Current Practices in Occupational Health & Safety Sustainability Reporting

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Center for
Safety & Health
Sustainability

Ensuring the safety, health, and sustainability of the global workplace.

About This Report

The Center for Safety and Health Sustainability (CSHS), established in 2010, is a 501(c)(3) nonprofit organization committed to advancing the safety, health, and sustainability of the global workplace. CSHS engages safety and health partners around the world to work toward establishing minimum standards that help reduce workplace injuries and ill health. A collaborative effort founded by American Society of Safety Engineers, American Industrial Hygiene Association and Institution of Occupational Safety and Health, CSHS represents more than 85,000 workplace safety and health professionals worldwide.

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Executive Summary

The report that follows aims to provide a "snapshot" of actual occupational health and safety (OHS) sustainability reporting by analyzing reports from organizations currently considered "sustainable." The report presents an analysis of the extent to which organizations report OHS sustainability information, the degree to which information reported provides insight into actual OHS performance and the extent to which information reported lends itself to being compared across organizations. It is also intended to help the Global Reporting Initiative (GRI) improve OHS sustainability indicators in its upcoming version G4 and future iterations. The report achieves this goal by analyzing these organizations' attention to indicators currently recommended in GRI's version 3.1 Labor Aspects (LA) 6-9 (which deal with occupational health and safety), whether GRI indicators are explicitly addressed or not, as well as those recommended by the Center for Safety and Health Sustainability ("the Center").
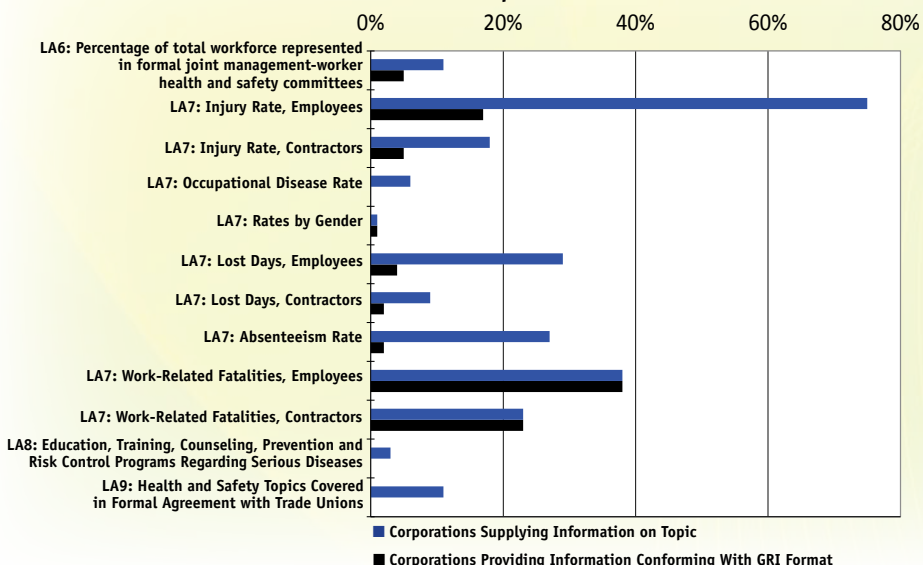
The study involved the collection of corporate social responsibility, sustainability and annual reports from the Corporate Knights' 2011 *Global 100 Most Sustainable Corporations in the World.* Raw data on metrics pertaining to OHS were collected, analyzed and organized first with regard to GRI's LA6-9 indicators, and second with regard to those of the Center. Included in each section are aggregate summaries on how well the group responds to each indicator. The report concludes with recommendations for optimizing the LA GRI indicators for the purposes of encouraging comprehensive, meaningful reporting.

Key Findings

The sustainability reports collected from the *Global 100* reflect:

- High variability in terms and definitions used to report OHS, making it difficult to use reports to compare OHS performance across organizations, for example:
  - Terms related to "rates of injury," "report-worthy injury or incident," "lost day accidents" and "absenteeism."
  - Formulas used to determine injury rates, occupational disease rates, lost day rates (both workers/employees and contractors) and absentee rates.
- Very low (< 10 corporations) reporting with regard to GRI indicator:
  - LA6 overall
  - LA7's request for occupational disease rate/number of cases and contractor lost day rate
  - LA8 overall
  - LA9's request for percentage of workers covered by collective bargaining agreements.
  - No organization provided a full response to GRI-recommended indicators.
- The highest relative level of reporting for commonly prescribed metrics on worker/employee injury rates. Very few, however, used the formula for calculating injury rates recommended by GRI.
- Compared to that for workers/employees, very low reporting with regard to contract temporary workers' lost day rate and injury rate.
- A high amount of fatalities (10 or more) reported by five organizations. One organization reporting 49 fatalities in a year and another reported 81 fatalities over a 3-year period (2010-12).
- No organization reported on fatal occupational diseases.
- Roughly a third of organizations reported on major topics recommended by the Center, reporting information that complies generally with practices endorsed by the OHS community.

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Figure 1. Percentage of organizations reporting on OHS topics covered in GRI 3.1

LA6: Percentage of total workforce represented in formal joint management-worker health and safety committees	
LA7: Injury Rate, Employees	
LA7: Injury Rate, Contractors	
LA7: Occupational Disease Rate	
LA7: Rates by Gender	
LA7: Lost Days, Employees	
LA7: Lost Days, Contractors	
LA7: Absenteeism Rate	
LA7: Work-Related Fatalities, Employees	
LA7: Work-Related Fatalities, Contractors	
LA8: Education, Training, Counseling, Prevention and Risk Control Programs Regarding Serious Diseases	
LA9: Health and Safety Topics Covered in Formal Agreement with Trade Unions	

■ Corporations Supplying Information on Topic
■ Corporations Providing Information Conforming With GRI Format

Figure 2. Percentage of organizations reporting on OHS topics recommended by CSHS
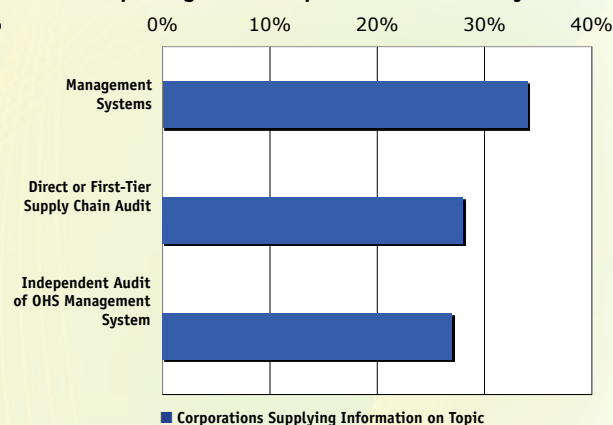
Management Systems

Direct or First-Tier Supply Chain Audit

Independent Audit of OHS Management System

■ Corporations Supplying Information on Topic

"Corporate transparency is not achieved simply by disclosing information. The information disclosed must also be meaningful."

Recommendations

The Center recommends that GRI and other sustainability reporting frameworks better promote the importance of OHS as a major indicator of an organization's overall sustainability and adopt OHS performance indicators meeting the following criteria:

- Well-defined and standardized terms and definitions that allow for accurately evaluating an organization's performance across different sectors and geographies.
- Standardized data collection methodology that allows stakeholders to easily compare safety performance across and among organizations.
- The reporting of leading indicators, allowing stakeholders insight into whether corporations are taking meaningful actions to improve OHS performance.
- Information reported over multiple years (e.g., 5) enabling internal and external stakeholders to use the information to gauge improvement and compare performance to other organizations over time.
- An extended scope of coverage that includes OHS reporting for contingent workers (including temporary contract and subcontractor workers) as well as workers in the supply chain—growing and highly vulnerable segments of the global workforce frequently left out of OHS reports.

Evidence suggests that organizations that internalize proactive OHS tend to be more highly sustainable overall compared to those that do not. Organizations identified by the *Global 100,* however, overwhelmingly do not use OHS indicators compliant with GRI recommendations, and OHS reporting as a whole. The information disclosed frequently lacks meaning with regard to providing a realistic perspective on OHS performance.

Corporate transparency is not achieved simply by disclosing information. The information disclosed must also be *meaningful.*[1] To serve stakeholders' desire to evaluate corporate performance, the information an organization discloses must be provided in a format that is readily understood, analyzed and utilized.

[1]In a recent analysis of the reporting practices of 94 Canadian corporations, 585 different indicators were identified, with 55% of them being used only once. Searcy, Cory, and Roca, Laurence Clement, "Reporting on Corporate Sustainability Performance," The Conference Board, October 2012.

Introduction

In 2011, the Global Reporting Initiative (GRI), a network-based organization that developed the world's most widely used sustainability reporting framework, announced plans to develop version G4, the fourth generation of its guidelines. Now in development, G4 is set to be released in May 2013.

The GRI sustainability framework provides a means for organizations to measure and report economic, environmental, and social performance by way of a set of "principles" and "indicators." To develop G4, GRI is using an international multi-stakeholder consultation process involving open "public comment" periods, working groups from a broad array of stakeholder groups, and a set of approval procedures designed to ensure a consensus-based product that reflects the broadest stakeholder input possible.

The Center for Safety and Health Sustainability ("the Center"), which has provided GRI with a set of recommended occupational health and safety indicators,[2] began collaborating with GRI in 2011 with the goal of improving upon the Occupational Health and Safety (OHS) indicators currently utilized in GRI's 3.1 iteration of the framework.[3] The Center and a number of its partners from the international occupational health and safety community completed GRI online surveys, submitted comments outside GRI's survey platform, and participated in GRI workshops to provide input during GRI's first G4 public comment period, which ran for a period of 90 days from August 26th to November 24th, 2011.

GRI noted in its report on the results of the first public comment period[4] that among material topics, OHS topped the "Labor" category with 25% of all reporters. Overall, OHS was the fourth most cited material topic in the surveys. The report also noted that all those:

> …wishing to see a standard set for all organizations were asked to provide some indicators they would like to see. Out of the 279 respondents, just less than half (130) provided topic suggestions, not indicators. 78 respon-

"This report seeks to expose gaps in overall OHS reporting and determine the practicality and utility of the current GRI OHS-related indicators."

dents offered ideas for indicators, with a large majority offering the same five Occupation (sic) Health and Safety indicators.[5]

In response to the interest expressed in OHS during the consultation process, GRI announced plans to form an OHS "working group" in May 2012—now deferred to 2013. Its intent in creating a working group was to task the group with examining OHS performance indicators and making recommendations on indicators to include in the new G4 guidelines. GRI noted that several issues had come to light throughout the development process to be addressed by the OHS Working Group, particularly the need to refocus the current safety and health performance indicators to improve clarity and transparency in performance reporting. GRI also identified the need to give more consideration to contractors/subcontractors and consolidate data so that it is regionally and globally standardized.[6]

The report that follows seeks at least in part to help GRI improve OHS sustainability indicators in G4 and future iterations. It provides insight into current reporting practices on OHS indicators by organizations currently considered "sustainable," including those organizations' use of the GRI 3.1 LA6-9 indicators. It specifically seeks to expose gaps in overall OHS reporting and determine the practicality and utility of the current GRI 3.1 OHS-related indicators, as well as those proposed by the Center.

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[2] Available at www.centershs.org/indicators. [3] These indicators can be located in the "Labor Aspects" section of G3.1, and are designated as LA6-LA9. [4] "G4 Development: First Public Comment Period, 26 August -24 November 2011, Full Survey Report," page 32.
[5] Ibid, page 31. [6] "G4 Development: Occupational Health and Safety Working Group Terms of Reference, 9 May 2012," page 3.

Methodology

A list of "sustainable" organizations was selected in order to create a sample pool for analysis. Well-known lists of top sustainable organizations developed by prominent outlets were reviewed, including the Forbes Super 50,[7] Fortune's Best Companies to Work For,[8] and the Corporate Knights' *Global 100 Most Sustainable Corporations in the World*.[9] Due to its size, institutional influence, breadth of industries represented, and timeliness, the *Global 100* list was selected for the purposes of this research, thereby also providing a sample group of 100 organizations.[10]

Next, the most recent corporate social responsibility reports, sustainability reports, annual reports, and/or other information available on corporate websites between February and September 2012 for each organization on the Global 100 were then collected and analyzed.

Raw data on worker safety-related topics were collected from each report, including any information reported related to:

- OHS in general.

- GRI 3.1 Indicators LA6-9, whether directly reporting on these indicators or not—and in the cases where organizations are responding directly to GRI indicators, the variation in interpretation of the compilation instructions.

- The Center's proposed OHS metrics.

All analyses are drawn from the most recently reported year for each organization.

The report will provide information on the raw data accumulated for the Global 100 corporations, organized by Labor Aspects (LA) GRI indicator, including an aggregate summary of how well the group as a whole responds to each indicator—whether each organization reports on LA GRI indicators intentionally or coincidentally. It will then provide an overview of the proposed Center indicators and the degree to which the Global 100 corporations also provide information on these indicators. The report concludes with recommendations for optimizing the LA GRI indicators for the purposes of encouraging comprehensive, meaningful reporting on occupational health and safety performance.

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[7]http://www.forbes.com/forbes/2002/0722/world50.html. [8]http://money.cnn.com/magazines/fortune/bestcompanies/2011/full_list. [9]http://www.global100.org/annual-lists/2011-global-100-list.html. For more information on the Global 100's criteria and methodology, see http://www.global100.org/methodology/overview.html. [10]The Corporate Knights Global 100 selection criteria can be found at http://www.global100.org/methodology/selection-criteria.html. Notably, the group's key performance indicator for safety performance includes consideration only for GRI's LA7 indicator. It is weighted at 8.3%.

GRI 3.1 Occupational Health & Safety Indicators

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

GRI'S INSTRUCTIONS FOR COMPILING DATA

Report the level at which each joint management-worker health and safety committee typically operates within the organization.

Report the percentage of the total workforce represented in formal joint management-worker health and safety committees broken down into the following categories:

- None
- Up to 25%
- Between 25% and 50%
- Between 50% and 75%
- Over 75%.

CENTER FINDINGS

Summary

• Out of the 100 reporters, only 5 reported on percentage of total workforce represented in formal joint management-worker health and safety committees, consistent with LA6.

• Only 2 reported on the level at which each joint management-worker, health and safety committee typically operates within the organization, consistent with LA6.
• There was no mention of any labor management safety and health committees in 89 of the 100 reports.

Findings

• 11 corporations reported on some activity related to health and safety committees. Of those:
- 5 listed the percentage of total workforce represented in formal joint management-worker health and safety committees (consistent with LA6);
- 2 reported that they form joint committees as required by law;
- 2 referenced the use of health and safety committees, but provided no details on activities;
- 1 stated that health and safety committees are an integral part of its EHS processes;
- 1 stated that data in percentage is not available.

• 2 corporations reported on LA6 with regard to level of operation[11] as required by the GRI compilation instructions noted above. Both of these corporations report on broad levels:
- One corporation stated that it maintains committees at "the local, regional, business unit, and corporate levels."
- The other reported that it has committees "across the business."

[11]i.e., "the level at which each joint management-worker health and safety committee typically operates within the organization."

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

GRI'S INSTRUCTIONS FOR COMPILING DATA

Report on the organization's health and safety performance during the reporting period. This information includes fatalities, rates of injury, occupational diseases, lost days and absentee rates, broken down by:

- Total workforce
- Independent contractors
- Geographic location
- Gender

CENTER FINDINGS
INJURY RATE
Summary

- 75 of the 100 corporations reported on worker/employee injury rate.
  - Of the 75, 17 used GRI's recommended formula (IR = Total # of injuries/Total hours worked x 200,000) to calculate worker/employee injury rate.
- 18 reported on contractor injury rate.
  - Of the 18, 5 used the recommended GRI formula (IR = Total # of injuries/Total hours worked x 200,000) to calculate contractor injury rate.
- 6 different formulas were used to calculate injury rate overall.
- 12 different terms were used for "rates of injury."
- 15 different methods were used to define a report-worthy injury or incident.

Calculations

- 17 used the GRI recommended formula (IR = Total # of injuries/Total hours worked x 200,000) to report injury rate, but 14 of the 17 limited reporting to lost-work day injuries.
- 34 calculated the rate using "injuries per million hours worked."
- 5 used "injuries per 100,000 hours worked."
- 3 used "injuries per 1,000 full-time employees."
- 3 used "injuries per 1,000 hours."
- 2 calculated the rate using "injuries per 100,000 full-time employees."

Terms[12]

Terms Used to Describe "Rates of Injury"

- Industrial accident frequency rate
- Frequency rate
- Incident rate
- Total recordable injury frequency rate
- Lost-time injury rate
- Lost workday case rate
- Occupational recordable rate
- Lost-time injury and illness frequency rate
- Reportable incident rate
- Reportable accident rate
- Major accident rate
- Frequency rate of medical treatment injuries

Definitions Used to Determine a Report-Worthy Injury or Incident

There were at least 15 different methods of describing a report-worthy injury or incident (including number of occurrences):

- Injury resulting in 1 or more days away from work (3)
- Injury resulting in more than one day of leave (1)
- Injury leading to medical leave (2)
- Injuries requiring treatment by a medical professional (1)
- Injuries resulting in the victim not being able to return to work on the next scheduled day (1)
- Cases with lost days rates (1)
- U.S. OSHA incidents (1)
- Recordable incidents (1)
- Excluding small injuries (those leading to the absence of less than 3 days) and commuting injuries (1)
- Injuries or illnesses requiring medical attention beyond first-aid (2)
- Injuries involving more than 3 days absence (1)
- Injuries where the employee is admitted to the hospital for more than 24 hours (1)
- Injuries where the worker is absent for at least 1 day, excluding the day that the accident occurred (2)

• The definition of "reportable incident" varies in different countries:
  ▪ In Singapore, this refers to work-related injuries resulting in death, more than 3 days of medical leave or hospitalization for more than 24 hours.
  ▪ In China, it refers to work-related injuries resulting in 1 day of medical leave.
  ▪ In Malaysia, this is defined as work-related injuries resulting in an employee taking more than four days of medical leave. In Vietnam and Japan, this refers to work-related injuries to employees.

Gender/Region
• 6 corporations reported the information by regions.
• 4 reported information by business line or division.
• 2 reported information by gender.

Range of Years Reported
• The number of years covered by each organization's report ranged from 1 to 19, with the majority reporting information from a period ranging from 1 year to 5 years.

OCCUPATIONAL DISEASES RATE
Summary
• 6 corporations reported an occupational disease rate.
  ▪ No corporation used the GRI recommended formula to calculate Occupational Disease Rate (ODR = Total # of occupational diseases cases/Total hours worked x 200,000).
• 6 reported the number of cases of occupational disease.
• 3 formulas were used in reporting disease rate.

Calculations
• No corporation used the GRI recommended formula in reporting occupational disease rate (ODR = Total # of occupational diseases cases/ Total hours worked x 200,000).
• 2 reported the information using the employee illnesses per million hours worked formula.
• 1 calculated the rate using cases per 10,000 people.
• 1 used cases per 1000 employees.

Gender/Region
• 1 corporation reported on gender.
• No corporation reported on independent contractors or breakdowns by geographic location.

Range of Years Reported
• The number of years covered by each organization's report ranged from 1 to 5.

LOST DAY RATE
Summary
• 29 reported a lost day rate for workers/employees.
  ▪ 4 followed the GRI recommended formula [(LDR = Total # of lost days/Total hours worked x 200,000)/# of lost working days due to accidents].
• 9 reported a lost day rate for contractors
  ▪ 2 followed the GRI recommended formula [(LDR = Total # of lost days/Total hours worked x 200,000) # of lost working days due to accidents].
• 4 different formulas were used to calculate lost day rate.
• 3 different definitions of "lost day" were used.

Calculations
• 4 followed the GRI recommended formula [(LDR = Total # of lost days / Total hours worked x 200,000) / # of lost working days due to accidents].
• 5 calculated the rate using lost days per million hours worked.
• 1 used lost days per 100,000 hours worked.
• 1 used injuries per 1,000 hours.

Definitions
• 4 reporters followed GRI's instructions on compiling the data for this indicator, which request that reporters indicate whether "days" means "calendar days" or "scheduled work days," and at what point the "lost days" count begins (e.g., the day after the accident or 3 days after the accident)
• 2 used "number of lost calendar days."
• 1 used "number of days of medical leave."
• 1 stated that it does "not count the date of injury when calculating lost days."

Gender/Region
• 1 corporation reported on gender.
• 2 reported by group or business line.
• 1 reported by geographic area.

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Range of Years Reported
• The number of years covered by each corporation's report ranged from 1 to 6.
• 9 reported 3 years, 6 reported on 4 years, 5 reported on 5 years, 3 reported on 2 years, 2 reported on 1 year, and 1 reported on 6.

ABSENTEEISM RATE
Summary
• 27 of the corporations reported an absentee rate
  ▪ 2 corporations reported using the GRI recommended formula [AR = Total # of missed (absentee) days over the period/ Total # of workforce days worked for same period x 200,000] in calculating absence rate.
• 8 different formulas were used to calculate absentee rate.
• 6 different definitions of "absentee" were used.

Calculations
• 2 corporations reported using the GRI recommended formula [AR = Total # of missed (absentee) days over the period/Total # of workforce days worked for same period x 200,000] in calculating absence rate.
• Other approaches used to calculate absentee rate included:
  ▪ Absence due to the employee's own illness, pregnancy-related sick leave, and occupational injuries and illnesses compared with a regional standard average of working days in the year, adjusted for holidays;
  ▪ Number of registered days of absence as a percentage of the total number of normal working days in one year, less holidays and public holidays;
  ▪ Total number of sickness absence hours as a percentage of planned working hours;
  ▪ Percentage of calendar days lost;
  ▪ Number of days absent per full-time employee;
  ▪ Total number of days absence reported as a share of total recorded days;
  ▪ Rate of employee absence per million hours.

Definitions
• GRI defines "absentee" as "An employee absent from work because of incapacity of any kind, not just as the result of work-related injury or disease. Permitted leave absences such as holidays, study, maternity/paternity, and compassionate leave are excluded."

"To serve stakeholders' desire to evaluate corporate performance, the information an organization discloses must be provided in a format that is readily understood, analyzed and utilized."

• 6 organizations provided definitions of "absentee"
  ▪ 3 specifically include maternity leave as one of the covered absences.
  ▪ 1 specifically excludes maternity leave.
  ▪ 1 corporation stated that "in some countries, such as Japan, sick leave is deducted from the annual leave quota and illness-related absenteeism is recorded as zero."
  ▪ 1 organization indicated that "travel-related accidents" were included in the definition of absence.
  ▪ 1 corporation specifically excluded "long-term sickness" cases from its absentee rate.

Gender/Region
• 1 corporation reported on gender.
• 1 reported by group or business line.
• 5 reported by geographic area.

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Range of Years Reported
• The number of years covered by each corporation's report ranged from 1 to 5.
• The vast majority of reporters on this topic reported over 2 or more years.

TOTAL NUMBER OF WORK-RELATED FATALITIES
Summary
• 38 corporations reported on the number of worker/employee fatalities.
• 23 reported on contractor fatalities.
• 28 reported at least one work-related fatality. Of those:
    ▪ 16 reported more than one work-related death.
    ▪ 5 reported 10 or more fatalities.
• 1 reported 49 work-related deaths in the past year, another reported a total of 70 deaths over a 3-year period (2010-12).

Definitions
• GRI's compilation instructions state that fatalities, injury rates, occupational disease rates, lost day rate, and absentee rates should be reported by "total workforce, independent contractor, geographic location, and gender." They do not define "total workforce."
    ▪ The most common term used by reporters is "employees," which in the vast majority of cases is also undefined.
• GRI defines "independent contractors" as: "Persons or organizations working for an organization, a contractor, or a sub-contractor, with a relationship determined by a contract. Independent contractors do not have an employment relationship with the organization."
    ▪ Reporters providing information in this category favor the term "contractor," which in most cases is undefined.
• Although the GRI definition of "fatality"[13] includes disease-related deaths, no corporation specifically mentioned that category of fatalities.

"Thirty-eight corporations reported on the number of worker/employee fatalities. One reported 49 work-related deaths in the past year."

Gender/Region
• 3 corporations reported fatalities by gender.
• 2 reported by division or business line.
• 1 reported by geographic area.
• 1 reported by country.

Range of Years Reported
• The number of years covered by each corporation's reporting on fatalities ranged from 1 to 8 years, with the majority reporting over periods ranging from 1 year to 5 years.

[13]"The death of a worker occurring in the current reporting period, arising from an occupational injury or disease sustained or contracted while in the organization's employ."

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

GRI'S INSTRUCTIONS FOR COMPILING DATA
Report whether there are workers who are involved in occupational activities who have a high incidence or high risk of specific diseases.

CENTER FINDINGS
Summary
• 3 corporations provided information that clearly responded to GRI LA8.
• None complied with GRI's recommendations to "Report whether there are workers who are involved in occupational activities who have a high incidence or high risk of specific diseases."
• A number of reporters indicated that they had provided information that complied or partially complied with the requirements of this category. These reporters only provided general information on training related to safety, worker health management or risk prevention.

Findings
• 1 corporation stated that the focus of its efforts related to this indicator is on chronic diseases, but did not provide details on relevant activities.
• 1 corporation described the measures it had taken related to stress management and psychological social risks, including "a free hotline available to employees, and/or information provided to workplace representative agencies (IRPs) by a specialist physician."

▪ GRI's definition of serious disease includes stress: "Occupational or non-occupational related impairment of health with serious consequences for employees, their families, and communities. This may include but is not limited to HIV/AIDS, diabetes, RSI, malaria and stress."
• 1 corporation responded to this indicator by stating that "the procedures in place to address serious diseases (HIV/AIDS, diabetes, RSI, stress, etc.) are the same procedures that also cover less serious diseases."

LA9: Health and safety topics covered in formal agreements with trade unions.

GRI'S INSTRUCTIONS FOR COMPILING DATA

Report whether formal agreements (either local or global) with trade unions cover health and safety. If yes, report the extent, as a percentage, to which various health and safety topics are covered by these agreements.

CENTER FINDINGS

Summary

• 11 corporations reported that health and safety topics were covered in formal agreements with trade unions, relevant to LA9.

• 8 corporations reported on the percentage of workers/employees covered by collective bargaining agreements.

• None followed the GRI instruction to report the extent, as a percentage, to which health and safety topics are covered by these agreements.

• Since "health and safety" is not a defined term, it is not clear what health and safety topics are covered in the formal agreements with unions.

Findings

• Of the 24 corporations that reported on trade union activities:

- 11 specifically mention that health and safety topics were addressed.

- None of the organizations followed the GRI instruction to "report the extent, as a percentage, to which various health and safety topics are covered by these agreements."
- 8 of the corporations report on the percentage of workers/employees covered by collective bargaining agreements.
- 5 corporations report on the number of union agreements held.
- 1 limited its report to an agreement signed within the last year.
- 1 reports that "certain operations are subject to collective bargaining agreements."
- 3 of the corporations reported "dialogue," "discussion," or "cooperation" with trade unions—but not "formal agreements."

• Other than the 2 corporations that reported that essentially all of their operations were covered by union agreements, only 1 corporation reported on the type of operations covered by the formal union agreement.

Health and Safety Topics

• Of the 11 organizations reporting that health and safety is covered in union agreements:

- 1 reports that "working conditions and stress" is addressed.
- 1 states that "certain safety and health topics are covered."
- 1 reports that its agreements "normally cover subjects such as personal protective equipment, regular inspections, education, and further training."
- 2 indicate that they report on health and safety topics as required by local law.

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Proposed CSHS Occupational Health & Safety Indicators for GRI Framework

Lost-time injury and illness rate, lost-time injury and illness severity rate, and number of fatalities (*All workers—5-year period*).

CENTER FINDINGS

Summary

• The Center's proposed indicator defines "worker" as "A person who is subject to the control of the organization's management for the performance of work duties, including all employees, contract workers, temporary workers, and self-employed."

  ▪ GRI does not use the term "worker," but asks reporters to provide information on the "total workforce" without providing a definition of the term;

  ▪ 2 corporations specifically mention that temporary workers are covered in the information reported.

• The Center defines a "lost-time injury or illness" as "A nonfatal occupational injury or illness that causes a loss of time from work beyond the day or shift it occurred."

  ▪ Consistent with the Center indicator, 15 corporations specifically stated that they were reporting illnesses with injuries.

• The Center mandates which lost-time injuries or illnesses are to be reported (i.e., "nonfatal occupational injuries or illnesses that cause a loss of time from work beyond the day or shift it occurred").

INCIDENT RATE

Definitions

Contract and Temporary Workers

With increasing numbers of contract and temporary workers, it is important to ensure that information on this category of workers is reported. Since the term "total workforce" is undefined, it is not clear whether information on temporary workers is being reported as part of the GRI LA7 indicator. Likewise, since temporary workers do not always work pursuant to "a relationship determined by contract," temporary workers may not be covered by the GRI definition of "independent contractor."[14]

• 2 corporations in the study specifically mentioned that temporary workers are covered in the information reported and use the phrases "short-term, long-term, temporary and trainee employees" and "temporary workforce."

• 1 corporation stated that its report includes information on "employees or third parties."

• 2 corporations specifically excluded certain categories of workers, one excluding "externals, employees on unpaid leave, interns, bachelor and master thesis employees, and substitutes" and the others "contractors while at our premises."

Lost-Time Injury and Illness Rates

For the proposed indicator, the Center defines "lost-time injury and illness rate" as:

The number of lost-time injuries and illnesses per 100 full time equivalent workers per year, calculated using this formula:

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

The Center indicator follows the GRI recommendation of using 200,000 exposure hours (100 FTEs) as a basis for calculating the incident rate, but limits the injuries to be reported to lost-time injuries and includes lost-time illnesses in the formula.

• As previously reported in the section on GRI LA7, 17 of the corporations used the GRI recommended formula (IR = Total # of injuries/Total hours worked x 200,000) in reporting injury rate, but 14 of the 17 limited the reporting to lost-work day injuries.

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[14]Persons or organizations working for an organization, a contractor, or a subcontractor, with a relationship determined by a contract. Independent contractors do not have an employment relationship with the organization.

• 15 corporations specifically stated that they were reporting illnesses with injuries.

The Center defines a "lost-time injury or illness" as "A nonfatal occupational injury or illness that causes a loss of time from work beyond the day or shift it occurred."

GRI's definition of "injury" includes fatalities: "A non-fatal or fatal injury arising out of or in the course of work." Seven corporations specifically mentioned that fatalities were included in their data.

Range of Years Reported

The Center requests 5 years of data. As previously noted, the number of years reported on in the data collected on the Global 100 is highly variable, ranging from 1 to 19 years.

SEVERITY RATE

• The Center's recommended indicator for severity rates uses the same formula as the GRI indicator for Lost Days (Total # of lost days/Total hours worked x 200,000/ # of lost working days due to accidents).

• The Center mandates which lost-time injuries or illnesses are to be reported (i.e., "nonfatal occupational injuries or illnesses that cause a loss of time from work beyond the day or shift it occurred").

• The GRI data compilation instructions, in contrast, ask reporters to identify how they calculated "lost days."[15]

    ■ 4 reporters followed the GRI recommendation.

    ■ 2 used "number of lost calendar days."
    ■ 1 used "number of days of medical leave."
    ■ 1 stated that it "does not count the date of injury when calculating lost days."

Range of Years Reported

• The Center also requests that the reporters provide severity rates for a 5-year period, which standardizes the reporting range and allows for the gauging of an organization's OHS progress.

• The number of years reported on ranged from 1 to 6. 9 reported 3 years, 6 reported on 4 years, 5 reported on 5 years, 3 reported on 3 years, 2 reported on 1 year and 1 reported on 6 years.

FATALITIES

• The only difference between the proposed Center indicator on worker fatalities and that of GRI's LA7 is the requested length of the reporting period. The Center requests that information be reported for a 5-year period, whereas GRI limits the data to the "current reporting period."

Thus, for the Center research data and analysis relevant to fatalities, please see the LA7 Fatalities section starting on page 9 of this report.

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

CENTER FINDINGS
Summary

The Center's proposed indicators separate contractor data from that of workers. The Center defines a "contractor" as "A person who is performing on-site services at facilities owned or operated by the organization while under contract, subcontract, purchase order, or implied agreement, and is not subject to the organization's right to control the manner and means of performing the services."

• This definition would cover contract and temporary workers. Limited to "on-site services," it is narrower in scope than the GRI definition of independent contractor: "Persons or organizations working for an organization, a contractor, or a sub-contractor, with a relationship determined by a contract. Independent contractors do not have an employment relationship with the organization."

• The corporations that report on "contractors" or "subcontractors" do not define the terms, and no corporation mentions "independent contractors."

• For the data and analysis on the remaining issues relevant to contractor lost-time injury and illness incidents rate, lost-time injury and illness severity rate, and number of fatalities, please see the GRI LA7 section starting on page 9 of this report.

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[15]"Indicate whether 'days' means 'calendar days' or 'scheduled work days,' and at what point the 'lost days' count begins (e.g., the day after the accident or 3 days after the accident)." GRI's definition of "lost days" does provide some guidance on calculating lost days: "A return to limited duty or alternative work for the same organization does not count as lost days."

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Percentage of owned or leased work locations that have implemented an occupational health and safety management system that meets recognized standards.

CENTER FINDINGS

Summary

• 34 corporations reported using an occupational health and safety management system (OHSMS).

• 27 of the corporations reporting on this indicator referenced the standard they used in setting up their OHSMS.

> ■ 26 referred to OHSAS 18001 and one stated that it was aligned with Australian Standards and Occupational Health & Safety Legislation.

• 18 of the organizations provided some information on the scope of coverage for their OHSMS:

> ■ 7 reported on the percentage of locations that are covered by the system.
>
> ■ 6 reported on the percentage of locations audited.

Notes

Standards

• 27 of the corporations reporting on this indicator referenced the standard they used in setting up their OHSMS.

> ■ 26 referred to OHSAS 18001 and one stated that it was aligned with Australian Standards and Occupational Health & Safety Legislation.

Coverage

The Center's instructions with regard to this indicator call for the reporting of the percentage of owned or leased work locations that have implemented an OHSMS.

Eighteen of the organizations provided some information on the scope of coverage for their OHSMS:

reported on specific sites covered (production sites, warehouses, research and development facilities, headquarters building, industrial facilities, manufacturing facilities and engineering sites).

• 4 reported a percentage of sites covered.

• 1 reported a percentage of businesses covered.

• 1 reported on percentage of countries covered, percentage of workers under a management system, percentage of companies covered and percentage of volume of business.

• 1 reported on percentage of product companies as a cost of sales.

• 1 reported on number of countries covered.

• 1 reported on the number of new certifications.

Percentage of owned or leased work locations that have had their occupational safety and health management systems audited by an independent third party

CENTER FINDINGS

Summary

• 27 corporations reported that their OSHMS had been audited by an independent third party.

• 26 corporations reported OHSAS 18001 certification and one corporation reported follow-up audits by a third party.

Percentage of direct or first-tier suppliers' facilities in developing countries that were audited for compliance with health and safety standards.

CENTER FINDINGS

Summary
• 55 reported on current or planned activities regarding the monitoring of supply chain compliance with certain standards.
• 28 reported that they had audited their suppliers.
  ▪ 10% report on first tier or significant supplier audits, but not specifically limited to developing countries.
• 7 methods of reporting on the audits were used.
• 11 descriptions of the suppliers that were audited were provided.
• 8 organizations specifically mentioned that OHS topics were included in the audit.

Notes

Supply Chain Guidance

Fifty-five of the corporations reported on current or planned activities regarding the monitoring of supply chain compliance with one of the following:
• Corporate Social Responsibility (CSR) Guidelines for Suppliers
• Sustainable Supply Chain Management framework
• Code of Business Principles and Code Policies
• Sustainable Procurement Charter
• Supply Management Code of Ethics

Supply Chain Compliance Monitoring

Corporations use the following terminology to describe monitoring activities:
• conducting internal validations of supplier compliance;
• screening of suppliers;
• site assessments;
• administering self-assessment questionnaires;
• managing on-line auditing systems;
• managing CSR requirements in contracts or through declarations of compliance that are signed by the suppliers;
• status meetings with the main suppliers;
• supplier conferences;
• communications to determine suppliers' commitments;
• programs that support responsible management.

Supplier Audits

• 28 organizations reported that they had audited their suppliers in some fashion.

▪ 12 reported on the number of supplier audits.
▪ 8 reported on the percentage of suppliers audited.
▪ 6 reported on the number of suppliers audited.
▪ 1 reported on the number of factories audited.

• There were 11 descriptions of the "suppliers" that were audited:
  ▪ Percentage of top 150 suppliers ($ invoiced).
  ▪ Percentage of relevant procurement spend.
  ▪ All key suppliers.
  ▪ Significant suppliers and subcontractors.
  ▪ Supply partners subjected to a risk evaluation.
  ▪ Main suppliers.
  ▪ Total spend of suppliers who completed the CSR questionnaire.
  ▪ "Top Tier 1" suppliers ("Top Tier 1" suppliers refers to our top ~250 suppliers that are actively managed based on our spends with them and/or their strategic importance).
  ▪ Contracts with a value above USD 3 million.
  ▪ Suppliers with 150,000 euros worth of business or more.
  ▪ Risk-based and random selection process.
• OHS was specifically mentioned as a subject matter of the audits by 8 corporations.
• 3 organizations stated that they use the Electronic Industry Supplier Code of Conduct as a basis for their audits, which includes OHS issues.
• 8 corporations reported some level of involvement by third party auditors.

Range of Years Reported
The number of years reported on ranged from 1 to 9, with the leading categories of 1, 2 or 3 years (5 corporations each).

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Conclusion

The Center's research reveals that organizations identified as sustainable by the *Global 100* overwhelmingly do not use OHS indicators compliant with GRI recommendations, and OHS reporting as a whole. Organizations are further hindered in OHS reporting by a lack of common OHS terms and formulas. Entire groups of workers are left out when indicators do not account adequately for temporary or contract workers and the supply chain. Data is not regionally or globally standardized.[16] In the meantime, an increasing body of research is proving that organizations reporting long term commitment to OHS policy tend to be more highly sustainable across the board.[17]

Sustainability reporting at its very core is focused on corporate transparency and the timely disclosure of a company's financial, environmental, and social performance—operating under the premise that transparency deters illegal or unethical behavior as it allows investors, consumers, and other stakeholders meaningful insight into an organization's practices. Beyond transparency, sustainability reporting allows that same organization to improve awareness of its own performance, allowing it to better understand necessary improvements, compare itself to competitors, and gauge performance improvement over time.

But corporate transparency is not achieved simply by disclosing information. The information disclosed must also be *meaningful*.[18] To serve stakeholders' desire to evaluate corporate performance, the information an organization discloses must be provided in a format that is readily understood, analyzed, and utilized.

Recommendations

The Center recommends that GRI and other sustainability reporting frameworks better promote the importance of OHS as a major indicator of an organization's overall sustainability and adopt OHS performance indicators meeting the following criteria:

- Well-defined and standardized terms and definitions that allow for accurately evaluating an organization's performance across different sectors and geographies.
- Standardized data collection methodology that allows stakeholders to easily compare safety performance across and among organizations.
- The reporting of leading indicators, allowing stakeholders insight into whether corporations are taking meaningful actions to improve OHS performance.
- Information reported over multiple years (e.g., 5) enabling internal and external stakeholders to use the information to gauge improvement and compare performance to other organizations over time.
- An extended scope of coverage that includes OHS reporting for contingent workers (including temporary contract and subcontractor workers) as well as workers in the Supply Chain—growing and highly vulnerable segments of the global workforce frequently left out of OHS reports.

FUTURE RESEARCH

The Center's findings in this report highlight the need for further research on:

- Methodology used to rate sustainability performance. Research revealed that one organization reported 49 work-related deaths in one year, but was still considered "sustainable." This disconnect suggests that the rating process must be reviewed and revised.
- Current reporting practices with regard to temporary and contract workers.
- The feasibility of developing an online reporting framework that "recognizes" variations in reporting terms and calculation methods and can evaluate input in such formats, automatically converting them into a common reporting standard.

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[16]It is important to note the role of the International Integrated Reporting Council here, which is dedicated to harmonizing and adding rigor to global sustainability reporting. [17]Eccles, Robert G., Ioannis Ioannou, George Serafeim, "The Impact of a Corporate Culture of Sustainability on Corporate Behavior and Performance," Harvard Business School Working Paper 12-035, November 25, 2011, p. 21. The investigators found that organizations they categorized as "highly sustainable" showed a long-standing commitment to measuring and tracking "execution of skill mapping and development strategy…, the number of fatalities in company facilities…, and the number of near misses on serious accidents in company facilities." These indicators are considered progressive by the occupational health and safety community, and are not practices broadly seen across the organizations surveyed for this project. [18]In a recent analysis of the reporting practices of 94 Canadian corporations, 585 different indicators were identified, with 55% of them being used only once. Searcy, Cory, and Roca, Laurence Clement, "Reporting on Corporate Sustainability Performance," The Conference Board, October 2012.

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The Center for Safety and Health Sustainability, founded in 2010, is a nonprofit organization committed to advancing the safety, health, and sustainability of the global workplace.