

2018

Risk & Hazard Management Policy



Md. Lutful Kabir

Pioneer Knitwears (BD) Ltd.

1/1/2018



PIONEER KNITWEARS (BD) LTD.

HAZARD & RISK MANAGEMENT POLICY & PROCEDURE

PC/2/032
Revision-00

POLICY AND PROCEDURE APPROVAL COVER SHEET

POLICY NAME : Hazard & Risk Management Policy & Procedure

Existing Policy Number : PC/2/032
Revision : 00
Effected Date : 20-06-2017

Policy Owner : Md. Lutful Kabir

New Revision Reaffirmed
(No change or only Minor Edits) Rescinded

POLICY RATIONAL (Provide a brief explanation of why this policy or proposed changes are necessary)

BRIEF SUMMARY of new policy or revisions to an existing policy, results of reaffirmation, or reason for rescinding an existing policy (if additional space is needed, please use a second sheet) :

Grievance Procedure, Grievance Committee, Grievance format.

POLICY AND PROCEDURE APPROVAL PROCESS DATES

POLICY OWNER:

I certify that the policy has been drafted and vetted within unit and other constituent groups.

Md. Lutful Kabir

In-Charge (Admin, HR & Compliance)

Name, Title

Signature

Date

MANAGEMENT REVIEW :

Policy Owner contacts the Manager (Admin, HR & Compliance) to schedule the policy for review by the Management Review Meeting. The policy owner must email the draft policy to the Manager (Admin, HR & Compliance) at least two weeks prior to the policy appearing before them at a review meeting.

Management Review Meeting Date : _____

Authorization :

Name & Desig. : _____ Signature : _____

REVIEW & APPROVAL :

After the policy owner integrates the Meeting's feedback, the policy is presented to the Managing Director/Director for review and approval.

Approved: _____ Signature  Date _____

Next Review Date :

COMMUNICATION / IMPLEMENTATION PLAN

Specify the activities that will be undertaken to communicate and implement the new policy or policy changes, including who is responsible for each activity.

1. INTRODUCTION

Risk means the chance, high or low, that somebody will be harmed by the hazard. Risk is measured in terms of consequences and likelihood.

Risk assessment by the overall process of risk analysis and evaluation

Risk management refers to the processes and structures that are directed towards the effective management of the potential opportunities and adverse effects.

Hazard means anything that can cause harm to workers.

2. MANAGEMENT COMMITMENT

Pioneer Knitwears (BD) Ltd is committed to assure the health and safety of all people at the workplace.

3. LAW REFERENCE

This policy is reference to Bangladesh Labor Law 2006 (amendment 2013) of section 5, 6 & 7 and Bangladesh labor rules 2015.

3. DEFINITIONS

Hazard: any situation, thing or condition that may expose a person to risk of injury or occupational disease.¹

Anything (e.g. condition, situation, practice, behavior) that has the potential to cause harm, including injury, disease, death, environmental, property and equipment damage. A hazard can be a thing or situation.²

Hazard Assessment: the process followed to identify, assess, and eliminate or manage workplace hazards and risks to worker health and safety.

Hazard Identification: This is the process of examining each work area and work task for the purpose of identifying all the hazards which are “inherent in the job”. This process is about finding what could cause harm in work task or area.

Personal Protective Equipment (PPE): Any clothing, device, or other article intended for use by a worker to prevent injury or to facilitate rescue.

Recommendation: a proposal for an appropriate course of action.

Record: a document that states results achieved or provides evidence of activities performed.

Risk: the chance or probability of a person getting harmed, or experiencing an adverse health effect if exposed to a Hazard.¹

The likelihood, or possibility, that harm (injury, illness, death, damage etc) may occur from exposure to a hazard.²

Risk Assessment: Is defined as the process of assessing the risks associated with each of the hazards identified so the nature of the risk can be understood. This includes the nature of the harm that may result from the hazard, the severity of that harm and the likelihood of this occurring.

Risk Control: means taking action to eliminate health and safety risks so far as is reasonably practicable, and if that is not possible, minimising the risks so far as is reasonably practicable. Eliminating a hazard will also eliminate any risks associated with that hazard.

Monitoring and Review: This involves ongoing monitoring of the hazards identified, risks assessed and risk control processes and reviewing them to make sure they are working effectively.

4. HAZARD

The hazard assessment process involves two main hazard types: Safety hazards and Health hazards.

Safety hazards include any hazard that can cause an injury or disease to the worker in the position or to another worker in another position; it could also cause damage.

Health hazards are more difficult to pin point as they usually take longer to develop into an injury or disease, or cause damage. Hazards are broken down into four main categories: physical, chemical, biological, and psychosocial (also known as psychological). Each category has multiple hazards. Below is a non-exhaustive list.

4.1 Physical

- a) Repetitive movements, lifting heavy loads, awkward postures, static positioning, vibrations, slips and trips extremes and poor conditions (icy roads, landslides), violence (including self-harm and violence from other workers), noise, minimal or poor lighting, sharp equipment, working around large machinery or equipment which moves, falling objects or projectiles, poorly designed or crowded workstations, confined spaces, animals and wildlife, suspended objects, and working alone.
- b) Example: Hearing loss can result from working around loud equipment without proper hearing protection.

4.2 Chemical

- a) Wastes and byproducts, vapours, odours, gasoline, drugs and alcohol, corrosives, fumes, gases, cleaners, solvents, acids, heavy metals (mercury, arsenic, lead), and carcinogens.
- b) Example: Vapours from gases or fumes from metals can cause respiratory problems without proper respiratory protection.

4.3 Biological

- a) Human sewage, human fluids or medical waste, moulds and mildews, animal droppings or fluids, insects, bacteria (cholera), viruses (including flu, measles), poisonous plants, allergens, parasites, and fungi.
- b) Example: Factory workers can contract a virus or disease by coming into contact with contaminated chemical, when not wearing correct PPE or following safe work practices.

4.4 Psychosocial

- a) Odd hours, shift work or overtime, poor job fit, stress, inability to control work schedule/pacing or load, increased fatigue, bullying, harassment (sexual, physical, or verbal), menial tasks, emotionally draining work, intimidation, or other social structure problems (perceived unfairness, excessive persistent criticism, discrimination).
- b) Example: Traumatic experiences can lead to fatigue, stress, depression, inability to concentrate, and illness.

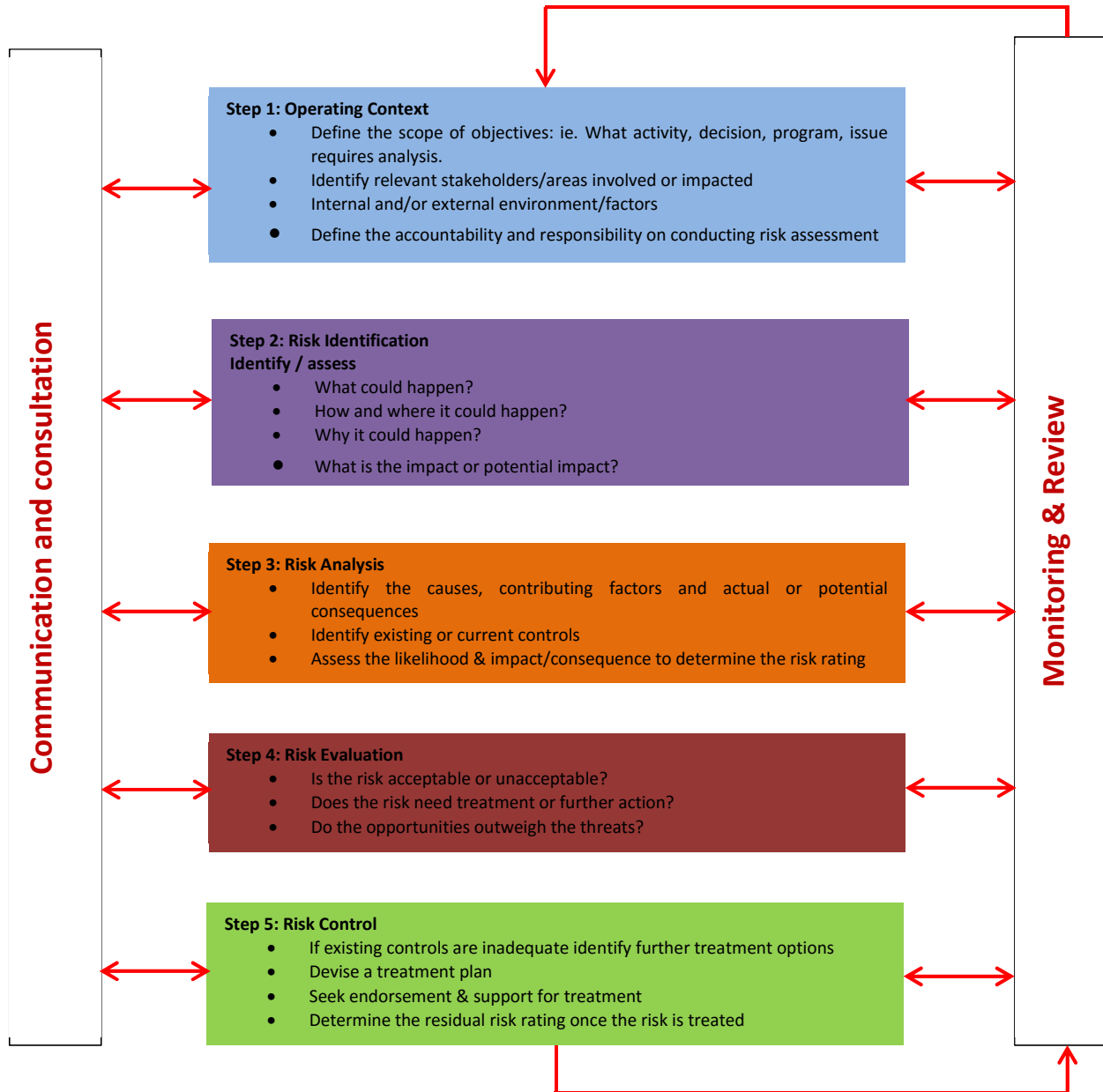
5. Examples of common hazards

Hazard	Potential harm
Manual tasks	Overexertion or repetitive movement can cause muscular strain
Gravity	Falling objects, falls, slips and trips of people can cause fractures, bruises, lacerations, dislocations, concussion, permanent injuries or death.
Electricity	Potential ignition source. Exposure to live electrical wires can cause shock, burns or death from electrocution
Machinery and equipment	Being hit by moving vehicles, or being caught by moving parts of machinery can cause fractures, bruises, lacerations, dislocations, permanent injuries or death
Hazardous chemicals	Chemicals (such as acids, hydrocarbons, heavy metals) and dusts (such as asbestos and silica) can cause respiratory illnesses, cancers or dermatitis
Extreme temperatures	Heat can cause burns, heat stroke or fatigue Cold can cause hypothermia or frost bite
Noise	Exposure to loud noise can cause permanent hearing damage
Radiation	Ultra violet, welding arc flashes, micro waves and lasers can cause burns, cancer or blindness.
Biological	Micro-organisms can cause hepatitis, legionnaires' disease, Q fever, HIV/AIDS or allergies
Psychosocial hazards	Effects of work-related stress, bullying, violence and work-related fatigue

6. The Risk Management Steps

There are five steps involved in preparing a risk assessment for this organization or set of operating processes.

The Risk Management Steps include:



Communication & consult: at all stages of the process

- Ensure those responsible for managing risk, and those with vested interests, understand the basis on which decisions are made, why particular treatment options are selected or why risk are accepted/tolerated

Monitor & review: Continually check

- Effectiveness of risk controls and/or treatments
- Changes in context or circumstances, and
- Document & report this activity accordingly

7. SCOPE & OBJECTIVE

This policy establishes the process for management of risks faced by Pioneer Knitwears (BD) Ltd, Pioneer Knitwears (BD) Ltd Section-2 & Pioneer Knitwears (BD) Ltd Section-2. This policy is applicable to all functions and departments of the company.

The objective of this policy is to manage the risks involved in all activities of the company to maximize opportunities and minimize adversity. This policy is intended to assist in decision making processes that will minimize potential losses, improve the management uncertainty and the approach to new opportunities, thereby helping the company to achieve its objectives.

The key objectives of this policy are:

- ✓ Safeguard the company property, environment, working environment, and interest of all stakeholders.
- ✓ Embed the management of risk as an integral part of business processes.
- ✓ Establish an effective system of risk identification, analysis, evaluation and treatment within all areas and all levels.
- ✓ Make informed decisions
- ✓ To create awareness among the employees to assess risks on a continuous basis & develop risk mitigation plans in the interest of the company.
- ✓ Have increased confidence in achieving its goals

8. WHEN SHOULD A RISK MANAGEMENT APPROACH BE USED

Managing work health and safety risks is an ongoing process that is triggered when any changes affect your work activities. We should work through the steps in this Code when:

- ✓ starting a new business or purchasing a business
- ✓ changing work practices, procedures or the work environment
- ✓ purchasing new or used equipment or using new substances
- ✓ planning to improve productivity or reduce costs
- ✓ new information about workplace risks becomes available
- ✓ responding to workplace incidents (even if they have caused no injury)
- ✓ responding to concerns raised by workers, health and safety representatives or others at the workplace
- ✓ required by the H&S regulations for specific hazards

It is also important to use the risk management approach when designing and planning products, processes or places used for work, because it is often easier and more effective to eliminate hazards before they are introduced into a workplace by incorporating safety features at the design stage.

9. RESPONSIBILITIES

Every employee of the company is responsible for effective management of risks including the identification of potential risks. The management is responsible for the development of risk mitigation plans and the implementation of risk mitigation strategies. Head-Compliance is responsible for overall monitoring of the risk assessment & management of the company. For the purpose of risk management, he has been designated as 'Chief Risk Officer' (CRO).

CRO is accountable for ensuring that a risk management system is established, implemented and maintained in accordance with this policy.

10. CONTEXTS

PKBDL requires that the following key organizational risks be considered within the context of the internal and external environment and taking into internal and external stakeholders:

- Governance
- Business continuity, including succession planning
- Business
- Financial
- Regulatory
- Technology
- Human resources
- Stakeholder.

11. RISK IDENTIFICATION

This would envisage identification of the potential list of events/perils/risks/factors that could have an adverse impact on the achievement of business objectives.

- Risk identification involves identifying sources of risk, areas of impact, events and their cause and consequences. Put into a **Risk Assessment Form (Form Number-EF-PK-015) (Annexure-2)**
- Accepted risks are recorded and put into a **Risk Register (Annexure-3)**
- Identify root causes for each identified risk
- Risk analysis is examine each identified risk to refine the description of the risk, isolate the cause, determine the effects and aid in setting risk mitigation priorities. **(Risk Matrix) (Annexure-1)**
- Risks Mitigation Planning is address each risk with action items and due dates.
- CRO meets regularly (every month) to assess risks and add new risk items, if necessary.
- Risks are closed when all the actions to close the risk have been taken. Some risk items are closed quickly; others are open for a long time. Some are considered watch items and the action plan doesn't kick in until certain negative events happen.
- Closed risks remain in the recorded for future learning.

Risks can be identified under the following broad categories.

A. BUSINESS OPERATIONAL RISKS

1) **Business Dynamics:** These include:-

- Organization and management risks
- Production, process and productivity risks
- Business interruption risks consisting internal and external factors

2) **Market Risks / Industry Risks:** These include:

- Raw material availability and movement of rates
- Demand and Supply Risks
- Quantities, Qualities, Suppliers and lead time
- Competition
- Increase in commercial costs

3) **Disaster Risks:** Natural risks like Fire, Earthquakes, etc.

B. FINANCIAL RISKS

1) **Liquidity Risks:** These include:

- Financial solvency and liquidity risks
- Cash management risks

2) **Credit Risks:** These include risks in settlement of dues by suppliers/buyers

C. OTHER RISKS

1) **Human Resource Risks:**

- Labour Turnover Risks, involving replacement risks, training risks, skill risks, etc.
- Unrest Risks due to Strikes and Lockouts.

2) Health & Safety Risks:

- Physical work environment risk, such as workspace, lighting and ventilation
- Facilities for workers, including toilets, drinking water, washing and dining areas, change rooms, personal storage and shelter.
- Remote and isolated work, and
- Emergency plans. Etc

3) Environmental Risks:

- Hazardous chemical risk
- Air pollution
- Noise level risk

4) Disaster Risks: Natural risks like Fire, Earthquakes, etc.

12. RISK ANALYSE & EVALUATE

This is the determination of existing controls and the analysis of risks in terms of the consequence and likelihood in the context of those controls. The analysis is considering the range of potential consequences and whether these consequences are likely to occur. Consequence and likelihood are reviewed to produce an estimate of the level of risk.

Risk analysis generally involves the assignment of an overall risk rating to each of the risk events identified by following these steps:

- a) **Analyse inherent risk** - What is the likelihood and consequence of a risk event if it were to occur in an uncontrolled environment?
- b) **Identify and evaluate controls** - What existing controls are in place to address the identified risk and how effective are these controls in design and operation?
- c) **Analyse residual risk** - What is the likelihood and consequence of a risk event if it were to occur in the current control environment?

13. Assessment criteria

Assessing risks assists in identifying, analysing and prioritising key business risks. It helps validate and prioritise key risks to monitor and it highlights any opportunities for improvements to current activities used as controls in the business. A risk assessment provides insight to significant inherent risks from a practice perspective and links these to a company's objectives, strategies and business processes.

We have developed the Assessment Criteria by which all risks will be assessed.

LIKELIHOOD

RATING	DESCRIPTION	PROBABILITY	FREQUENCY
1. RARE	Will only occur in exceptional circumstances	<10%	Event has not happened in the past. Unlikely could happen within 5 years.
2. UNLIKELY	Could occur at some time	10-25%	Event has not happened in the past. Could happen within 5 years.
3. POSSIBLE	Might occur at some time	25-50%	Event has not happened in the past. Could happen within 4 years.
4. LIKELY	Will probably occur in most circumstances	50-75%	Event has occurred infrequently. Likely within 2 years.
5. ALMOST CERTAIN	Is expected to occur in most circumstances	>75%	Event has occurred frequently. Likely within 1 year.

CONSEQUENCE

RATING	DESCRIPTION
1. INSIGNIFICANT	Impact not visible
2. MINOR	Some impact that is easily remedied
3. MODERATE	Some impact that is requiring treatment or lost time
4. MAJOR	Serious impact that is requiring special treatment
5. CRITICAL	Extreme impact could shut down practice.

RATING/GRADING

RATING	DEGREE OF RISK
VERY HIGH	Intolerable
HIGH	Generally Unacceptable
MEDIUM	Significant
LOW	Tolerable
VERY LOW	Trivial

See the Risk Assessment Matrix-Annexure-1

14. Inherent and Residual Risks:

Risks are assessed before and after the current control activities. The assessment of risks at the inherent level (before considering the current control activities) facilitates prioritization of risks. The assessment of risks at the residual level (risk that remains after considering control activities) helps determine whether the current risk level is acceptable or requires further mitigation plan. All risks are assessed at the inherent and residual levels.

Risks should be reduced to the lowest reasonably practicable level by taking preventative measures, in order of priority. The table below sets out an ideal order to follow when planning to reduce risk from construction activities. Consider the headings in the order shown, do not simply jump to the easiest control measure to implement.

In the table below:

1. List below the hazards/risks will identify in Step One.
2. Rate their risk level (refer to information contained in Step Two to assist with this)
3. Detail the control measures it will implement to eliminate or minimize the risk.

15. Hierarchy of Control

Elimination	Remove the hazard completely from the workplace or activity
Substitution	Replace a hazard with a less dangerous one (e.g. a less hazardous chemical)
Redesign	Making a machine or work process safer (e.g. raise a bench to reduce bending)
Isolation	Separate people from the hazard (e.g. safety barrier)
Administration	Putting rules, signage or training in place to make a workplace safer (e.g. induction training, highlighting trip hazards)
PPE	Protective clothing and equipment (e.g. gloves, hats)

16. RISK CONTROL

For high priority risks, the CRO with the help of Compliance Head and management will develop and implement specific risk management/mitigation plans. Low priority risks may be accepted and monitored. The CRO will evaluate avoiding risk or eliminating or radically reducing the risk by considering alternatives to current or proposed activities. The CRO should ensure approval of the control measures to be initiated against the identified risks from the designated personnel after analyzing cost v/s benefits.

17. MONITOR & REVIEW

This is the oversight and review of the risk management system and any changes that might affect it. Monitoring and reviewing occurs concurrently throughout the risk management process.

- ✓ The CRO is responsible for overall monitoring of the risk management processes.
- ✓ To support the CRO, every business function/department will depute a manager not below a **Manager** level to ensure compliance to this policy, timely identification of risks and development of risk mitigation plan, along with the concerned personnel.

18. COMMUNICATION & CONSULTATION

Appropriate communication and consultation with internal and external stakeholders will occur at each stage of the risk management process as well as on the process as a whole.

19. REPORTING

Quarterly reporting of risks, their exposure and the risks mitigation plan devised by the Company will be presented to the Compliance Head. The responsibility of compilation of report is entrusted with the CRO. The Compliance Head will submit monthly report on the compliance of the risk assessment & management policy to the Managing Director/Director.

20. TRAINING

The CRO will identify the need for imparting training to all dept Head/Manager as well as other key personnel in the organization who are involved in the process of risk identification, classification, review, compilation of risk mitigation plan, etc. The training budget should be prepared at the beginning of the year and should be approved by the appropriate authority.

21. RETENTION OF DOCUMENTS

Risk Management Plans, Risk Matrix or Risk Mitigation Plans shall be retained by the Company for a minimum period of five years.

22. KEEPING RECORDS

Keeping records of the risk management process demonstrates potential compliance with the H&S Act and Regulations. It also helps when undertaking subsequent risk assessments.

Keeping records of the risk management process has the following benefits. It:

- allows to demonstrate how decisions about controlling risks were made
- assists in targeting training at key hazards
- relevant training records
- the identified hazards, assessed risks and chosen control measures (including any hazard checklists, worksheets and assessment tools used in working through the risk management process)
- any plans for changes

There are specific record-keeping requirements in the H&S Regulations for some hazards, such as hazardous chemicals. If such hazards have been identified at workplace, must keep the relevant records for the time specified.

Should ensure that everyone in workplace is aware of record-keeping requirements, including which records are accessible and where they are kept.

23. RISK REGISTER

The Risk Register is the key in the risk management process. It systematically records and considers all of the risk identified in a structured fashion and ensures that they are dealt with. Each hazard is considered as 4 steps:

- The identification of the hazard
- Assessing the probability of it occurring and its impact if it did
- Managing the risk identified
- Allocating responsibility and action

Risk = Probability x Impact

Provide the Risk Register is shown in the following table:

Probability (P)		IMPACT (can be amended to suit contract circumstance)	IMPACT (I)		Calculated Risk R=PxI	Degree of Risk	Suggested Action
Almost Certain >75%	5	> 10 weeks added to planned completion date	Very high	5	17 to 25	Very High (VH)	Eliminate, avoid, implement specific action plans/procedures to manage
Likely 50-75%	4	> 4 weeks added to planned completion date	High	4	13 to 16	High (H)	Proactive manage
Possible 25-50%	3	> 4 weeks<1 wk added to planned completion date	Medium	3	9 to 12	Medium (M)	Actively manage
Unlikely 10-25%	2	1 to 4 weeks on activity: no change to planned completion date	Low	2	5 to 8	Low (L)	Monitor and manage by routine procedures
Rare <10%	1	<1 week to activity: no change to planned completion date	Very Low	1	1 to 4	Very Low (VL)	Managed by routine procedures
Typical Risk Register criteria for Probability (P), Impacts (I) and Risk (R). A risk value of 1-4 is considered "VL", 5-8 "L", 9-12 "M", 13-16 "H" and above 17-25 "VH".							

The CRO will ensure compilation of a Risk Register (**Annexure 2**) in the specified format.

24. IMPLEMENTATION REVIEW

To ensure adequate and complete implementation of this policy, internal audit reviews will be carried out at least bio-annually.

25. MANAGEMENT REVIEW AND CONTINUES IMPROVEMENT

- 25.1 The Management review meeting will be conducted annually.
- 25.2 The Management review meeting can be conducted as early possible if have any change, edited or rescinded in policy moreover need to decision from top management for implementation in according with the corrective action plan.
- 25.3 The Compliance Manager/In-charge will have to request to Admin Manager with meeting agenda regarding demand of Management review meetings through letter or e-mail.
- 25.4 The Admin Manager will have to inform Top Management to attend at Management Review Meeting and confirm the date of Meeting.
- 25.5 The Compliance Manager/In-charge will have to inform related concern employee to attend at Management Review Meeting as the date of Meeting.
- 25.6 The Management review meetings decision will have to document in accordance with who, when and how the action plan will be implemented.



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Ath. Date: 20.06.17

RISK ASSESSMENT MATRIX

Consequence	Description
Insignificant	Impact not visible
Minor	Some impact that is easily remedied
Moderate	Some impact that is requiring treatment or lost time
Major	Serious impact that is requiring special treatment
Critical	Extreme impact could shut down practice

	IMPACT / CONSEQUENCE				
	First aid case/exposure to major health risk	Medical treatment case/exposure to health risk	Lost time injury/reversible health impact	Single fatality/quality of life or irreversible health impact	Multiple fatalities/ultimately fatal impact on health
Harm to people	Minimal environmental impact	Material environmental impact	Serious environmental impact	Major environmental impact	Extreme environmental impact
Environment impact	Minimal impact on non-core operations	Some impact/delays. Dealt with at ops level	Reduced performance/targets not met	Breakdown of key activities/revenue loss	No business survival of company is threatened
Business interruption	Minor damage or vandalism to asset	Minor damage or loss of <5% of total assets	Damage or loss of < 20% of total assets	Extensive damage or loss of < 50% of assets	Destruction or complete loss of > 50% of assets
Property	1% of annual budget	2-5% of annual budget	5-10% of annual budget	> 10% of annual budget	> 30% of annual budget
Economic	1	2	3	4	5

LIKELIHOOD/PROBABILITY	Description	Proba-bility	Frequency	IMPACT / CONSEQUENCE				
				Insignificant	Minor	Moderate	Major	Critical
5	Is expected to occur in most circumstances	> 75%	Event has occurred frequently. Likely within 1 year.	M	H	H	VH	VH
4	Will probably occur in most circumstances	50-75%	Event has occurred infrequently. Likely within 3 years.	L	M	H	VH	VH
3	Might occur at some time	25 – 50%	Event has happened in the past. Could happen within 05 years.	L	L	M	H	VH
2	Could occur at some time	10 – 25%	Event has happened in the past. Could happen within 10 years	VL	L	L	M	H
1	May occur only in exceptional circumstances	< 10%	Event has not happened in the past. Unlikely could happen within 10 years.	VL	VL	L	M	H

RISK LEVEL RATING	REQUIRED ACTION	SCORE
VERY HIGH (VH)	Eliminate, avoid, implement specific action plans/procedures to manage	17-25
HIGH (H)	Proactively manage	13-16
MEDIUM (M)	Actively manage	9-12
LOW (L)	Monitor and manage by routine procedures	5-8
VERY LOW (VL)	Managed by routine procedures	1-4