

CSHS Best Practice Guide for Occupational Health and Safety in Sustainability Reports

Acknowledgements

This document was developed by the Center for Safety and Health Sustainability and their Advisory Council. The principal author was Zack Mansdorf.

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This *Guide* is intended for large organizations that are already publishing or will publish (in print or online) publically available sustainability reports and/or occupational health and safety (and/or environmental) reports. It may not be feasible for small organizations to meet all the reporting recommendations, but it can serve as guidance for best practice.



Introduction

The corporate reporting landscape has dramatically changed over the last several years. Investors and other key stakeholders are demanding more and better information on corporate performance. These developments have important implications for occupational health and safety (OHS) reporting.

The Center for Safety and Health Sustainability is committed to helping your organization negotiate these changes and meet the widening needs of investors and stakeholders.

It is with this end in mind that CSHS has launched an initiative to standardize OHS reporting. CSHS views this campaign as a critical step in improving OHS performance and, ultimately, preventing worker injuries, illnesses, and fatalities.

CSHS represents over 100,000 OHS professionals in over 70 countries. The metrics proposed by CSHS, developed through global collaboration among the world's largest occupational health and safety professional bodies, are not radical – they are currently being used in some format by a multitude of organizations around the world, meaning they are standards of performance which are already accepted, understood, and operationalized by those managing health and safety at work. The CSHS metrics have a broader scope and wider applicability in assessing workplaces worldwide across all geographical boundaries. In addition to addressing OHS needs at large organizations, they are more applicable 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. It presents the recommended minimum level of OHS reporting that would be applicable to all organizations.

Organization of the Guide

This guide is divided into two sections: “Essential Elements” and “Optional Elements.” The Essential Elements encourage analysis and comparison of organizations, currently a problem in evaluating OHS performance. These Essential Elements are applicable to all sectors and categories, including but not limited to manufacturing, distribution, and medical care, non-governmental organizations (NGOs), consulting and government. Organizations that combine safety, health (industrial hygiene), and environmental elements in the same section of the sustainability reporting will find our metrics applicable.

“Organizations should consider workplace health and safety as material to their stakeholders. Every organization should consider itself within the scope and materiality of these guidelines.”

The “Optional Elements” are recommended, but not required for meeting the intent of this *Guide*. However, they are recommended as important information which will strengthen the reader’s ability to judge the quality of OHS efforts for the reporting entity. The reporter is encouraged to include as many of these Optional Elements of information as possible. There are six optional categories, which include OHS targets, capital investments, worker involvement, training, risks and additional metrics.

The *Guide* supplements other recommended sustainability reporting guides and reporting requirements from organizations such as the Global Reporting Initiative (GRI), the new EU

Directive on Disclosure of Non-Financial and Diversity Information, the Sustainability Accounting Standards Board (SASB), the United Nations Global Compact (UNGC), Responsible Care, the International Integrated Reporting Council (IIRC) recommendations and various other industry specific, governmental and non-governmental requirements. The metrics recommended by CSHS do not conflict with requirements from other reporting guidelines.

The scope of the *Guide* is workplace health and safety reporting for sites owned by or operated for the organization. Reporting should represent the overall organization at the highest administrative level and not be concerned with minor differences in individual operating units (e.g., headquarters and not individual sites). Where operational standards are significantly different from corporate standards, however, these should be reported separately or explained.

Organizations should consider workplace health and safety as material to their stakeholders. Every organization should consider itself within the scope and materiality of these guidelines.



Essential Elements

DESCRIPTIVE REPORTING REQUIREMENTS

The Introduction and Summary of Key Points

The beginning of your OHS report should include an introduction and summary of key points, providing the reader with an overview of your OHS programs and key performance measures. This might include information on both performance against established continual improvement targets and a brief description of any new targets as applicable.

Organizational Structure and Reporting Relationships

The report should include information on the organizational structure and reporting relationships for the central or corporate OHS function(s), whether on an indirect or direct basis. It should include:

- OHS staffing levels
- A general description of reporting relationship, including which department the OHS function reports to (e.g., legal, operations, supply chain, human resources, financial, and the position to whom it reports directly (an officer of the company such as the CEO or President, Director of a department), and
- Whether a member of the organization's Board of Directors has direct oversight responsibility for the OHS function.

If the organizational designation includes other functions such as environment, quality and security, etc., these should be noted.

The Scope of the OHS Programs

This section should describe the OHS program's scope of coverage and should include all organizational sites, facilities, business units, business operations, suppliers, and contractors. The report should note any limitations or exclusions, including any subsidiaries, joint

ventures (or other partnerships), and recent acquisitions or divestments.

If this information is already presented in other areas of the sustainability reporting, it does not need to be repeated in this section.

OHS Policy or Codes of Conduct

The section should provide a description or summary of the top-level OHS policy and/or codes of conduct (e.g., Corporate OSH policy statement or Vendor Code of Conduct), indicating whether the policy and codes are applicable to the entire organization. Policies and codes unique to particular operating divisions or business units should also be identified. It is not necessary to describe multiple policies or codes of conduct, which can be listed with an internet or other reference source.

OHS Management Systems

This section of the report should describe the organization's OHS management system. This could be a proprietary approach or the use of a nationally or internationally recognized standard or guideline. Examples of national guidelines include:

- The United States Occupational Safety and Health Administration (OSHA) Voluntary Protection Program (VPP)
- The US ANSI/AIHA/ASSE Z10-2012 Occupational Health & Safety Management Systems standard, and
- The Canadian version, CAN/CSA-Z1000-14 - Occupational health and safety management

Examples of internationally recognized programs include:

- The OHSAS 18001 Occupational Health and Safety Management standard
- The forthcoming **ISO/DIS 45001** Occupational health and safety management systems standard, and
- The ILO's Guidelines on Occupational Safety and Health Management Systems.

If the organization utilizes:

- A nationally/internationally recognized management system, identify the system used.
- A custom management system, describe the key components of the system and indicate whether it meets nationally/internationally recognized standards.

If the management system has been registered or certified by a third party auditor, the date of certification or registration should be provided in general, but not for each site. If some sites are not registered or certified, this should be noted as well. This can be expressed as a percentage of accredited sites or as the actual numbers for each category.

OHS Program and Performance Auditing

This section should detail the organization's approach to OHS auditing with regard to the OHS program itself and its performance. For the purposes of this reporting guideline, auditing is limited to inspections or audits to determine the organization's compliance with internal and/or mandated standards or regulations. The inspections or audits would be performed by individuals with no connection to the operation in question, whether they

are the organization's employees or external consultants. The scope of this reporting requirement does not include routine internal inspections.

OHS Performance Reporting

This section covers the organization's OHS performance metrics. As noted before (and if not already identified), the scope of the performance reporting should be identified first. Specific exclusions or adjustments (acquisitions and divestments, etc.) should be noted as well.

Each metric should be provided both numerically and graphically (e.g., histogram) for a minimum of 5 years. An example is provided in figure 1. Where organizations do not have historical information, this should be noted and the report should provide available values. If the scope of reporting for different operations or entities varies, this can be identified with each graph and table as appropriate.

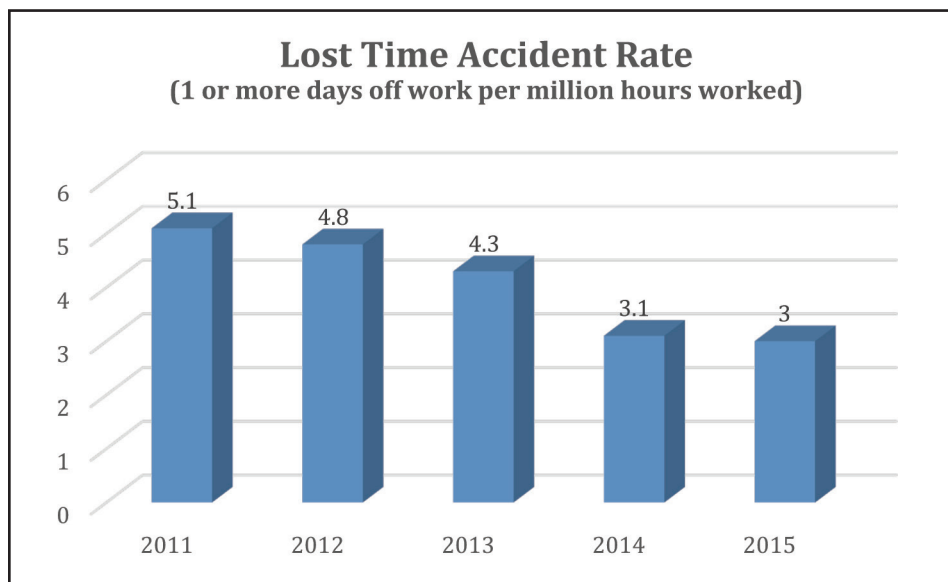


Figure 1. Lost time accident rate example

OSH PERFORMANCE METRICS

Center for Safety and Health

Sustainability OHS Performance Metrics

To advance the standardization of sustainability reporting practices, CSHS recommends the following minimum performance reporting requirements:

1. Lost-time injury and illness frequency rate, lost-time injury and illness severity rate, and number of fatalities (all employees/workers – 5 year period).
2. Lost-time injury and illness frequency rate, lost-time injury and illness severity rate, and number of fatalities (all contractors – 5 year period).
3. % of owned or leased manufacturing, production, or warehousing facilities that have implemented an OHS management system that meets nationally or internationally recognized standard or guideline.
4. % of owned or leased manufacturing, production, or warehousing facilities that have had their OHS management systems audited.
5. % of direct/first tier suppliers' facilities that were audited for compliance with OHS standards.

Definitions:

Employee/worker – A person who is subject to the control of the organization's management for the performance of work duties, including contract workers and temporary workers.

Contractor – External person(s) providing services to an organization at a workplace in accordance with agreed specifications, terms and conditions.

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 million hours worked, calculated using this formula:

$$\frac{(\text{Number of lost-time injuries and illnesses} \times 1,000,000)}{\text{Total hours worked in accounting period}}$$

Lost-time injury and illness severity rate – The number of days away from work due to workplace injury or illness per one million man hours worked, calculated using this equation:
$$\frac{(\# \text{ of work days lost} \times 1,000,000)}{\text{Total hours worked}}$$

OHS standards – Standards required by contract with the supplier, pursuant to an agreed upon Supplier Code of Conduct, or by relevant local law or regulation.

Optional Elements

OHS Targets

Metrics that provide performance against continual improvement goals or targets (e.g., reduce lost time injuries by 20% over 3 years).

OHS Involvement in Capital Investments

Describe the programs and approaches that assure OHS oversight of capital investments. This would include capital investments for new construction or equipment, process redesign, expansion, modernization, etc. The trigger points (e.g., by process or type of equipment or corporate costs that would initiate OHS oversight) should also be described.



Some organizations use third party OHS assessments and/or acceptance testing for capital investments. If these are used, they should be described. This includes due diligence as it pertains to OHS, but not environmental due diligence for property acquisitions.

Worker Involvement

Worker involvement is a critical aspect of effective OHS programs. This includes worker participation in areas such as OHS committees, union OHS representation, joint inspections and investigations, job safety analyses, risk assessments and other areas such as *kaizen* teams and strike teams. If the type and level of worker participation varies significantly by geography and/or operating divisions, this should be summarized as well, identifying the differences (for example, German-style “works councils” may not have equivalents in other countries).

OHS Training

Another important aspect of OHS management is the nature and extent of training. Legally-mandated training can be included but should be identified as such. This should also include OHS training for all levels, including contractors and any others who are pertinent. This may be reported as, for example, OHS training hours per thousand hours worked.

OHS Risks

The report should provide a description of the strategic risk management process that the organization uses to identify and manage key health and safety risks. Following this description, the organization should list the key OHS risks that result from the process and how they are being mitigated. For organizations that have integrated or unrelated operations,¹ these OHS risks may be summarized by category of operations within the same organiza-



tion. Only the most significant risks should be included in this section of the report and should reflect the risks common to the organization’s industry (e.g., hospitals and infectious disease, back injuries, etc.).

Other Descriptive Items, Including Additional Metrics

This section includes any additional information that would help the reader better understand the OHS program. It could include special programs such as safety fairs, special campaigns, community programs and awards and recognitions programs. Wellness and return to work programs may also be noted where appropriate.

Other optional elements include third party manufacturing metrics for the lost time injury and illness rates, the severity rate and the fatality rate. It may also be desirable to include a statement on the percentage of total manufacturing at the third party manufacturing site which is done solely for the reporting company (provides relevance for the reported metrics).

These may include other indicative or predictive performance metrics that are relevant (e.g., workers exposed above recommended exposures but with safety equipment, safety culture indicators, behavioral safety observations, workers at risk, etc.).

¹ For example, mining, steel manufacturing, shipbuilding, automotive manufacturing, electronics and food products.



CSHS provides over 100,000 occupational safety and health professionals in over 70 countries with a stronger voice in shaping sustainability policies. Officially launched in June 2011, CSHS is a 501(c)3 non-profit organization committed to advancing the safety, health and sustainability of the global workplace.

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