Global Safety and Health Sustainability Metrics

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OSH SUSTAINABILITY METRICS VS OSH PERFORMANCE METRICS
Occupational Safety & Health Metrics

- **Sustainability Metrics** – used by external stakeholders to compare OSH performance across organizations

- **Performance Metrics** – used internally as leading indicators of continuous OSH performance improvement
Safety and Sustainability
More Than 300 Killed in Pakistani Factory Fires

A woman looked for a missing family member at a morgue in Karachi, Pakistan, where a fire at a textile factory killed nearly 300 people on Wednesday. More Photos »

By ZIA ur-REHMAN, DECLAN WALSH and SALMAN MASOOD
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KARACHI, Pakistan — Fire ravaged a textile factory complex in the commercial hub of Karachi early Wednesday, killing almost 300
• Safety Has Not Been Asked to Prom

“Environmental stewardship and occupational safety share considerable overlap. Both are key sustainability issues, yet the green movement has outstripped workplace safety. What can OSH learn from green?”
Workers Need Sustainability, Too

by Heather Lang  |  Oct 22, 2012 4:45 AM EDT

Even companies with broad and aggressive environmental commitments are neglecting a core component of sustainability: worker health and safety. Heather Lang reports.

Apple’s recent release of its iPhone 5 resulted in record-breaking sales—more than 5 million phones sold in the first weekend alone and a backlog of orders. Yet according to independent labor groups, peak sales are continuing to take their toll on workers at Apple’s largest supplier, Foxconn, despite elevated public scrutiny.
CENTER FOR SAFETY AND HEALTH SUSTAINABILITY
What is the Center?

- The Center for Safety and Health Sustainability (CSHS) is a **global collaborative effort** among the **American Society of Safety Engineers (ASSE)**, the **American Industrial Hygiene Association (AIHA)**, and the **Institution of Occupational Safety and Health (IOSH)**

  - A 501(c)3 not-for-profit organization launched in 2011

  - Represents 100,000 workplace safety and health professionals worldwide
CSHS Vision

• Vision
  – For all organizations to recognize their responsibility to ensure that the protection of human life and the safety, health, and well-being of workers, customers, and neighboring communities is among the primary considerations in any business practices, operations, or development.
CSHS Goals

- **Goals**
  - To provide a strong voice and comprehensive leadership for safety and health in shaping sustainability policies
  - To educate the business community on the importance of safety as part of good corporate governance and corporate social responsibility/sustainability
  - To provide new insights into the measurement, management, and impact of safety and health sustainability
  - To be a recognized thought leader for sustainability and corporate social responsibility
TRENDS IN REPORTING
Sustainability Reporting Indices/Frameworks

• The Global Reporting Initiative
• Dow Jones Sustainability Index
• The Pacific Sustainability Index
• FTSE4Good Index
• Wal-Mart Supplier Sustainability Assessment
• Dozens of Socially Responsible Investment Funds
• Financial Analysis and Intelligence Firms
  – Bloomberg
  – Thomson-Reuters
The GRI Guidelines

Environmental
- EN 3 - Direct energy consumption by primary energy source

Labor
- LA 7 - Rates of injury, occupational diseases, lost days and absenteeism, and number of work related fatalities by region.

Human Rights
- HR 4 - Total number of incidents of discrimination and actions taken

Product Responsibility
- PR 6 - Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, ad sponsorship.

Economic
- EC 4 – Significant financial assistance received from the government.
GRI 3.1 Indicators

**ASPECT: OCCUPATIONAL HEALTH AND SAFETY**

**LA6** Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs.

**LA7** Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.

**LA8** Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.

**LA9** Health and safety topics covered in formal agreements with trade unions.
CSHS Proposed 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)

   – Current reporting practices*
     - Lost time Injury Frequency Rate
       - 57%
     - Occupational Injury and Illness Frequency Rate
       - 51%
     - Fatalities
       - 45%

* sampling of 65 companies reporting sustainability performance from the “Best in Social Responsibility,” “Global 100 most sustainable corporations,” “Super 50 from Forbes”
CSHS Proposed Indicators

2. Lost-time injury and illness incidence rate, lost-time injury and illness severity rate, and number of fatalities (all **contractors** – 5 year period)

   – Current reporting practices* – contractors
     
     • Lost time Injury Frequency Rate
       – 28%

     • Occupational Injury and Illness Frequency Rate
       – 26%

     • Fatalities
       – 29%

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Proposed Definitions: Indicators 1 and 2

• Lost-time injury or illness
  – A nonfatal occupational injury or illness that causes a loss of time from work beyond the day or shift it occurred.

• Lost-time injury and illness rate
  – The number of lost-time injuries and illnesses per 100 full time equivalent employees per year, calculated using this equation:

\[
\frac{\text{Number of lost-time injuries and illnesses} \times 200,000}{\text{Total hours worked in accounting period}}
\]

• Lost-time injury and illness severity rate
  – The number of days away from work due to workplace injury or illness per 100 full time equivalent employees per year, calculated using this equation:

\[
\frac{\text{# of work days lost} \times 200,000}{\text{Total hours worked}}
\]
3. % of owned or leased work locations that have implemented an occupational safety health management system that meets recognized standards

– Current reporting practices*

  • Organization has implemented an OSH program that meets recognized standards
    – 48%

  • OSH program covers all of the organization’s business units, operations, facilities, subsidiaries, contractors, and suppliers
    – 32%

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CSHS Proposed Indicators

4. % of owned or leased work locations that have had their occupational safety health management systems audited by an independent third-party
   – Current reporting practices*
     • Processes are in place to verify compliance with the OSH program
       – 45%

* sampling of 65 companies reporting sustainability performance from the “Best in Social Responsibility,” “Global 100 most sustainable corporations,” “Super 50 from Forbes”
CSHS Proposed Indicators

5. % of direct or first tier suppliers’ facilities in developing countries that were audited for compliance with safety and health standards

• Current reporting practices*
  – Policy/Code (or other relevant documentation)
    » 54%
  – Communication of policy/code to suppliers or some monitoring of supply chain
    » 49%

*sampling of 65 companies reporting sustainability performance from the “Best in Social Responsibility,” “Global 100 most sustainable corporations,” “Super 50 from Forbes”
CSHS Proposed Indicators

• Solution:
  – Develop measurable indicators on worker engagement to include...
    • employee representation and consultation in safety and health planning and decisions
    • workers to raise safety and health concerns without detriment
MOVING FROM OSH INDICATORS TO AN OSH REPORTING FRAMEWORK
Essential Elements of Safety and Health Sustainability

• Values and Beliefs
  – Safety and Health Commitment
  – Codes of Business Conduct

• Operational Excellence
  – Integrated and Effective Safety and Health Management System
  – Professional Safety and Health Competencies
  – Worker Engagement in Safety and Health

• Oversight and Transparency
  – Executive Leadership Oversight of Safety and Health
  – Transparent Reporting of Key Safety and Health Performance Indicators
Safety and Health Commitment

• Safety and health is a defined value in the organization’s vision, mission, values, social responsibility, or sustainability statements.

• The organization has a written Safety and Health policy statement signed by the chief executive.

• Organizational culture or climate is regularly measured through employee assessments or surveys that incorporate safety concerns.
Codes of Business Conduct

• The organization has Codes of Business Conduct that incorporate safety and health standards that are applicable to all of its business units, operations, facilities, subsidiaries, contractors, and suppliers.

• The Code of Business Conduct is used in the contractor and supplier screening process and their adherence to the Code is contractually required.

• Processes are in place to verify compliance with the Codes of Business Conduct.
Effective Safety and Health Management System

• The organization has implemented an occupational safety and health management system that meets recognized standards.

• Processes are in place to verify compliance with the occupational safety and health management system.

• The occupational safety and health management system covers all of the organization’s business units, operations, facilities, subsidiaries, contractors, and suppliers.
Professional Safety and Health Competencies

• Persons with professional safety and health competencies are used in the design and set up of the organization’s safety and health programs.

• Persons with professional safety and health competencies are used to manage the organization’s safety and health program.

• External persons with professional safety and health competencies periodically evaluate the effectiveness of the organization’s safety and health program.
Worker Engagement in Safety and Health

• The organization has a process for workers to raise safety and health concerns without detriment.

• The organization has a process in place for workers or their representatives to be consulted about any work changes that may potentially affect their safety and health.

• The organization has a safety and health committee including workers or their representatives and is chaired by a senior manager.
Senior Leadership Oversight of Safety and Health

• A member of the organization’s senior leadership team has direct oversight responsibility for safety and health.

• Processes are in place to ensure that the organization’s senior leadership team receives regular reports on the safety and health program.

• A member of the organization’s Board of Directors has direct oversight responsibility for safety and health.
Transparent Reporting of Key Safety and Health Performance Indicators

• Key safety and health lagging indicators are regularly reported and widely disseminated externally.

• Key safety and health leading and lagging indicators are regularly reported and widely disseminated externally.

• The Global Reporting Initiative G4 framework is the basis for external reporting on safety and health performance.