

Proposal and Supporting Evidence

Topics submitted for G4

1. Occupational Health and Safety Management System in the Workplace
2. Occupational Health and Safety in the Workplace for Supply Chain Workers in Developing Countries
3. Occupational Health and Safety in the Workplace for Temporary or Fixed Duration Contract Workers
4. Standardization of Terms for Reporting on Occupational Health and Safety in the Workplace

Proposed occupational safety and health performance indicators

1. Lost-time injury and illness incidence rate, lost-time injury and illness severity rate, and number of fatalities (all employees – 5 year period)
2. Lost-time injury and illness incidence rate, lost-time injury and illness severity rate, and number of fatalities (all contractors – 5 year period)
3. % of owned or leased work locations that have implemented an occupational safety health management system that meets recognized standards
4. % of owned or leased work locations that have had their occupational safety health management systems audited by an independent third-party
5. % of direct or first tier suppliers' facilities in developing countries that were audited for compliance with safety and health standards

Scope and applicability

The proposed occupational safety and health performance indicators have applicability to small and medium-sized enterprises, extend coverage to temporary or fixed duration contract workers, and increase focus on workers for suppliers in the developing world.

Small and medium-sized enterprises (SMEs)

A recent study shows that the risk of occupational injury in small firms is greater than in large enterprises.¹ For example, in Europe the 2004 incident rate of fatal accidents per 100,000 workers was 4.9 in organizations with fewer than 250 employees and 1.8 in larger firms.² Research has also shown that small firms that implement occupational health and safety management systems have lower accident rates than those that do not. Our proposed occupational health and safety management systems performance indicators will ensure that the G4 metrics have applicability to the small firm segment.

Temporary or Fixed Duration Contract Workers

The use of temporary or fixed duration contract workers (hereinafter referred to as “contingent workers”) is on the rise. Studies have shown that these contingent workers suffer from a lack of information on workplace hazards and training on safety. Even more problematical, they are increasingly being used for jobs that might have a higher level of risk. As a result, contingent workers suffer a significantly higher rate of workplace accidents in comparison to their permanent worker peers.³

Data on the employment conditions of contingent workers is difficult to obtain, and many organizations do not report on metrics related to contract work. The indicator we propose would encourage organizations to collect and report information on contingent workers, which would be an important step towards evaluating and improving the level of protections afforded to these workers. The ultimate outcome would be a reduced number of injuries, illnesses, and fatalities among contingent workers.

Supply Chain

Workers for suppliers in the developing world are especially vulnerable to occupational safety and health risks.⁴ This is a function of weak governmental regulation, poor management systems, lack of enforcement by governments or oversight by the corporations that purchase products or services from the suppliers, less-educated and sometimes illiterate workers, and inadequate training and supervision. Basic safety and health measures and investments are often bypassed, and employees frequently lack the basic knowledge required to be proactive about their own safety.

The International Labour Organization (ILO) has reported that the work-related mortality rate in developing countries is five to seven times higher than in industrialized nations. ILO research

¹ Pablo Arocena and Imanol Nunez, “An empirical analysis of the effectiveness of occupational health and safety management systems in SMEs,” *International Small Business Journal*, 2010 28(4), 398-419.

² *Ibid.*, 399.

³ F G Benavides et al, “Associations between temporary employment and occupational injury: what are the mechanisms?” *Occup Environ Med.* 2006 June; 63(6): 416–421.

⁴<http://human-rights.unglobalcompact.org/dilemmas/health-and-safety/>

also found that while accidents and illnesses are decreasing in the developed world, both are increasing in the developing world.⁵

Corporations that source products from developing countries are well positioned to provide oversight and support for their suppliers to ensure the safety, health, and well-being of supplier workers. Our proposed indicators would encourage reporters to audit their suppliers, thereby helping to promote proactive safety measures and saving lives in the longrun.

Standard-ready guidelines

In keeping with GRI's goal to move to standard-ready guidelines, three of the five occupational safety and health performance indicators that we propose relate to occupational health and safety systems in the workplace, which are widely recognized by standardsbodies in many countries as central to effective worker health and safety management.

Occupational Health and Safety Management System in the Workplace

Occupational Health and Safety Management Systems (OHSMS) have been acknowledged by the International Labour Organization (ILO) and by standardsbodies in many countries as central to effective worker health and safety management. TheILO issued a press release on April 26, 2011, that stated: "Implementation of OSH management systems is critical in helping to reduce occupational accidents, diseases and deaths."⁶OHSMS have been shown to reduce workplace injuries and increase organizational performance. The ILO's OHSMS (ILO-OSH 2001) and OHSAS 18001 (an ISO 14001-based approach), are widely used throughout the world in many supply chains. There are increasing requirements by customers that suppliers have an OHSMS in place.

Health and safety at work is addressed in the Core Subjects of the ISO standard on Social Responsibility (ISO 26000).⁷ Inclusion of this topic in G4 will provide additional support to organizations that conform to ISO 26000.OHSMS are a widely recognized OSH performance indicator. The ILO has stated that "The management systems approach to occupational safety and health has become popular and has been introduced in many workplaces during the last decade."⁸

⁵http://www.ilo.org/global/about-the-ilo/press-and-media-centre/news/WCMS_082495/lang--en/index.htm

⁶http://www.ilo.org/global/about-the-ilo/press-and-media-centre/news/WCMS_154749/lang--en/index.htm

⁷http://www.iso.org/iso/iso_catalogue/management_and_leadership_standards/social_responsibility/sr_dis_covering_iso26000.htm

⁸http://www.ilo.org/global/about-the-ilo/press-and-media-centre/news/WCMS_154749/lang--en/index.htm

Strengthening technical definitions and improving clarity

If the occupational safety and health indicators in G4 are to meet GRI's goal of providing guidance suitable for companies that wish to integrate their financial and non-financial performance data, a set of standardized terms with commonly understood meanings is essential. For example, in G3.1, terms such as "risk-control programs" and "training" are vague or ill-defined. Without clear definitions it is difficult to understand or evaluate how comprehensive an organization's safety and health programs are and how its commitment to safety and health compares to other organizations.

Users of GRI information

There is a recognized need for improved occupational safety and health performance indicators. In a 2010 survey of corporations conducted by The Conference Board, a global, independent business membership and research association, "workplace safety and operational integrity" was identified as the leading issue likely to be faced by the corporate board in the coming year.⁹

In addition, the finance and investment communities have a need for improved information on companies' safety and health performance. In a 2007 study, the global investment banking firm Goldman Sachs demonstrated "valuation links between workplace health and safety factors and investment performance."¹⁰ One key factor in this research was occupational health and safety management systems, which are addressed in 2 of the performance indicators that we propose.

Outreach activities

The Center for Safety and Health Sustainability has encouraged its colleague safety and health organizations to participate in the G4 process. As of this date, we have reached out to 59 organizations in 31 countries on 6 continents. (See attached list of organizations). These organizations represent a broad cross-section of stakeholders from labor, industry, and government across all industrial sectors. In addition, the three founding organizations of the Center, the Institution of Occupational Safety and Health, the American Industrial Hygiene Association, and the American Society of Safety Engineers, have reached out to their individual memberships via electronic newsletters, direct email, or other communications. These outreach efforts will result in over 100,000 members receiving information on GRI and the G4 process.

⁹<http://www.conference-board.org/retrievefile.cfm?filename=DN-008-10.pdf&type=subsite>

¹⁰<http://www.gs.com.au/documents/About/MediaRoom/GSJBW-WHS-Report-Media-Release.pdf>