

## Risk management guidelines and important insights

While we're here to pay to claims if the worst happens, we're all about trying to keep you and your property safe and secure in the first place.

Warehouses often hold a lot of valuable goods, stock, and orders in one location. They're a target for thieves because they can be seen as a 'one stop shop' to steal a high number of items concentrated in the one location.

The fire risks are also high. With large quantities of goods, there's a high fuel load if a fire breaks out. And even if the items themselves aren't combustible, the packaging often is.

Here's a handy checklist for the 'watch outs' you'll need to act on to help protect your premises. Remember we're here to help, so if you've any questions, just get in touch.



## Building on the basics



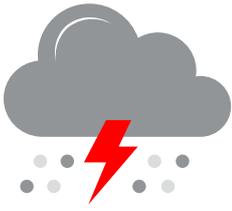
Keeping the building well-maintained is a given. You might be surprised how many opportunities warehouses offer for thieves.

### Must haves

- ✓ Walls, floors and roofing should be in good condition and not allow easy access to the interior of the building. This also includes doors, windows and their locks, latches and hinges, which should all be in good working order and a tight fit to the building.
- ✓ Roller doors should be secured after hours with padlocks. For motorised doors, you should padlock the electric open/close switch, and for manual set ups, padlock the chain to the building or door frame.
- ✓ Don't make holes in fire walls and ensure that any fire doors close freely. Keep areas around fire doors clear of obstruction.

## Weather watch outs

---



While you can't control wild weather, you can reduce the risks that come with it.

### Best practice

- Be aware of what weather or flood events are likely to affect your building or business. This can help you plan what needs to be done.
- Keep trees and shrubbery well-trimmed, and remove diseased or damaged limbs. Ask a professional arborist to assess and strategically remove branches to allow wind to blow through the trees.
- Protect water and other pipes from freezing using insulation, or install heat tape.

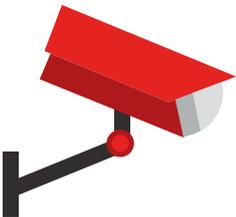
- Remove snow and hail from gutters as soon as it's safe to do so. This will reduce the possibility of subsequent rain overflowing gutters.

### Must haves

- ✓ Ensure the building is well maintained, that walls and roof are watertight. Make sure doors and windows are close fitting.
- ✓ Make sure gutters and down pipes are not blocked by leaves or rubbish. Check before the winter season, or more frequently if needed.
- ✓ Inspect channel drains, yard storm water outlets and sumps and make sure they are all free-flowing and that curb side gutters are not blocked by leaves and rubbish.

## Simple security tips

---



Thieves know most of the tricks of their trade. That's why you need to stay one-step ahead of them with these simple tips to make your warehouse less appealing to opportunistic intruders.

### Best practice

- Don't leave the padlock unlocked on the gate during the day (someone may easily swap this for their own lock for which they have a key).

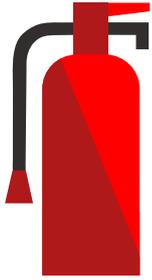
### Must haves

- ✓ The yard should have a high fence and the gate should be locked at night using a closed shackle padlock or a protective sheath over the lock – this helps prevent the lock from being cut.

- ✓ Make sure the yard is well lit, especially if you're in an isolated location.
- ✓ A monitored intruder alarm with sensors throughout the premises (not just at entry points) is essential. Make sure any sensors are not blocked by stored goods.
- ✓ CCTV should cover both internal and external spaces – ideally high definition, monitored, motion-sensing and infrared to capture images in low light.

## Raise the alarm on fire protection

---



Due to the volume of stock and materials, warehouse fires can be catastrophic events. By taking these simple measures, you could mitigate the risks.

### Best practice

- Large warehouses should ideally be sprinkler protected to offer the best protection. The sprinkler system must be specifically designed for the warehouse – you must stick to a recognised standard such as NZS 4541.
- In sprinkler protected warehouses, occupants should understand:
  - maximum allowable stacking heights
  - limitations on the type of goods they can store
  - the need for neat and tidy stacking.

All of these factors will affect how well a sprinkler system controls or extinguishes a fire.

- The next best thing to a sprinkler system is a fire detection system, monitored by the fire brigade or a security monitoring service. Ideally stick to a recognised standard such as NZS 4512.
- Heat and/or smoke detectors are great for early detection of a fire but choose detector units wisely as they must be suitable for the environment; you don't want false alarms which could end up costing you.

### Must haves

- ✓ **Make sure there's an adequate number of dry powder fire extinguishers, (minimum 4.5kg dry powder unit) and ideally hose reels, as these allow water to be directed to higher places like the top of racks. Fire extinguishing equipment should be serviced annually.**

## Neat ideas for housekeeping

---



Maintaining a neatly ordered and organised warehouse doesn't just look good, it makes day to day work easier, and could prevent or reduce the risk of a fire or loss.

### Must haves

- ✓ **Goods should be stored safely, whether that's in storage racks, pallets, or blocks.**
- ✓ **Maintain clear aisles between the racks and blocks of stacked goods.**
- ✓ **Where possible, keep stock on pallets. This raises them off the floor and limits damage if the warehouse floods.**

- ✓ **Don't over-stack goods in warehouses. Over-stacking can also result in a sprinkler system failing to control a fire.**
- ✓ **Keep areas around electrical switchboards, clear of combustibles.**
- ✓ **Waste and recycle bins/skips are targets for arson. If there's any close to the building, they can easily allow a fire to spread inside. Keep these at least 10m away from the building.**

## Forkhoists and goods-handling equipment

---



Simple ways to keep everything running smoothly.

### Must haves

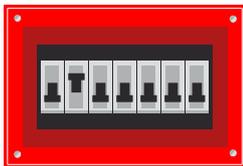
- ✓ All forklift and goods-handling equipment operators must be trained in the safe use of this equipment, and be fully licensed where required.
- ✓ Spare LP gas cylinders should be stored upright and chained to prevent them from falling

over. Cylinders must be stored in a location where they are protected from potential impacts.

- ✓ Battery chargers for goods-handling equipment such as forklifts and pallet jacks should be located well away from the main warehouse storage area, ideally in a separate '60-minute' fire rated room. The area around chargers should be clear of combustibles.

## Plug in to electrical safety

---



Keeping electrical systems in check.

### Best practice

- For older buildings or where electrical problems are being experienced periodic verification is ideal for checking on the overall health of the electrical system (see the sheet on periodic verification for more detail).

### Must haves

- ✓ Electrical switchboards are potential ignition sources, so make sure they're inspected regularly by a qualified electrician and fault-free.

- ✓ Thermographic imaging is a good preventative maintenance tool and can help with detecting higher than normal temperatures on switchboards or other electrical components. This can provide you with an early warning of potential overloading, or problems which might result in a failure or fire.

- ✓ All portable electrical equipment should be tested and tagged. Use of extension leads and power boards should be kept to a minimum, and damaged leads and boards should not be used.

## Steer away from danger

---



Minimising the risk of vehicle damage.

### Must haves

- ✓ Make sure that movement of trucks, forkhoists and staff vehicles on the site is controlled to prevent collisions.
- ✓ Protect parts of the building which are prone to impact damage e.g. loading docks, parking areas, building corners and narrow driveways with sturdy bollards.

- ✓ Canopies and overhangs can also be vulnerable. Make sure you display maximum height signage to help drivers and protect these where possible, for example by directing traffic away or around.

## Bright ideas for better lighting

---



Staying switched on to safety.

### Best practice

- LED lights can offer very good light while also presenting less risk due to their lower operating temperatures and low current usage.

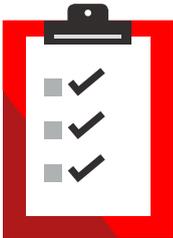
### Must haves

- ✓ High intensity discharge lights should be turned off at least once per week. Replace lamps as required by the manufacturer.

- ✓ Check and / or replace fluorescents when faulty, discoloured, when flickering or dead.
- ✓ Lights should be positioned over aisles and not over stored goods.

## Cool insights for fire management

---



Important points to mitigate the risks.

### Must haves

- ✓ Warehouse management should have controls in place to manage activities that could result in a fire or loss, or at least help mitigate the risk. These include: routine
- ✓ Hot work controls where cutting, welding or grinding is likely.
- ✓ Proper back-up procedures (for example, if the sprinkler system is out of commission for more than a few hours).

- ✓ Designated smoking areas on site with suitable and safe butt disposal methods.
- ✓ Implement an inspection routine that can be audited by senior management. It should check that everyone is adhering to procedures and controls, fire equipment is maintained, and that everything is shipshape.

## Secure your peace of mind

---



### Best practice

- Consider engaging a professional to evaluate the adequacy of your cyber-security, especially if you maintain confidential records such as a customer database or bank account details.

### Must haves

- ✓ Ensure all critical data is backed up at least weekly and stored off site – this can include secure Cloud services.
- ✓ As a minimum, antivirus protection should be installed on your computer and updated regularly.
- ✓ Important paper records should be kept in a fireproof box/cabinet.

## Watching out for water damage

---



With routine checks and a proper plan, the risks can be seriously reduced.

### Best practice

- Plumb washing machine and dishwasher outlets into the wastewater pipe, not simply with the waste pipe hooked over a sink.

### Must haves

- ✓ Know where the water shut off valve(s) are for the water supply. Where possible, shut off the water supply during extended shutdowns or when not needed e.g. over the summer holidays or in an unoccupied building.
- ✓ Ensure flexi-hoses are checked regularly and replaced if showing signs of damage – or every 10 years otherwise.
- ✓ Check shower enclosures for signs of deterioration, especially to the wall boards/tiling.
- ✓ Inspect plumbing, water pipes and waste lines for leaks, damage or corrosion. Check that all basins, tanks, etc have overflow facilities. Process tanks should be banded.
- ✓ Check and clean the roof regularly. This is important before the winter season and after storms. Pay attention to membrane-style roof coverings as these have a limited life and can be affected by environmental exposures.
- ✓ Check flashings where the walls and roof meet, and also pipes and skylights where they penetrate the roof covering.

---

Visit [vero.co.nz/risk-profiler](https://vero.co.nz/risk-profiler) to check out our other advice sheets for more tips and in-depth information about managing risk.

**vero**

---

**Disclaimer** – The information presented is of a general nature only and is provided only to help you understand some of the physical risks a business may have and what an insurer might expect you do to manage those risks. It is not intended for any other purpose. You should always seek appropriate professional advice about how you manage the particular risks in your business. No representation or warranty, expressed or implied, is made as to the accuracy or completeness of the information and no responsibility is accepted for any loss, penalty or damages (including special or consequential damages) arising out of the use of all or part of the information. The information presented does not replace the need for appropriate professional advice. Reliance on this communication will not affect or influence policy response.