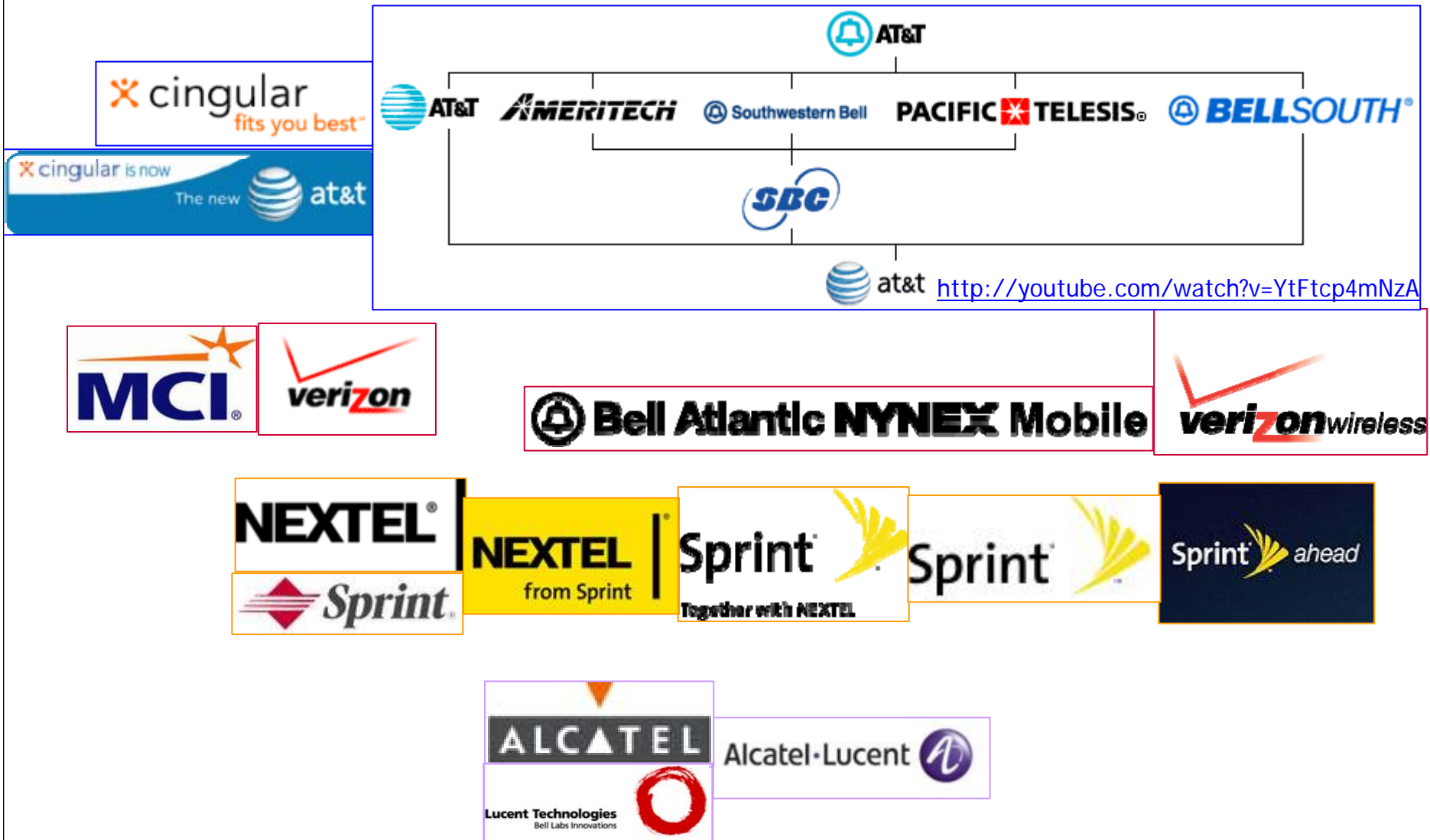
A Global EHS Risk Assessment Model for a Newly-Merged Telecoms Company



Tom Finley

September, 2007

Mergers "R" Us



Alcatel-Lucent Merger

EHS Risk X?

~80,000 Employees

130 Countries

(Revenues nearly evenly distributed across regions)

HQ in Paris

EHS Risk *A*

EHS Risk *B*

~50,000 Employees

Mainly Europe, South America, Asia

HQ in Paris

~30,000 Employees

Mainly North America

HQ in USA

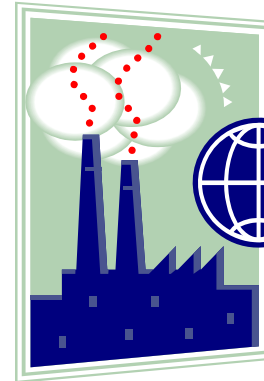
Alcatel-Lucent Compliance

Chief Compliance Officer and Compliance Council (CC) created upon merger

Compliance Council addresses all compliance related issues (e.g., financial, anti-trust, global trade, employee matters, data privacy, EHS etc.)

CC required **Global Risk Assessment** in 19 compliance areas

3 months to complete task and report to CC

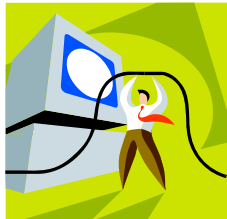


EHS Approach to Global Risk Assessment

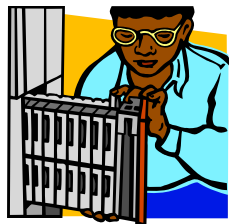


Early decision that EHS Risk Assessments needs to be separate for:

- Facilities (e.g., types of operations, emissions, permits, underground storage tanks, etc.)
- Products (e.g., conformance with RoHS, WEEE, ANSI, IEEE, banned substances, etc.)
- Services (e.g., risks would be “activity-based,” such as electrical work, working at heights, outdoor work, etc.)



Initial Risk Assessment could not be conducted as onsite audits, due to time constraints and overall scope.



Would need to identify and survey employees with the appropriate knowledge of products, facilities, and Services activities.

"Services" EHS Risk Assessment

"Services" at former Lucent:

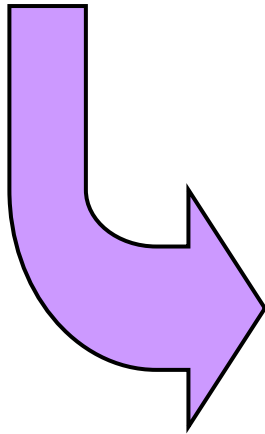
A stand alone business group

Included installation, engineering maintenance, systems integration, warranty, government installations, etc.

"Services" at former Alcatel:

Part of multiple business groups

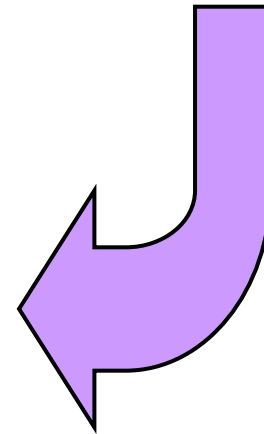
Included installation, engineering, maintenance, systems integration (probably more)



The "1 word description" of the organization (e.g., engineering) is less important than:

What specific tasks/activities do we conduct?

Tasks link to specific EHS Risks.



"Services" Questionnaire would be *Task/Activity* Based!

Challenges to Conducting Risk Assessment Questionnaire

Developing tool that is easy for the end user to complete.

Asking minimal amount of information needed to accomplish goal.

Avoiding ambiguous or confusing questions.

Ensuring that responses could be clearly understood.

Identifying method of distribution, including individuals that would complete the tool.

Handling the volume of responses.



Ensuring we don't need to repeat the process to gather additional information.

Ensuring we don't receive multiple responses for the same facility or activities.

Recognition of and sensitivity to organizational and regional cultures.

Ensuring EHS community obtains information needed at this early stage of the merger.

Ensuring results could be combined with Product/Facilities results for overall EHS results.

Activity-Based Questionnaire Format: Routine Activities

Microsoft Excel - Field Services Activities Review_EUSO_Final.xls

	A	B	C	D	E
1		Please Enter Approximate Services Population Conducting Each Activity in Country, Country Cluster, or Area	Please Enter Approximate Services Population Conducting Each Activity in Country, Country Cluster, or Area	Please Enter Approximate Services Population Conducting Each Activity in Country, Country Cluster, or Area	Please Enter Approximate Services Population Conducting Each Activity in Country, Country Cluster, or Area
2	Activities	EUSO-Argentina	EUSO-Brazil	EUSO-Chile	EUSO-Colombia
5	Battery Installing, Servicing or Removal				
6	Chemical Usage				
7	Crane Usage				
8	Electrical Work (50 volts or greater)				
9	Framing / Ironwork Installation or De-installation				
10	Motor Vehicle Driving				
11	Off-Road Driving				
12	Noisy Environments				
13	Outdoor Work				
14	Powered Industrial Vehicles				
15	Respirator Usage				
16	Supervising Installation Activities at Job Sites				
17	Work in Area Near Transmitting Antennas				
18	Work in Ionizing Radiation Source Areas				
19	Work With Laser Containing Apparatus				
20	Working Alone				
21	<i>For the activities listed below, please also provide a brief description of the controls in place to minimize the inherent EHS risk of that activity (describe the controls in the cell beneath the number conducting that activity)</i>				

Cell B6 commented by Tom Finley

Activity-Based Questionnaire Format: Higher-Risk Activities

The screenshot shows an Excel spreadsheet with the following structure:

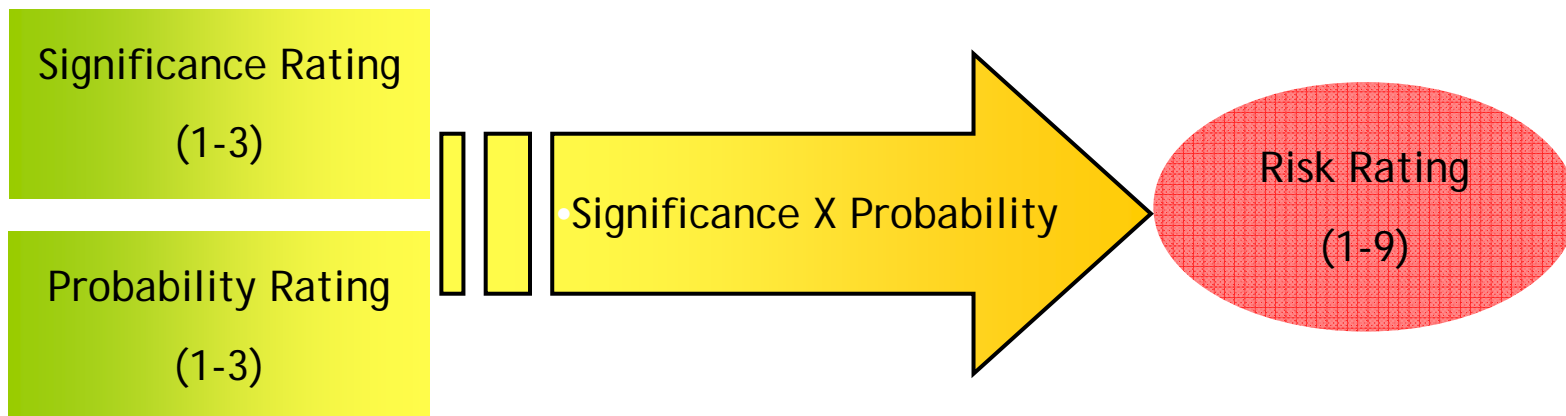
	A	B	C	D	E
1		Please Enter Approximate Services Population Conducting Each Activity in Country, Country Cluster, or Area	Please Enter Approximate Services Population Conducting Each Activity in Country, Country Cluster, or Area	Please Enter Approximate Services Population Conducting Each Activity in Country, Country Cluster, or Area	Please Enter Approximate Services Population Conducting Each Activity in Country, Country Cluster, or Area
2	Activities	EUSO-Argentina	EUSO-Brazil	EUSO-Chile	EUSO-Colombia
21	<i>For the activities listed below, please also provide a brief description of the controls in place to minimize the inherent EHS risk of that activity (describe the controls in the cell beneath the number conducting that activity).</i>				
22	Confined Space Entry				
23					
24	Contractors (under Alcatel-Lucent Supervision) Used for Installation or Construction Activities				
25					
26	Excavation or Trenching				
27					
28	Pole Climbing/ Line Work				
29					
30	Railway or Motorway Area Work				
31					
32	Roof Top Work				
33					
34	Ships or Submarine Work				
35					
36	Tower Climbing				
37					

A comment box is visible over cell B25 with the text: **Tom Finley:** Briefly describe the controls in place to minimize the inherent EHS risk of this activity.

Questionnaire Analysis

(Significance) X (Probability of Occurrence) = Risk Rating

- Significance (i.e., inherent hazard) was pre-determined by EHS professionals and is unchanged.
- Probability of occurrence is affected by:
 - Number of employees conducting task (survey question)
 - Controls in place (survey question)



Example Exercise

	How Many Employees Conduct the Following Activities?	Significance Rating \times	Probability Rating $=$	Risk Rating
Tower Climbing				
Noisy Environments				



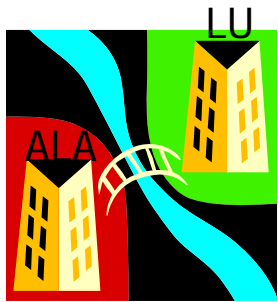
Significance Ratings:

- 3= Highest Significance
- 2=Medium Significance
- 1=Lowest Significance

Probability Ratings:

- 3= Highest Probability
- 2=Medium Probability
- 1=Lowest Probability

Positive Outcomes from New Risk Assessment Process



No paradigms: Conducted with the premise that “everything has changed due to merger, thus our EHS priorities should change”

Part of overall company Compliance Council process--Not a stand-alone EHS process that we must drive.

Results are now tracked as part of high-level company compliance mitigation plan.



The process expedited critical partnerships with “new” EHS network and “new” line management.

Set the foundation for individual EHS workplans and objectives/targets for the overall company, business groups, regions, and countries.



Met the needs of both the Compliance Council organization and many locations and business groups, for which risk assessment/analysis of environmental aspects and safety/health hazards is required (e.g., VPP, ISO 14001, OHSAS 18001)

Thank You... Any Questions?

