



**Building a culture of
prevention and protection
in the Global Supply Chain**

Overview

This module puts into perspective the importance of employment injury protection within the global supply chain. It provides data and helps understanding the essential role of employment injury protection both for workers and employers. The module also shows how employment injury protection contributes to the realisation of the United Nations Sustainable Development Goals.

Learning Outcomes

By the end of Module 16, participants will:

- Understand the challenges of employment injury protection within global supply chains
- Understand the importance of employment injury protection for both workers and employers in global supply chains
- Be able to refer to international instruments which are promoting effective employment injury protection
- Be able to link employment injury protection with SDGs
- Be able to reflect on how to make a difference in global supply chains in relation to employment injury protection







Legend

If you find this icon you facing an **EXTERNAL** link

In order not to lose the current page, it can be useful to open a web page in a new tab. By default, the rule is that an external link (to another site) opens in a new tab, and an internal link (to another page on the site) opens in the same tab. But this is not always the case, and it is also sometimes useful to want to open several pages of the same site at the same time, in several tabs.

If you want to open a link in a new tab, **right click on the link and select “Open in new tab”**. You can also use the keyboard shortcut **“Ctrl”+left mouse click** on the link.

If you find one of these icons you facing an **INTERNAL** link.

-  left mouse click on the icon (link) to see more information.
-  left mouse click on the icon (link) to return to the original slide.
-  left mouse click on the icon (link) to go to the next page.
-  if this icon is grey, you have reached the last page.
-  left mouse click on the icon (link) to return to the previous page.
-  if this icon is grey, you have reached the first page.



Contribute to the
achievement of several
**Sustainable Development
Goals (SDGs)**

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

SUSTAINABLE DEVELOPMENT GOALS

The Ten Principles of the United Nations Global Compact

01

RESPECT
and support
Internationally
recognized
human right
in your area if
influence

02

ENSURE
That your
company does
not participate
in any way in
the violation
of human
rights

03

SUPPORT
Freedom of
association and
recognize to open
collective
bargaining

04

ELIMINATE
all forms of
forced or
compulsory
labour

05

ERADICATE
all forms of child
labour in your
productive
chain

06

STIMULATE
all practices
that eliminate
any form of
discrimination
at the workplace

07

ASSUME
a responsible,
preventive and
proactive posture
towards
environmental
challenges

08

DEVELOP
Initiatives and
Practice to
promote and
divulge
socioenvironmental
responsibility

09

PROMOTE
the development
and dissemination
of environmentally
responsible
technologies

10

FIGHT
corruption in all
of its forms,
including Extortion
and bribery

THE TEN PRINCIPLES of the United Nations Global Compact

HUMAN RIGHTS

LABOUR

ENVIRONMENT

ANTI-CORRUPTION

- 1 Support and respect the protection of internationally proclaimed human rights.
- 2 Not be complicit in human rights abuses.
- 3 Uphold the freedom of association and the effective recognition of the right to collective bargaining.
- 4 Support the elimination of all forms of forced and compulsory labour.
- 5 Support the effective abolition of child labour.
- 6 Support the elimination of discrimination in respect of employment and occupation.
- 7 Support a precautionary approach to environmental challenges.
- 8 Undertake initiatives to promote greater environmental responsibility.
- 9 Encourage the development and diffusion of environmentally friendly technologies.
- 10 Work against corruption in all its forms, including extortion and bribery.

Source: UNGC



The value of sharing principles

Introduction



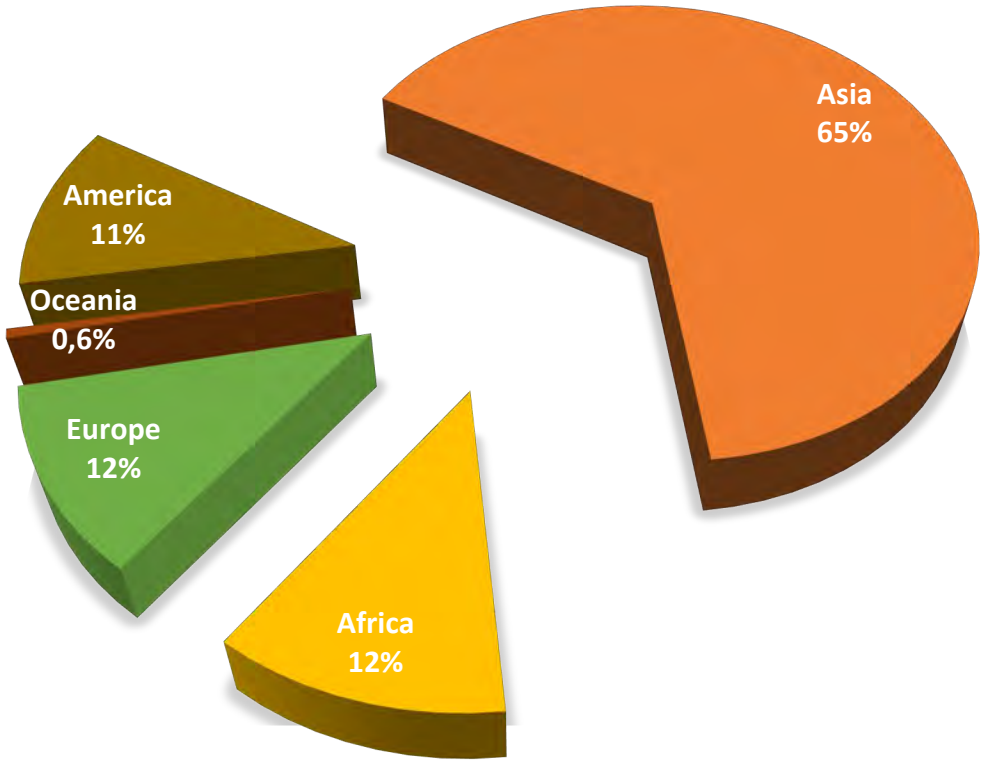
Further references

- The following instruments can be used as guidance :
 - 🌐 [Guiding Principles on Business and Human Rights issued by the Office of the High Commissioner on Human Rights \(UNGPs\)](#);
 - 🌐 [Guidelines for Multinational Enterprises issued by the Organization for Economic Co-operation and Development \(OECD guidelines\)](#);
 - 🌐 [Tripartite Declaration of Principles concerning Multinational Enterprises and Social Police \(MNE Declaration\) issued by ILO.](#)
- The instruments recognise that the primary responsibility rests on States to protect human rights and adopt relevant legislation. However, they also acknowledge that within the framework of policies established by Government, businesses can make an important contribution to economic and social progress and the realization of decent work for all.





Work-related mortality rates





Industries that experience the highest level of work-related accidents [1]:
 Construction
 Manufacturing
 Storage
 Transportation

The workers most exposed to work-related injuries [2] :
 Those in precarious employment (temporary, casual or part-time workers), Those in informal employment,
 Those working in small and medium enterprises (SMEs), and
 Those already subjected to discrimination and marginalization (such as migrant workers, young workers and racial and ethnic minorities).





50% of new jobs globally

SMEs constitute between 80-90% of total employment in the developing world.

Small and Medium-Sized Enterprises (SMEs)

Employ more workers than large enterprises in most developing and emerging countries.

Fatal injuries are nearly 8 times more likely to occur in SMEs than in larger workplaces.

Compared to larger enterprises, employment in SMEs is predominantly in lower-quality and low-skilled jobs and these workplaces have poorer working conditions.



Large-scale work disasters

The collapse of the Rana Plaza building in Dhaka, Bangladesh on 24 April 2013, killed at least 1,132 people and injured more than 2,500.

Large-scale work disasters like the Rana Plaza one alerted the world to the poor labour conditions faced by workers in the read—made garment sector in Bangladesh, a typical low/middle income country particularly dependent on participation in global supply chain.

For some of the lowest wages of the world, millions of people, most of them girls and women, are exposed every day to an unsafe work environment with a high incidence of work-related accidents and deaths, as well as occupational diseases.



Because of events like this one, it's of critical importance that injured workers are protected. They need to be able to recover the loss of earnings they are likely to suffer, and to ensure that they have access to the medical and associated care required by their condition.

Access to some form of financial compensation or support for dependent family members who lose their breadwinner can also make the difference between life in dire poverty, where children and older people are forced to work to survive, and life at or just above subsistence level.



Economic cost of work-related injury : an underestimated impact

Global level :

4%-6% of the GDP is lost due to direct and indirect costs of occupation accidents and diseases

Enterprise level :

Occupational injury generates a series of direct and indirect costs, and consequences.

Medical and staff costs

Others costs can include : cleaning and repair following an accident.

Reputational risks in relation to unsafe and unfair working conditions and the absence of adequate protection in case of work-related accidents

Workers and their dependants level:

Lost income, medical expenses

Physical and mental health loss

Indirect costs ; poorer economic prospects, debt, loss of assets.

For worker's family members : loss of work or interruption of education to care for the injured worker

The importance of data

- The estimates of occupational injury are generally based on the information contained in national statistics, which vary in terms of definitions, data collection methodologies and quality
- In addition, it is estimated that the majority (often as high as two thirds) of all occupational injuries may go unrecorded.

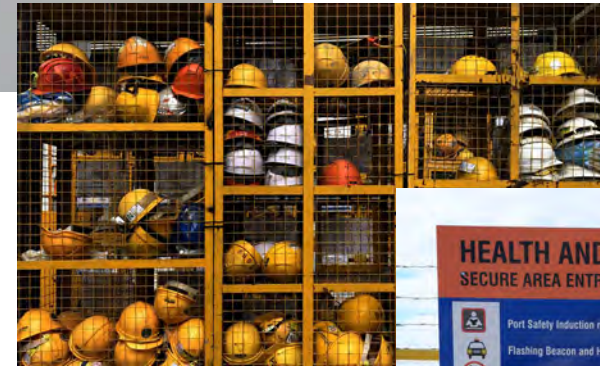
National statistics provide more of an *approximation* of the burden of work-related injuries and diseases than an accurate assessment.

Many countries still lack the expertise and the resources necessary to collect complete and accurate statistics that would allow a satisfactory and reliable evaluation of the magnitude of work-related accidents and diseases for all categories of workers.

- As data on work-related accidents and diseases are essential for prevention, there is a strong need to improve recording and notification systems and data analysis.
 - This would provide countries with more reliable indicators of the effectiveness of national OSH systems and help them in prioritize which OSH issues should receive the frequently limited resources available.

Occupational Safety and Health (OSH) in a Globalized Economy

- **Definition** : Occupational safety and health is identified as the discipline dealing with the prevention of work-related injuries and diseases as well as the protection and promotion of workers' health. It aims to improve working conditions and the work environment.
- **Where ?** Workplaces around the world.
- **Why ?** Various challenges ; workplaces in countries with limited resources, weak legal frameworks, inadequate enforcement and support functions.
- **Factors that exacerbate the challenges** : absence of a preventive safety and health culture, both at national and workplace levels.





How to address the deficits causing OSH hazards?

- **Voluntary measures** : Many enterprises have developed compliance-based sustainability efforts such as codes of conduct and monitoring programmes, including self-assessments, auditing and certification by third parties.
- **Why those measures aren't sufficient** ? They are a good starting point to ensure the improvement of working conditions. However, they may not be sufficient to identify and address risks, particularly risks found beyond direct suppliers.
- **How to complement the efforts** ? Multiple solutions are offered to enterprises :
 - Capacity-building initiatives to improve suppliers' technical expertise and internal management systems.
 - Joining multi-stakeholder initiatives that set and enforce labour standards across enterprises in the same industry and establish mechanisms to enforce these standards.
 - Combining private compliance initiatives with public regulatory authorities, such as labour inspectors, to improve working conditions.
 - Ensuring that a collaborative process is in place to share information about OSH deficits between the different stakeholders involved. Said stakeholders are enterprises, Governments, employers' and workers' organizations, and civil society.





Case study: Improvement of OSH in food and agriculture value chains

- ILO has highlighted **four opportunities** (and entry points) for improving OSH in food and agriculture values chains, particularly in the area of knowledge sharing:
 - I. Strengthening the capacity of OSH institutions in sourcing countries.
 - II. Knowledge sharing vertically at each step of the supply chain.
 - III. Knowledge sharing horizontally at each step of the supply chain.
 - IV. Knowledge sharing across different sourcing countries on prevention measures within supply chains of the same product.





Employment Injury Protection: The Other Side of the Coin of Effective OSH Practices

- **What is employment injury protection?** As part of their responsibility to ensure safe working conditions for their workers, employers are responsible for ensuring **fair, equitable and effective** compensation for workers (and, in the event of death, for their survivors). This includes compensation for the loss of income suffered because of an accident or occupational disease and for workers' access to medical and allied care.
- **Employment injury benefit schemes** are the oldest branch of social security in many countries. They were established to meet the needs of workers who have lost their working capacity due to a work-related injury and to meet the needs of dependant family members left without financial support in the case of a work-related death.



Employment Injury Protection

- Comparison between employers' liability scheme and social insurance scheme

Employers' liability schemes	Social insurance schemes
The compensation of a worker or his/her surviving family dependants is a legal liability placed upon the employer.	Employers' liability is replaced by the no-fault principle.
Employers are required to take out private insurance because of the financial burden put on them.	The cost of the compensation is spread across society.
Outcome is often sub-optimal : injured workers, or their families, must obtain the relevant information related to their insurance claim and undergo rigorous medical assessments. It leads to delays in accessing treatments and benefit.	
Employer may be reluctant to present a claim for fear of other legal implications	Employers collectively finance the employment injury insurance against the risk of work-related injury and in return, they are free from individual compensation responsibilities and lengthy court cases.
Many workers do not receive the compensation to which they are entitled by law, or which would be required to meet their needs.	Workers abandon the right to sue their employers because they have access to predictable, timely, fair and sufficient compensation.

International labour standards

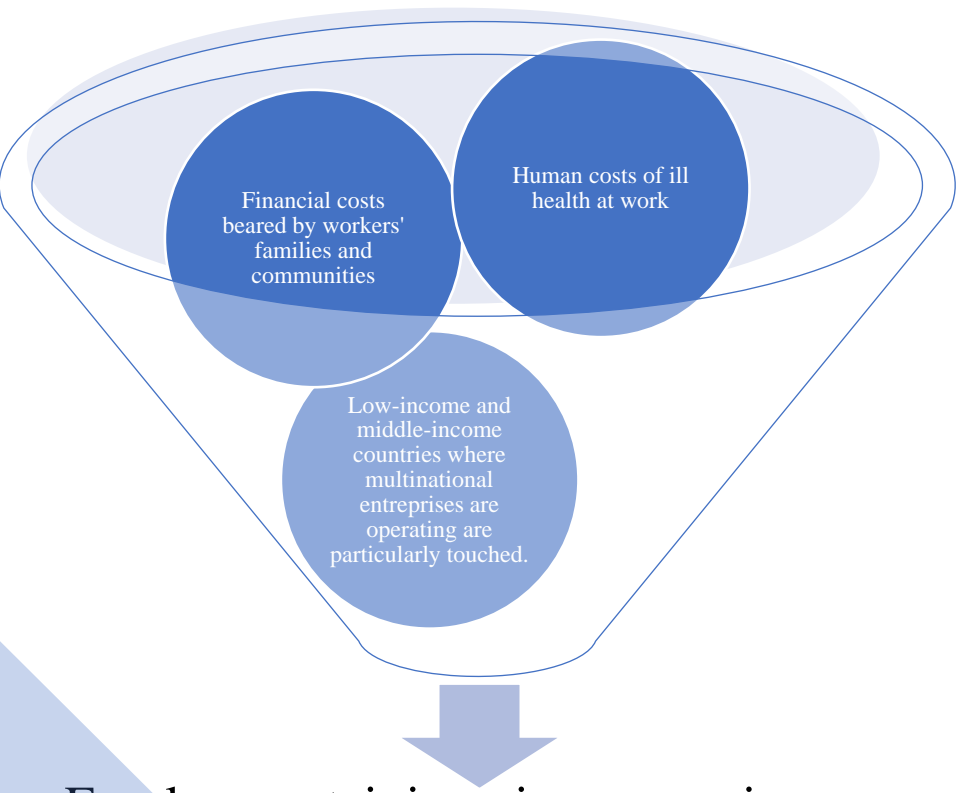
Protection in case of a work accident and occupational disease

- Both  *ILO Social Security (Minimum Standards) Convention, 1952 (No. 102)*, Part VI and  *ILO Employment Injury Benefits Recommendation 1964, (No. 121)*
- state that any condition that impacts negatively health and which is due to a work accident or an occupational disease, and the incapacity to work and earn that results from it, whether temporary or permanent, total or partial, must be covered.
- The worker who dies because of a work-related injury and the loss of support suffered by her or his dependants shall also be protected.
- The provision must include medical and allied care, with a view to maintaining, restoring or improving the health of the injured person and her or his ability to work and attend to personal needs. A cash benefit must also be paid to injured persons or the deceased's dependant either at a guaranteed level or on a periodic basis.
- In principle, worker's compensation or employment injury insurance schemes should be funded entirely from employer contributions. Yet in practice, the principle is undermined by two factors:
 1. The poor coverage of workers' compensation schemes
 2. The payment of inadequate benefits.
- Thus, leading to approximately **60%** of the world's labour force lacks protection if they are injured or become ill as a result of their work.

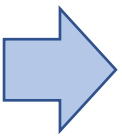


International labour standards

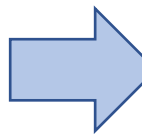
The consequences of deficits in legal and effective coverage



Employment injury insurance is the most important instrument by which society places a visible economic cost on the hazards of work.



Insurance is frequently linked to preventive and rehabilitative services. Therefore, coverage gaps become a failure of public health as well. This gap became obvious during the current COVID-19 pandemic.



Multinational enterprises can play an important role in strengthening employment injury insurance systems and addressing existing shortcomings together with their suppliers.

COVID-19 Infection and Injury at the Workplace

- The global pandemic impacted the world of work : loss of lives, loss of jobs, and closure of businesses.
- The most vulnerable workers have been the most affected.



- For more information, please refer to



[ILO collection of State practice on COVID-19 and occupation injury.](#)



Employment Injury Protection

Benefits of Effective OSH Practices for enterprises.

Effective OSH practices contribute to keeping businesses open

- When an accident isn't covered by an employment injury insurance scheme, the employer will have to bear costs that are often many times higher than the enterprise's total wage bill.
Risk of insolvency.

EXAMPLE OF AN INDUSTRIAL ACCIDENT WITH 200 WORKERS WITH NO EMPLOYMENT INJURY INSURANCE SCHEME



COMPENSATION NEEDS TO BE PAID:

Normal percentage is 60% of lost wages for life	60% could be paid for a period between 20 to 40 years to the workers concerned or their dependants	Some workers were still young
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RAPID CALCULATION:

$$60\% \text{ of wage} \times 40 \text{ years} \times 200 \text{ people} =$$

More than 4,800× the total wage bill

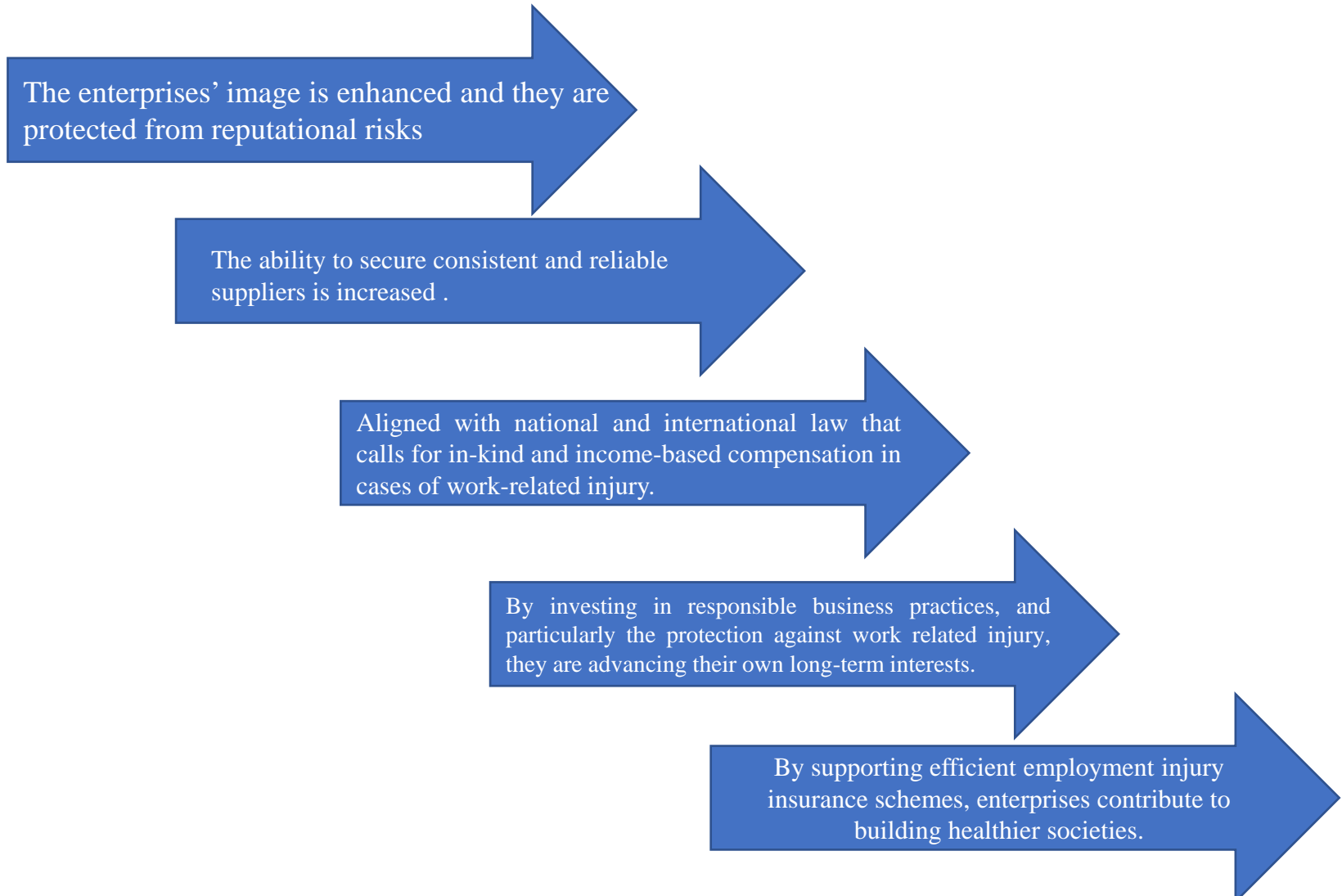
With an employment injury scheme in place, the cost would be known, predictable and affordable and vary between 1 and 2 per cent of the wage bill.



Employment Injury Protection

Benefits of Effective OSH Practices for enterprises

**Positive legal,
financial and
reputational
effects**



Prevention as a key element to prevent work-related injuries

Employment injury insurance schemes could play a pivotal role in enhancing the prevention of occupational injuries. Indeed, linking prevention to employment injury can create effective mechanisms to reduce accidents at work and occupational diseases.

In 2019, the [ILO Centenary Declaration for the Future of Work](#) underscored that « **safe and healthy working conditions are fundamental to decent work** ».



The most recent OSH instruments, the [Promotional Framework for Occupational Safety and Health Convention, 2006 \(No. 187\)](#) and its accompanying [Recommendation \(No. 197\)](#), emphasize the importance of developing a preventive safety and health culture in which the principles of prevention are given the highest priority. It stresses that collaboration with relevant insurance or social security schemes that cover occupational injuries and diseases is an important component of a national OSH system (Article 4(3)(g)).

ILO encourage preventive and protective measures as reflected by [ILO's Occupational Safety and Health Convention, 1981 \(No. 155\)](#) and its accompanying [Recommendation \(No. 164\)](#). The Convention set out the basic principles for a national and enterprise level policy for the implementation of OSH *preventive and protective measures*. These principles include

- requiring action on the formulation;
- implementation and periodic review of a national OSH policy;
- the full participation of employers, workers and their respective organizations and other stakeholders;
- and the implementation of OSH measures at the workplace level.


Said link can also increase productivity and give employers an incentive to boost preventive activities.

- As an example, the saving gained by proposing differential or merit rating system can represent an incentive for employers to support the employment injury insurance scheme and pay more attention to workplace safety and the prevention of accidents and diseases.

How to reduce compensation expenditures ?

- It's possible to reduce the compensation expenditures and enhance the scheme's financial stability by allocating some resources from the employment injury insurance scheme to support preventive work to ensure that fewer workplace accidents occur and fewer workers are affected by occupational diseases.

International Labour Organization Promotional Framework for Occupational Safety and Health Convention (No. 187)

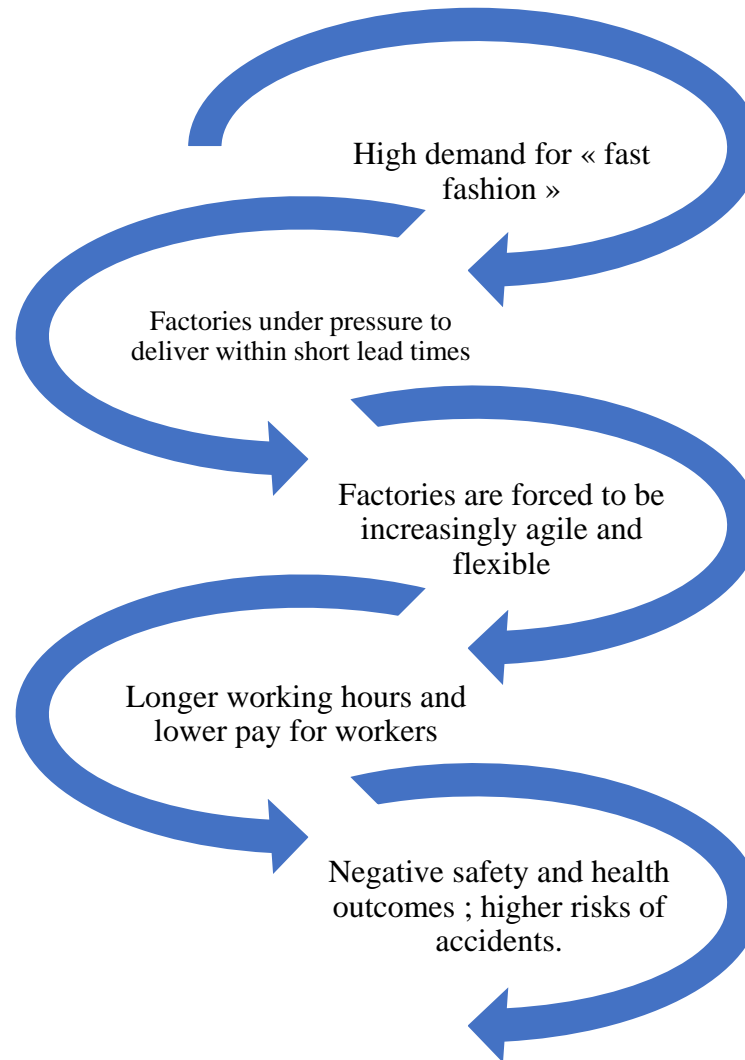
 The ILO developed the [Promotional Framework for Occupational Safety and Health Convention](#), which defined a national preventive safety and health culture as one in which the right to a safe and healthy working environment is respected at all levels, where Governments, employers, and workers actively participate in securing a safe and healthy environment through a system of defined rights, responsibilities, and duties, and where the highest priority is accorded to the principle of prevention.

- For actions at the national level, Convention 187 mentions implementation and periodic review of the policy, enforcement of relevant laws and regulations, and ensuring coordination among various relevant authorities and bodies. For actions at the enterprise level, the Convention addresses employers' duties and responsibilities to ensure that the working environment is safe and without risk to health, and also makes reference to the rights and duties of workers and their representatives.



Impact of Procurement Practices on Occupational Safety and Health and Employment Injury Protection

- Global buyers' purchasing practices directly affect a supplier's ability to create the key conditions for decent work, including OSH.
 - The global garment industry is the perfect illustration of this situation.



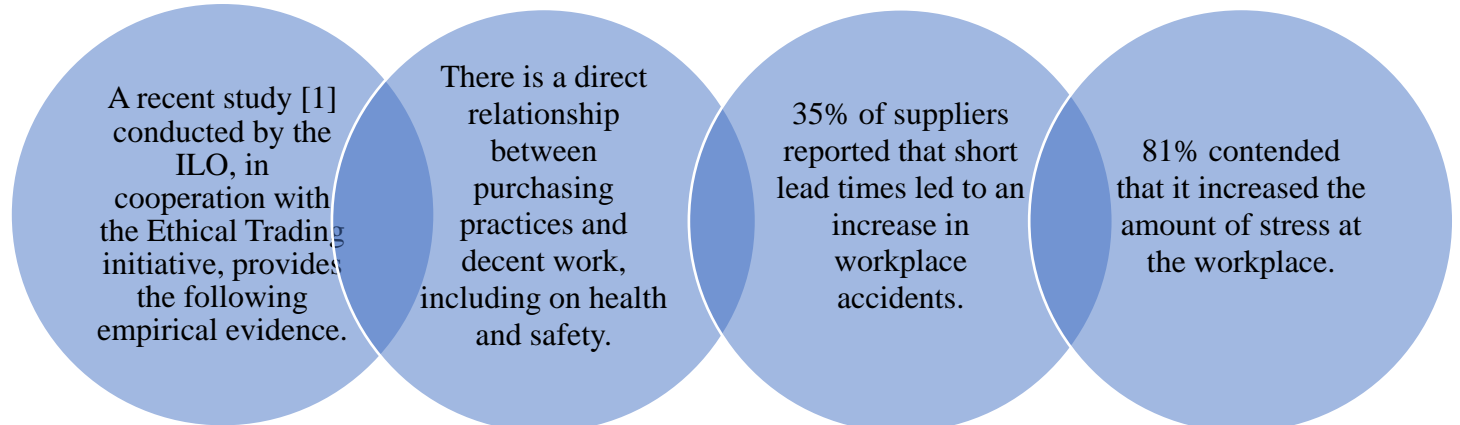


Impact of Procurement Practices on Occupational Safety and Health and Employment Injury Protection



The [UNGC Decent Work Toolkit for Sustainable Procurement](#) highlights that procurement practices that do not consider respect for workers' human and labour rights can lead to a number of risks. These risks include:

- Poor quality or product failures
- Inconsistencies in the supply of products or services
- Poor working conditions which could lead to :
 - Reputational impacts and increased stakeholder pressure if poor practices are found
 - Production stoppages due to worker unrest or strikes
 - Increased management costs to deal with any issues that arise, e.g. a third-party or media report
 - High employee turnover costs for suppliers
 - Increased compliance costs or legal liabilities, e.g. injuries to workers or consumers
 - Potentially losing Government contracts
 - Potential loss of contracts to other suppliers that can offer decent working conditions to purchasers
 - Withdrawal of project financing by lenders if the social or environmental requirements associated with a loan are not met. Environmental, social, and governance (ESG) criteria are critical for companies as they access financing and report on loans)
- More frequent audits and supplier monitoring to check conditions or address concerns about poor quality of work and products, which may increase costs.





Impact of Procurement Practices on Occupational Safety and Health and Employment Injury Protection

- Rewarding sourcing and compliance efforts is a key element to ensure social sustainability and to improve the supply chain workers' working conditions. Additionally, by integrating safety and health standards into procurement or sourcing decisions, buyers are leading the way towards an improved safety and health management among suppliers.
- **Elements to included in a contract between a buyer and a supplier:**
 - Safety criteria
 - Working conditions
 - Reference to employment injury protection

Nine Business Practices to Implement and Promote a Culture of Prevention and Protection through Supply Chains

- Since there is no zero risk-injury working environment, initiatives like monitoring, compliance and remediation are not enough to guarantee a safe and healthy working environment. Therefore, an integrated policy on OSH should also cover the protection, in the form of compensation and access to medical care, available to workers or their families in the case of occupational accident or disease.
- The ILO and UN Global Compact identified **nine practices** to ensure safer supply chains. The following practices are neither exhaustive nor placed in order of importance. They are not binding and do not intend to impose binding obligations on businesses.
- Said practices aim to highlight how businesses can strengthen and improve actions to promote safe and healthy workplaces and to ensure that all workers are protected in the event they become injured or contract an occupation disease.
- Implementing such practices is even more important in host countries in which OSH systems and employment injury are deficient.
- The suggested practices are based on the ILO MNE Declaration and the UNGPs, and aim to illustrate the positive role of business in improving safety and building a culture of prevention and protection.






Sections of the ILO MNE Declaration dedicated to safety and health

43. Governments should ensure that both multinational and national enterprises provide adequate safety and health standards and contribute to a preventative safety and health culture in enterprises progressively achieving a safe and healthy working environment. This would include steps to combat workplace violence against women and men and attention to building safety. The relevant international labour standards, including the list of occupational diseases, and the ILO codes of practice and guidelines in the current list of ILO publications on occupational safety and health, should also be taken into account. Compensation should be provided to workers who have been victims of occupational accidents or diseases.

44. Multinational enterprises should maintain the highest standards of safety and health, in conformity with national requirements, bearing in mind their relevant experience within the enterprise as a whole, including any knowledge of special hazards. They should also make available to the representatives of the workers, and upon request, to the competent authorities and the workers' and employers' organizations in all countries in which they operate, information on the safety and health standards relevant to their local operations, which they observe in other countries. In particular, they should make known to those concerned any special hazards and related protective measures associated with new products and processes. They, like comparable domestic enterprises, should be expected to play a leading role in the examination of causes of industrial safety and health hazards and in the application of resulting improvements within the enterprise as a whole.

45. Multinational enterprises should cooperate in the work of international organizations concerned with the preparation and adoption of international safety and health standards.

46. In accordance with national practice, multinational enterprises should cooperate fully with the competent safety and health authorities, the representatives of the workers and their organizations, and established safety and health organizations. Where appropriate, matters relating to safety and health should be incorporated in agreements with the representatives of the workers and their organizations.



United Nations Guiding Principles on Business and Human Rights : Human Rights Due Diligence applied to OSH

- **Enterprises have a responsibility to respect human rights.**
 - This responsibility is included in several international instruments, including the [ILO MNE Declaration](#), the [OECD Guidelines for Multinational Enterprises](#) and the [OECD Due Diligence Guidance for Responsible Business Conduct](#).
- **To meet this responsibility, enterprises should have in place policies and processes appropriate to their size and circumstances, including :**
 - (a) A policy commitment to meet their responsibility to respect human rights;
 - (b) A human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights;
 - (c) Processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute.
- **Enterprises must aim to build a culture of prevention and protection to ensure a healthy and safe working environment for the supply chain workers.**

Nine business practices to Implement and Promote a Culture of Prevention and Protection Through Supply Chains

Principle 1 Map your supply chains to gain a better understanding of existing occupational safety and health (OSH) challenges

Principle 2 Include OSH and employment injury protection in procurement practices

Principle 3 Improve the monitoring of OSH compliance, including through closer engagement with suppliers

Principle 4 Promote vertical and horizontal knowledge and capacity sharing

Principle 5 Align and complement the national legal and policy framework and be a driver for improvement

Principle 6 Promote workers' participation and social dialogue

Principle 7 Support efforts to enhance the reporting, recording and notification of occupational injuries and diseases to improve data collection

Principle 8 Engage with development partners to share knowledge of good practices and innovative approaches to build capacity and partnerships

Principle 9 Join international initiatives to support the development of national policies and strengthen national institutions in sourcing countries on OSH practices and employment injury protection



Principe 1: Map your supply chains to gain a better understanding of existing OSH challenges

- **Why adopt the mapping ?**


- Gain a more comprehensive understanding of the scale and nature of specific safety and health issues and the precise production points at which these issues emerge among formal and informal sector suppliers.
- To start protecting the most vulnerable workers.
- Easier to ensure that the strategies can address the risks in a sustainable manner.

- **A tedious, yet possible task:**

- In 2019, **Total**, a French multinational integrated oil and gas company, developed a new methodology for its procurement sustainability mapping.
 - The Sustainable Procurement Team reached out to a specialist service to analyse the specific potential human rights risks related to each procurement category.
 - The Sustainable Procurement Team also developed a sustainable procurement mapping tool that will let procurement teams access a summary of the raw risks related to each category.
 - The information is then shared with internal stakeholders and suppliers.
 - The mapping tool considers the existing mitigation measures that are being implemented to calculate the residual risk as required by the French “Duty of Vigilance” Law.



Principle 2: Include OSH and employment injury protection in procurement practices

- Given that ensuring health and safety in the workplace is part of responsible business practices ; enterprises should ensure that their procurement practices include an assessment of their suppliers' compliance with safety and health standards.
 - This verification should also cover employment injury protection.
 - Integrating safety and health standards into procurement or sourcing decisions can improve safety and health management among suppliers.
- A sound integration of sourcing and sustainability/compliance efforts is crucial and requires internal sharing of data, particularly between sourcing and sustainability departments
- **Resource for enterprises:**  [UN Global Compact and Decent Work Toolkit for Sustainable Procurement](#). This toolkit provides guidance on how to advance decent work through purchasing decisions. It contains real-life examples of buyers and suppliers jointly addressing decent work concerns in their supply chains.

Principle 2: Include OSH and employment injury protection in procurement practices

Enterprise example :

- The Italian multinational tire company **Pirelli & C.S.p.A.** specifically includes respect for human rights in the parameters used to select its suppliers, the contractual clauses and the verifications carried out by third-party audits.
 - This approach facilitates the identification, assessment, prevention and mitigation of human rights risks.
 - OSH is one of seven principles identified in the Pirelli Global Human Rights Policy.
 - As part of the supplier onboarding phase and contractual phase, Pirelli's suppliers are required to sign a sustainability clause.
 - Suppliers are asked to declare their understanding of Pirelli group documents and policies, including those on health, safety and environment.



Principe 3 : Improve the monitoring of OSH compliance, including through closer engagement with suppliers



- Any programmes used by enterprises to respond to societal concerns should integrate details processes that :
 - Identify OSH risks and impacts;
 - Lay out how to integrate and act upon the findings ;
 - Track any necessary responses;
 - Communicate how the challenges were addressed.
- When efficient, such measures could help establish good practices in relation to OSH and protection against work-related injury.
- **A shift must occur :**
 - It can be challenging to identify and address OSH and employment injury protection issues in lower tiers of supply chains. Thus, enterprises may need to shift from a compliance and punitive approach to an engagement and partnership approach.

Evidence has shown that the presence of trust-based relationships between buyers and suppliers, characterized by open communications and joint problem-solving, can positively impact working conditions.



Principe 3 : Improve the monitoring of OSH compliance, including through closer engagement with suppliers

Enterprise example :

- **Sakhalin Energy Investment Company Ltd.**, a Russian oil and gas producer, developed a single database system for monitoring harmful occupational factors within the asset industrial monitoring programmes.
 - The system collects data on the health status of employees and also analyses the cause-and-effect relationships between indicators obtained by measuring various factors in the working environment, including air, vibration, noise, microclimate, ionising radiation, etc.
 - This data is then used to track implementation of corrective measures to minimize risks.

Principe 4 : Promote vertical and horizontal knowledge and capacity sharing

Vertical knowledge sharing

- Enterprises should provide support to suppliers to ensure that they can meet the standards embedded in company codes of conduct, including capacity building to improve suppliers' technical expertise and internal management systems.
 - The good practices and policies that suppliers align with should be appropriate to their size and the nature of their activities.
 - To ensure the efficiency of the practices and policies transfer, enterprise workers should be involved and engaged with suppliers in a way that enables OSH management to reflect surrounding contexts.



Principe 4 : Promote vertical and horizontal knowledge and capacity sharing

Vertical knowledge sharing

Enterprise examples :

- **Inditex** (Industrias de Diseño Textil, S.A.), a Spanish multinational clothing company, developed a global OHS strategy for its supply chain in order to reduce and prevent the risk of accidents and injuries.
 - Occupational health and safety experts from Inditex and sustainability teams in the main sourcing countries ensure the strategy is correctly implemented and run different projects with their stakeholders, oriented to enhance workplace health and safety.
- **Nike** has piloted a capacity building initiative in 16 pilot factories from 13 supplier groups, representing 70 per cent of Nike production volume, to prevent factory accidents. This included an assessment tool to gauge the extent to which a factory promoted a safe environment.
 - As part of the pilot project, participating footwear factories in Indonesia, Vietnam and China received training to ensure that safety risk analysis and management was embedded in the factory's strategy.
 - This also included advising workers on their specific safety responsibilities.
 - Preliminary results showed an 85 per cent decline in recordable injuries and a 100 per cent decline in lost time on the pilot lines, compared to the rest of the factory.
- **Siemens** India, in collaboration with TÜV Rheinland India, jointly established a Global Skill Centre for Occupational Safety in Mumbai, India. The training centre has been specifically designed by Siemens and TÜV Rheinland to provide practical training on the latest safety equipment and techniques. It takes the first step towards a "Zero Harm Culture" that helps individuals work responsibly and run projects without accidents.
 - The centre conducts certified training courses that develop 'Safety Leaders'.
 - The target audience for the programme includes occupational safety practitioners, project /site managers, construction managers, construction site supervisors, safety marshals and site engineers.
 - The course provides an experiential learning of hazard and risk identification, safety planning, risk mitigation and implementation of controls. Training modules include specialized training based on real-life scenarios of an operational nature in project or construction sites, such as electrical safety, fire safety and working-at-height.

Principe 4 : Promote vertical and horizontal knowledge and capacity sharing




Horizontal knowledge sharing

- Vertical knowledge sharing is critical, but to prevent the creation or continuation of a two-tiered sector, horizontal knowledge sharing is as important and should be encouraged by enterprises.
 - Enterprises should encourage their suppliers to share their OSH knowledge, capacity and experience across the rest of the sector, including suppliers who may sell only domestically.
 - This practice would promote good OSH standards across the sector and ensure that everyone follows them and that no well is left behind.

Enterprise example :

- **Knoll Printing & Packaging**, a leader in the deluxe packaging industry is organizing meetings to gather representatives from their Tier 1 suppliers.
 - The meetings' primary purpose is to review the company's updated Supplier Code of Conduct to ensure all Tier 1 suppliers understand the company's expectations regarding suppliers' social and environmental performance.
 - Suppliers also gather into smaller groups during the sessions to create more informal and free discussions to share thoughts, knowledge and practices. Health and safety issues are an important topic discussed in these meetings.
 - Since their Tier 1 suppliers are operating in the same industry and of similar size, these sharing sessions effectively build capacity.

Principe 5 : Align and complement the national legal and policy framework and be a driver for improvement

- **Enterprises must obey domestic law.**
 - The ILO  [MNE Declaration](#) states that “[Multinationals enterprises] activities should be consistent with national law and in harmony with the development priorities and social aims and structure of the countries in which they operate.”
- **What if domestic law is not aligned with international standards or does not offer the necessary prevention or protection against work-related injuries ?**
 - The UNGPs state that, in addition to complying with national laws, businesses have a responsibility, in the context of the countries in which they operate, to respect human rights through their own business activities and through their relationships with third parties – such as business partners and entities in their supply chains.
- **And concretely ?**
 - If a deficit in effective prevention and protection measures is identified, enterprises should engage in a dialogue with suppliers to identify remedial measures, in line with principles of international labour standards.
 - Enterprises could promote broader coverage of employment injury insurance schemes in several ways.
 - Refer to the clear standards and guidelines, against which the national system could be measured, provided in the  [Convention No.121 on Employment Injury Benefits](#).
 - Additionally, interested stakeholders can use this  [tool](#) developed by ILO, through its Global Program on Employment Injury Insurance and Protection, to self-assess the fundamental elements of a national scheme based on technical guidelines and ILO standards.

Principe 5 : Align and complement the national legal and policy framework and be a driver for improvement

Enterprise example :

Total, a French multinational integrated oil and gas company, provides pension and employee benefit programmes covering health and death for their employees and those of their subsidiaries.

- The aim is that each employee can benefit, in case of illness, from coverage that is at least equal to the median amount for the national industrial market; save or accumulate income substitution benefits for retirement; and arrange for the protection of family members in case of death through insurance payments equal to two years gross salary.
- **Total's** pension and employee benefit programmes are regularly reviewed and adjusted if necessary.
- They are rolled out by the subsidiaries and supplement programmes that may be provided according to local regulations.

Principe 6 : Promote workers' participation and social dialogue

- A recognized factor that often increases OSH risks is the shift of work into workplaces with inadequate workers' representation mechanisms.
- Worker's representation in health and safety committees significantly improves OSH mechanisms.
- In accordance with national practice, multinational enterprises should
 - promote the appointment of workers' safety delegates, safety and health committees;
 - cooperate fully with workers' organizations' representatives on OSH related issues, and
 - share relevant observations made in other countries.



Principe 6 : Promote workers' participation and social dialogue

- Enterprises can support and develop worker participation committees in their supply chains by:
 - Acting as guarantors
 - Capacity builders
 - Enforcers of workplace dialogue
- Actions that enterprises can take :
 - First, they can work closely with suppliers to assure them that participation committees would not lead to volatility or threaten the position of management. Instead, these committees would strengthen the buyer-supplier relationship and deal with employee conflicts at earlier stages.
 - Secondly, enterprises can build the capacity of workers and employers by training them on how to communicate effectively about concerns, how meetings should be structured, and how to build an agenda.
 - Thirdly, they can try to enforce the establishment of democratically elected participation committees among reluctant factory owners. This can be done by tracking indicators that monitor participation committees' efficiency in solving workplace issues or even make participation committees a precondition for continued sourcing.

Principe 6 : Promote workers' participation and social dialogue

International labour standards on OSH and workers' participation

- To ensure effective representation, workers need the knowledge and skills required to collaborate effectively with the employer in implementing OSH requirements in the workplace.
 - In this regard, [Article 19\(d\) of ILO Occupational Safety and Health Convention, 1981 \(No. 155\)](#) requires that “workers and their representatives in the undertaking are given appropriate training in occupational safety and health”.
- In relation to employment injury protection, this means workers should be aware of their entitlements and informed of the process to claim benefits in case of injury or death.
- The important role that workers' safety delegates, workers' safety and health committees, and joint safety and health committees should play in ensuring safe and healthy working conditions is recognized in several international labour standards on OSH and workers' participation.

- [ILO Promotional Framework for Occupational Safety and Health Convention, 2006 \(No. 187\)](#), in Article 4(2)(d)), provides that arrangements for the promotion, at the level of the undertaking, of cooperation between management, workers and their representatives are an essential element of workplace-related prevention measures.
- [Recommendation No. 197](#) (Paragraph 5(f)) promotes the establishment of joint safety and health committees and the designation of workers' occupational safety and health representatives, in accordance with national law and practice.
- Paragraph 12 of [ILO Recommendation 164](#) states that worker representatives of joint safety committees should, among others, be provided with adequate information on safety and health matters; be consulted when major new safety and health measures are envisaged and before they are carried out; [...]



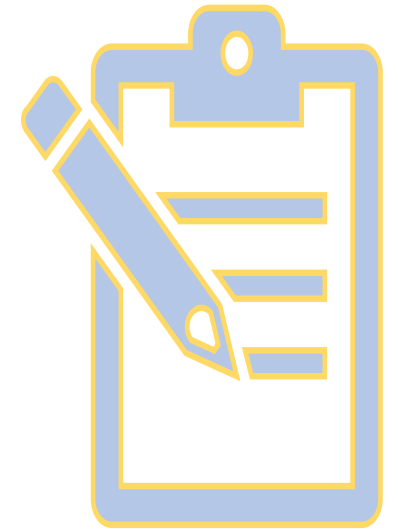
Principe 6 : Promote workers' participation and social dialogue

Enterprise examples

- **Assent Compliance Inc.**, a Canadian supply chain data management company, established the employee-led Joint Health & Safety Committee.
 - It leverages standards and best practices for managing safety and health as outlined by the local government. The committee also makes recommendations to the human resources department on health and safety issues and seeks to resolve workplace safety-related disputes between managers and employees.
- **L'Oréal S.A.**, a French personal care multinational, reports that 84 per cent of its employees work in subsidiaries with employee representative institutions.
 - If the right to collective bargaining or freedom of association are non-existent or restricted, L'Oréal ensures the existence of other modes of dialogue with its employees.

Principe 7 : Support efforts to enhance the reporting, recording and notification of occupational injuries and diseases to improve data collection

- As data on work-related accidents and diseases are essential for prevention, enterprises are strongly encouraged to
 - Improve recording and notification systems as well as data analysis regarding workplace injuries and help their suppliers to do the same.
 - Improving recording and notification of occupational accidents and diseases would help give competent authorities more reliable indicators of the effectiveness of national OSH systems; help them prioritize which OSH issues should receive existing resources; improve remediation measures; and reduce the costs of protection.
 - Make adequate arrangements to record and notify the competent authorities about occupational accidents and diseases .
 - Since most data is generated at the workplace level, enterprises can play a key role in supporting and encouraging their suppliers to collect relevant data and share it with national authorities, in accordance with national law. The collection and sharing of information are essential to target specific prevention interventions, particularly in risk areas, and set priorities.
- The more accurate the data is and the more predictable the system of protection against work-related injury can be, the more easily are costs known and contained.



Principle 7 : Support efforts to enhance the reporting, recording and notification of occupational injuries and diseases to improve data collection

Enterprises examples :

- Michelin**, a French multinational tire manufacturing company, uses a Total Case Incident Rate (TCIR) calculation, based on the U.S. Department of Labor’s Occupational Safety and Health Administration (OSHA) indicator.
 - TCIR considers every type of incident related to health and safety as it records the number of lost-time accidents, accidents without lost time but requiring medical treatment, incidents requiring workstation adjustments, or occurrences of a work-related illness.
 - TCIR also records incidents involving temporary workers and contract employees.
- Unilever plc**, a British multinational consumer goods company, monitors occupational injury and illness rates through the Airsweb software reporting system, which collects granular data on Lost-Time Injuries Frequency Rate (LTIFR).
 - Occupational illnesses are tracked for employees under the criteria laid down by OSHA and measured by the Occupational Illness Frequency Rate (OIFR).

TCIR	LTIFR
$\frac{\text{(Number of OSHA Recordable injuries and illnesses x 200 000)}}{\text{Employee total hours worked}} = \text{TCIR}$	$\frac{\text{Number of lost time injuries in the reporting period x 1,000,000}}{\text{Total hours worked in the reporting period}} = \text{LTIFR}$

Principe 8 : Engage with development partners to share knowledge of good practices and innovative approaches to build capacity and partnerships

- Enterprises are encouraged to share knowledge of good practices and innovative approaches. Information technology, including solid management information systems, can be used to increase the effectiveness of prevention and protection schemes at the enterprise, sectoral and national level.
 - Enterprises should cooperate in the work of international organizations focused on the preparation and adoption of international OSH standards.
 - They should encourage Governments to seek out the technical assistance of experts in fields as diverse as safety engineering, finance, actuarial studies, law, information technology, health and psychosocial support.
 - International development partners could develop a pool of country experience, which could then support the creation of evidence-based standardized performance indicators. This could lead to the full implementation of relevant OSH and employment-injury protection international standards.

ILO repository of knowledge on employment injury protection

- The ILO has recently developed an e-repository of knowledge on aspects of employment injury protection including legal, actuarial, financial sustainability and governance issues.
- Being an open source, the e-repository contributes at no cost to further disseminate knowledge on employment injury insurance schemes and their positive impact on the world of work.

Principe 8 : Engage with development partners to share knowledge of good practices and innovative approaches to build capacity and partnerships

Enterprise examples :

- **Walt Disney Co.** has supported the ILO's International Training Centre to strengthen the capacity of its Employers and Business Membership Organizations to establish training services on child and forced labour and occupational health and safety for supply chain intermediaries.
 - This will help these organizations to establish OSH training services and build enterprises' capacities in a sustainable manner.
- **Nike, Inc.**, an American multinational apparel corporation, considers collaboration with external experts and key partners as critical to improve practices at the sector or country levels.
 - This is reflected in their engagement with Better Work, a partnership of the ILO and the International Finance Corporation to improve labour standards and competitiveness in global supply chains.

OSH in Time of Crisis

- A number of enterprises joined the **COVID-19: Action in the Global Garment Industry** call to action, organized by the International Organisation of Employers, the International Trade Union Confederation and the IndustriALL Global Union with the technical support of the ILO.

- The initiative aims to catalyze action across the global garment industry to help manufacturers survive the economic disruption caused by the COVID-19 pandemic and protect garment workers' income, health and employment.

- An important aspect of this call is supporting the development of social protection floors and extending social protection for workers and employers in the garment industry. Source: ILO — Call to Action COVID-19: Action in the Global Garment Industry (website:

 https://www.ilo.org/global/topics/coronavirus/sectoral/WCMS_742343/lang--en/index.htm

The ILO Helpdesk for Business

- The ILO helpdesk for business is the one-stop shop for company managers and workers intent on aligning business operations with international labour standards.
 - A free and confidential individual assistance service to company managers and workers; governments agencies; employers' and workers' organizations; and other interested organizations which want to better align business operations with international labour standards.
 - Replies are prepared by an ILO expert team and draw on the various ILO normative instruments, policy documents and tools.
 - Specific queries on applying principles of international labour standards in company operations can be directly submitted by email to assistance@ilo.org

For further guidance :  [ILO tools and resources for business on occupation safety and health](#)

See also  [Q&As on Business and Occupational Safety and Health](#)

Principe 9 : Join international initiatives to support the development of national policies and strengthen national institutions- in sourcing countries- on OSH practices and employment injury protection

- The key to successful supply chain initiatives that improve compliance with good OSH practice is :
 - The multiplicity of coordinated actors and their actions.
 - The initiatives embody the coordinated engagement of many actors and move away from strategies adopted by one actor, whether corporate, union or regulatory .
 - The Vision Zero Fund (VZF) is one of said initiative.
 - The VZF believes that the responsibility for addressing the most entrenched and persistent occupational safety and health deficits in global supply chains is a shared one.
 - The duty to act should not be placed on companies or governments alone.
 - Within the fund, Governments, employers' and workers' organizations, companies and other stakeholders are invited to jointly advance towards the vision of achieving zero severe and fatal work-related accidents, injuries and diseases in global supply chains.

Vision Zero Fund (VZF)



Established by the G7 in 2015 and administered by the ILO.

Aims to eliminate work-related deaths, injuries and diseases in global supply chains around the world.



Currently, VZF is operational in eight countries across three continents and in the supply chains of three sectors: garment/textiles, agriculture and construction. It operates primarily in low-income countries

A precondition for funding from the VZF is the commitment of countries and stakeholders to prevention and to implement minimum labour, environmental and safety standards.



To date, activities have directly benefited almost 40,000 government officials, employers, workers and their organizations, ultimately improving the safety and health of an estimated 5.6 million workers.

The main objective of the fund is to improve OSH practices and conditions in sectors that link to global supply chains, and to strengthen institutional frameworks, including labour inspectorates and employment injury insurance schemes, in countries linked to such supply chains

To achieve its main objective, the VZF implements a strategy entitled “collective action for safe and healthy supply chains”.







The strategy is based on the principle that it is only when all relevant stakeholders assume some level of responsibility that the root causes of OSH deficits in global supply chains can be addressed effectively and sustainably.

The strategy is defined as a “multi-stakeholder approach that involves governments, workers and trade unions, employers (both national, transnational and global) and their organizations, multilateral organizations, civil society and development agencies, working together so that each meets its responsibilities consistent with organizational roles, to implement an agreed plan or set of actions to reduce severe or fatal work accidents, injuries or diseases in global supply chains.”


Enterprises can support the fund’s mission and join its collective action efforts in a variety of ways. This can include financial contributions to the VZF or a specific country; in-kind support, such as sharing of expertise, data and practical tools; or joining global and regional events to find sustainable solutions to the structural drivers of safety and health challenges.


For more information on the VZF and on ways to collaborate, please consult the [Vision Zero Fund Website](#)


Lexicon


-  **Decent work** : Decent work sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income; security in the workplace and social protection for families; better prospects for personal development and social integration; freedom for people to express their concerns, organize and participate in the decisions that affect their lives; and equality of opportunity and treatment for all women and men. The ILO has developed a Decent Work Agenda based on four pillars: job creation, rights at work, social protection and social dialogue. Source: <https://www.ilo.org/global/topics/decent-work/lang--en/index.htm>
-  **Low-Income Country** : For the current 2021 fiscal year, low-income economies are defined as those with a GNI per capita, calculated using the World Bank Atlas method, of \$1,035 or less in 2019. Source: <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>
-  **Middle-Income Country** : The world's middle-income countries (MICs) are a diverse group by size, population and income level. They are defined as lower middle-income economies - those with a GNI per capita between \$1,036 and \$4,045; and upper middle-income economies - those with a GNI per capita between \$4,046 and \$12,535 (2021). Middle-income countries are home to 75 per cent of the world's population and 62 per cent of the world's poor. At the same time, MICs represent about one third of global GDP and are major engines of global growth. Source: <https://www.worldbank.org/en/country/mic/overview>
-  **Occupation Disease** : An occupational disease is a disease contracted as a result of an exposure to risk factors arising from work activity. Source: <https://ilostat.ilo.org/resources/concepts-and-definitions/description-occupational-injuries/> and ILO Recommendation 121 https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R121
-  **Occupational/Industrial Accident** : An occupational accident is an unexpected and unplanned occurrence, including acts of violence, arising out of or in connection with work, which results in one or more workers incurring a personal injury, disease or death. Source: <https://ilostat.ilo.org/resources/concepts-and-definitions/description-occupational-injuries/>
-  ILO Employment Injury Benefits Recommendation, 1964 (No. 121)¹ defines industrial accident as an accident, regardless of its cause, sustained during working hours at or near the place of work, or at any place where the worker would not have been except for his employment. It also includes commuting accidents, accidents which happen on the way in and out of work. Source: (Recommendation 121) https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R121

Lexicon


 **Occupational Injury/Work-Related Injury** : An occupational injury covers both occupational accidents and diseases. Both give rise to in-kind and cash benefits if they occur. Source: Convention No 121 found at https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C121

 **Occupation Safety and Health (OSH)** : Occupational safety and health is identified as the discipline dealing with the prevention of work-related injuries and diseases as well as the protection and promotion of workers' health. It aims to improve working conditions and the work environment. Members of many different professions, e.g. engineers, physicians, hygienists, nurses and lawyers, contribute to "occupational safety, occupational health, occupational hygiene and improvement of the working environment. » Source: <https://libguides.ilo.org/occupational-safety-and-health-en>

 **Small and medium-sized enterprises (SMEs)** : Definitions of SMEs often vary by country and are usually based on the number of employees, the annual turnover or the value of the enterprise's assets. Typically, micro-enterprises are defined as enterprises with up to 10 employees, small enterprises as those with 10 to 100 employees, and medium-sized enterprises as those with 100 to 250 employees. Source: https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---_s_e_ctor/documents/terminology/wcms_475457.pdf

 **Social Dialogue** : Social dialogue is defined by the ILO to include all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy. It can exist as a tripartite process, with the government as an official party to the dialogue or it may consist of bipartite relations only between labour and management (or trade unions and employers' organizations), with or without indirect government involvement. Social dialogue processes can be informal or institutionalized, and often is a combination of the two. It can take place at the national, regional or at the enterprise level. It can be interprofessional, sectoral or a combination of these. Source: https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---_s_e_ctor/documents/terminology/wcms_475457.pdf

Lexicon

 **Social Security/Social Protection** : Social security, or social protection, refers to all policies and programmes providing benefits, in cash or in kind, to secure protection from: lack of access or unaffordable access to health care; lack of work-related income, or insufficient income, caused by sickness, disability, maternity, employment injury; maintenance of children; unemployment; old age; death of a family member; or general poverty, vulnerability and social exclusion. Social protection and social security can be used interchangeably, reflecting ILO and United Nations practice. Source: 2019 General Survey, page 4 https://www.ilo.org/global/standards/WCMS_542394/lang--en/index.htm

 See also WSPR 2017-2019 Glossary <https://www.social-protection.org/gimi/RessourcePDF.action?ressource.ressourceId=54887>


 **Work-Related Injury Protection** : According to ILO Social Security (Minimum Standards) Convention, 1952 (No. 102) (Article VI) and Employment Injury Benefits Convention, 1964 [Schedule I amended in 1980] (No. 121), any condition that impacts negatively on health and which is due to a work accident or an occupational disease, and the incapacity to work and earn that results from it, whether temporary or permanent, total or partial, must be covered, regardless of fault. The protection also includes, where a worker dies as a consequence of a work-related injury, the loss of support suffered by her or his dependants. Accordingly, the provision must include medical and allied care, with a view to maintaining, restoring or improving the health of the injured person and her or his ability to work and attend to personal needs. A cash benefit must also be paid to injured persons or the deceased's dependants, as the case may be, at a guaranteed level and on a periodic basis. Sources: ILO Social Security (Minimum Standards) Convention, 1952 (No. 102) Article VI and Employment Injury Benefits Convention, 1964 [Schedule I amended in 1980] (No. 121)

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Additional Resources

Additional readings

- [!\[\]\(746d018fdf6ab02bf5fb7681133e8b29_img.jpg\) ILO Better Work Programme information](#)
- [!\[\]\(5daa6eee1904cb6b9d765700250de764_img.jpg\) The effects of COVID-19 on trade and global supply chain \(June 2020\)](#)
- [!\[\]\(d72e437c7cc5947bc0b147aba6602563_img.jpg\) ILO, *Decent Work in Global supply chain*, 2016](#)
- [!\[\]\(0d2a89e6d0cbcd8e0459b972b9332401_img.jpg\) ILO - Resolution concerning decent work in global supply chain, 2016
\(adopting the conclusions concerning decent work in global supply chain\)](#)
- [!\[\]\(cdcd8a42e5993b465235781ccc1c8555_img.jpg\) ILO Roadmap on Decent Work in Global Supply Chain, 2017](#)



Thank You!

The background features a light gray gradient. Large blue triangles are positioned in the top-left and bottom-right corners. A white diamond shape is centered on the left side. At the bottom center, there are overlapping yellow and olive-green triangles.

POP UP Slides



Contribute to the achievement of several Sustainable Development Goals (SDGs)

Both employment injury insurance schemes and occupational safety and health are the primary drivers behind realizing decent work for all women and men under Goal 8. Target 8.8 of Goal 8 has made occupational safety and health a sustainable development priority. It calls for concerted action: “protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment”.

Employment injury insurance schemes are part of the social protection systems that should be implemented under target 1.3 of Goal 1 in order to create substantial coverage of the poor and the vulnerable by 2030. Also, effective and well-functioning employment injury insurance schemes help achieve universal health coverage and access to quality health care services, as reaffirmed under target 3.8 of Goal 3.



Introduction

In brief :

- 2,78 million work-related deaths annually
- 160 million workers suffer from work-related diseases annually
- 313 million workers suffer from non-fatal injuries every year
- 4% of the world's GDP is lost annually as a consequence of work-related injuries
- 60% of world's labour force ineffectively protected if injured or become ill



Introduction

In brief :

- 2,78 million work-related deaths annually
- 160 million workers suffer from work-related diseases annually
- 313 million workers suffer from non-fatal injuries every year
- 4% of the world's GDP is lost annually as a consequence of work-related injuries
- 60% of world's labour force ineffectively protected if injured or become ill



Work-related mortality rates

The burden of occupational mortality and morbidity is not equally distributed across the world, among industries and among the workforce. About two-thirds (65 per cent) of global work-related mortality is estimated to occur in Asia, followed by Africa (11.8 per cent), Europe (11.7 per cent), America (10.9 per cent) and Oceania (0.6 per cent). The rates of fatal occupational accidents per 100,000 workers also show stark regional differences, with rates in Africa and Asia 4 to 5 times higher than those in Europe.



Work-related mortality rates

Industries that experience the highest level of work-related accidents:



ILOSTAT at <https://ilostat.ilo.org/topics/safety-and-health-at-work/> (date of publication: 30 April 2020).

The workers most exposed to work-related injuries:

- Y. Wu, , D. C. Schwebel, , and H. Guoqing, “Disparities in unintentional occupational injury mortality between high-income countries and low- and middle-income countries: 1990–2016”, *Environmental Research and Public Health* 2018, vol. 15 (10), pp. 2296.



Small and Medium-Sized Enterprises (SMEs)

SMEs generate more than 50 per cent of new jobs globally and employ more workers than large enterprises in most developing and emerging countries. In addition, they constitute between 80 and 90 per cent of total employment in the developing world. However, when compared to larger enterprises, employment in SMEs is predominantly in lower-quality and low-skilled jobs and these workplaces generally have poorer working conditions. Fatal injuries are nearly 8 times more likely to occur in SMEs than in larger workplaces.



Large-scale work disasters

Work-related injuries vary in scale and have multiple causes, but relate primarily to deficient national OSH systems, including the legislative framework and weak regulatory oversight, and the absence of a culture of safety and health at the national and workplace levels.

When large-scale work disasters such as the Rana Plaza accident in April 2013 occur, they often reveal the absence of universal employment injury protection schemes, which leave victims and their dependants without any financial, medical or rehabilitation support. pop up below



Economic cost of work-related injury : an underestimated impact

At the global level, it is estimated that 4 per cent of the world's gross domestic product (GDP) is lost due to the direct and indirect costs of occupational accidents and diseases, including lost working time, workers' compensation costs, interruption of production, and medical expenses. In some countries, this increases to 6 per cent or more.

At the enterprise level, occupational injury generates a series of direct and indirect costs and consequences. First, the employer incurs medical costs (first aid, transportation of the injured worker, cost of the time of the injured worker's treatment and rehabilitation) and staff costs (hours not worked by the injured workers and extra hours to select and train a substitute). The enterprise must also support the cost of the time for other workers to help the injured worker, the verification, cleaning and repair following an accident, the reorganization of the work and the reduced performance of the injured worker. There may be interference into the production chain and possible damages to third parties. It can also result in costs related to the non-observance of delivery dates, social conflicts including strikes, sanctions by the authorities and increased accident insurance premiums. Businesses can also suffer reputational risks in relation to unsafe and unfair working conditions and the absence of adequate protection in case of work-related accidents.

For workers and their dependants, occupational injuries have a major impact, not only in economic terms, but also affecting their physical and mental health over the short- and long-terms. Regarding economic costs, these primarily include lost income and medical expenses the injured worker must defray, likely experiencing financial hardship as a result. Treatment for chronic and debilitating conditions is particularly expensive for workers and their families. Yet delaying care also bears costs as conditions become more severe and require more expensive care. Furthermore, workers may also suffer indirect costs, such as poorer economic prospects than workers with better health, take on debt or suffer a loss of assets. Other household members may also pay a price, such as lost work or production or education to care for the injured worker.



How to address the deficits causing OSH hazards?

Gaining knowledge of OSH deficits across a sector is a collaborative process that draws on information produced by a range of stakeholders, including other enterprises, Governments, employers' and workers' organizations, and civil society.



Case study: Improvement of OSH in food and agriculture value chains

Strengthening the capacity of OSH institutions in sourcing countries, particularly national authorities responsible for OSH, labour inspectorates, occupational health services, and social protection systems. Supply chains can be used as an entry point to promote safety and health improvements across the economy as a whole.

Knowledge sharing vertically at each step of the supply chain that reaches the most vulnerable workers. When OSH vulnerabilities are identified at a specific stage of the value chain, companies at the apex of the supply chain — which often have established OSH management systems, trained professionals and monitoring systems — can support smaller actors who are more removed from the formal sector.

Knowledge sharing horizontally at each step of the supply chain towards the most vulnerable workers. When vulnerable supply chain links, in terms of OSH, have been identified at each stage of production, actors could share experiences on best OSH practices. Some companies/suppliers, who may have access to higher-value markets or are linked directly to global buyers, may have advanced systems to control risk factors. They may already benefit from synergies between OSH and productivity at their stage of production. This wealth of knowledge and experience could be shared across the rest of the sector, including enterprises which supply only the domestic market. This would avoid the creation of two-tiered sectors, i.e. those with good OSH practices and those without them.

Knowledge sharing across different sourcing countries on prevention measures within supply chains of the same product. Hazards and risk factors are highly contextual and dependent on work processes. Consequently, innovations on OSH developed for specific value chains in one sourcing country could potentially benefit others. To further leverage some market influence, global buyers may source a single product from different countries and may be willing to engage more easily on safer practices that would benefit their entire supply base.



Employment Injury Protection: The Other Side of the Coin of Effective OSH Practices

The first generation of such schemes consisted of “workmen’s compensation schemes”, under which the compensation of a worker or his/her surviving family dependants is a legal liability placed upon the employer. Since this placed the financial burden solely on employers, this often required employers to take out private insurance. Experience has shown, however, that even where such an obligation exists in law, the outcome of these schemes is often sub-optimal. That is because injured workers, or their families, must obtain the relevant information related to their insurance claim and undergo rigorous medical assessments. This practice leads to delays in accessing treatment and benefits.

In addition, an employer may be reluctant to present a claim for fear of other legal implications. The practical difficulties of ensuring effective coverage means many injured workers or dependants of deceased workers do not receive the compensation to which they are entitled by law, or which would be required to meet their needs.

In response to these deficiencies, many countries have replaced employers’ liability provisions with social insurance schemes, which apply the no-fault principle and spread the costs of employment injury, or at least the portion represented in the formal labour market, across society as a whole. Such schemes are the result of a trade-off between employers and workers. Employers collectively finance the employment injury insurance against the risk of work-related injury and in return, they are free from individual compensation responsibilities and lengthy court cases. Workers abandon the right to sue their employers because they have access to predictable, timely, fair and sufficient compensation. Employment injury insurance schemes provide better protection to employers and workers against work-related accidents, including large-scale ones. This shift in approach to employment injury protection has been reflected in the up-to-date standards adopted by the ILO on the issue



International labour standards

The consequences of deficits in legal and effective coverage

Deficits in legal and effective coverage worldwide show that in addition to bearing the human costs of ill health at work, workers, their families and their communities shoulder much of the financial costs as well. This is particularly the case in the low-income and middle-income countries where multinational enterprises are operating. Employment injury insurance is the most important instrument by which society places a visible economic cost on the hazards of work. This insurance is frequently linked to preventive and rehabilitative services, so coverage gaps become a failure of public health as well. This gap became even more obvious during the current COVID-19 pandemic.

Multinational enterprises can play an important role in strengthening employment injury insurance systems and addressing existing shortcomings **together with their suppliers**



Employment Injury Protection Benefits of Effective OSH Practices for enterprises.

Employment injury insurance schemes can contribute to keeping businesses open. If an accident occurs at a workplace not covered by an employment injury insurance scheme, the employer concerned will have to bear costs that are often many times higher than the enterprise's total wage bill. This can put employers at high risk of insolvency if they are not able to secure some form of private insurance. In such cases, employers have strong incentives not to compensate the injured workers in order to be able to continue business activities. For the injured workers and their families, the lack of medical care and the loss of the breadwinner's earnings is frequently the collapse of the last barrier protecting families against endemic poverty.



Employment Injury Protection

Benefits of Effective OSH Practices for enterprises

For enterprises, supporting efficient employment injury insurance schemes can have positive legal, financial and reputational effects. It can enhance the enterprises' image and preserve them from reputational risks. It increases their ability to secure consistent and reliable suppliers and helps to build healthier societies, which is good for business. It is also aligned with national and international law that calls for in-kind and income-based compensation in cases of work-related injury. When enterprises invest in responsible business practices, and particularly the protection against work related injury, they are advancing their own long-term interests.

Employment injury insurance schemes could play a pivotal role in enhancing the prevention of occupational injuries and diseases. As social security institutions are responsible for compensation in cases of occupational accidents and diseases, and in some cases for the rehabilitation of injured workers, they (should) have a strategic interest in contributing to a safe and healthy workforce. Increasingly, the prevention of occupational risks is becoming part of the mandate of these schemes. Many worldwide experiences and best practices show that these schemes can play a very important role in promoting a culture of prevention.

Employment injury insurance institutions are valuable partners in efforts to improve data on occupational injuries and diseases since they collect important information on insured workers. Such data is critical for the preparation of national prevention programmes, particularly for targeting risk areas, setting priorities and evaluating impact.

Some of these institutions promote the economic benefits of investments in occupational safety and health. Linking prevention to employment injury protection can create effective mechanisms to reduce accidents at work and occupational diseases. This link can also increase productivity and give employers an incentive to boost preventive activities. For example, the saving gained by proposing differential or merit rating system can represent an incentive for employers to support the employment injury insurance scheme and pay more attention to workplace safety and the prevention of accidents and diseases.

Furthermore, some resources from the employment injury insurance scheme can be allocated to support **preventive work** to ensure that fewer workplace accidents occur and fewer workers are affected by occupational diseases. This will enhance the scheme's financial stability by reducing compensation expenditures. When operating effectively, employment injury insurance schemes bring benefits to employees, employers and Governments. They play a positive role in protecting workers' living standards and can help maintain sound industrial relations.



Impact of Procurement Practices on Occupational Safety and Health and Employment Injury Protection

Global buyers' purchasing practices directly affect a supplier's ability to create the key conditions for decent work, including OSH. The global garment industry is an example. In an industry increasingly dominated by “fast fashion”, global buyers' sourcing practices may put factories under pressure to deliver within short lead times, to respond to frequent order changes, and to operate with high levels of flexibility. This, in turn, forces factories to be increasingly agile and flexible, and often leads to longer working hours and lower pay for workers. Research has shown a clear link between longer working hours and negative safety and health outcomes, including higher risks of accidents. In an initial **global estimate** of the loss of life and health associated with long working hours, it was found that long working hours (at least 55 hours per week) led to 745,000 deaths from stroke and ischemic heart disease in 2016, a 29 per cent increase since 2000. Working long hours is now known to be responsible for about one third of the total estimated work-related burden of disease, and is the risk factor with the largest occupational disease burden. There is also some evidence that workers earning low wages may be at greater risk for disease and injury than workers earning high wages.



Impact of Procurement Practices on Occupational Safety and Health and Employment Injury Protection

A recent study conducted by the ILO, in cooperation with the Ethical Trading Initiative, provides empirical evidence on the direct relationship between purchasing practices and decent work, including on health and safety. This study shows that 35 per cent of suppliers reported that short lead times led to an increase in workplace accidents, while 81 per cent contended that it increased the amount of stress at the workplace.

[1] D. Vaughan-Whitehead, *At the core of global supply chains – The impact of purchasing practices on wages and working conditions*, Edward Elgar in partnership with the ILO, forthcoming 2021.



Impact of Procurement Practices on Occupational Safety and Health and Employment Injury Protection

Integrating safety and health standards into procurement or sourcing decisions can lead to improved safety and health management among suppliers. There is much opportunity for improvement. According to a 2017 study conducted by the ILO, safety criteria were included in only 55 per cent of contracts between buyers and suppliers, and general working conditions were included in only 41 per cent of contracts. No reference was found to employment injury protection. The focus is still predominantly on price (78 per cent), order volume (72 per cent) and delivery dates (71 per cent). Some evidence suggests that sourcing strategies focused on gaining cost or price advantages are not always supportive of collaborative and trust-based relationships between buyers and suppliers.

In addition, anecdotal evidence shows that in many companies, sourcing and compliance efforts are not sufficiently integrated. As long as sourcing managers are only rewarded for cost reductions and social sustainability wins are not taken into account, it could compromise efforts to improve working conditions for supply chain workers (including their safety and health). ILO, Purchasing practices and working conditions in global supply chains: Global Survey results, INWORK Issue Brief No. 10, 2017, p.4.



Sections of the ILO MNE Declaration dedicated to safety and health

The ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) is the only ILO instrument that provides direct guidance to multinational and national enterprises. It is also the only global instrument on social policy and inclusive, responsible and sustainable workplace practices that was elaborated and adopted by Governments, employers and workers from around the world. Adopted 40 years ago, it has been amended several times, most recently in March 2017.

Its principles are directed to multinational and national enterprises, Governments of home and host countries, and employers' and workers' organizations. It provides guidance in such areas as employment, training, conditions of work and life, industrial relations as well as general policies. The guidance is founded substantially on principles contained in international labour standards.



United Nations Guiding Principles on Business and Human Rights : Human Rights Due Diligence applied to OSH

OSH is an important entitlement for all workers across the world and improved transparency and due diligence can ensure that this becomes a reality.

The UNGPs are based on three pillars that define the roles and responsibilities of the different actors:

- The first corresponds to the State duty to protect human rights;
- The second corresponds to the corporate responsibility to respect human rights;
- The third pillar reflects the obligation of States and enterprises to provide access to an effective remedy for parties who would be affected by the activities of enterprises.

In order to meet their responsibility to respect human rights, business enterprises should have in place policies and processes appropriate to their size and circumstances, including:

- a) A policy commitment to meet their responsibility to respect human rights;
- b) A human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights;
- c) Processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute.



Principe 1: Map your supply chains to gain a better understanding of existing OSH challenges

Mapping the supply chain is the first step. Gaining insights into the drivers and challenges that exist at each stage of production is a vital second step to ensure that strategies can be developed to address the risks in a sustainable manner. This is not an easy task. Even enterprises that commit to look deeply into their supply chains or extend their good practices to sub-tier suppliers struggle with their limited influence over suppliers further down the chain. Yet this is where the OSH risks are frequently the most severe. There are a number of tools or methodologies available to assess a supply chain through an occupational safety and health lens. One methodology, developed by the ILO, has been encapsulated in a starter kit that companies can adapt to their particular circumstances and supply chains.



Principe 2: Include OSH and employment injury protection in procurement practices

It has been reported that in most companies, sourcing and compliance efforts are not integrated. Many sustainability or compliance departments are unable to access their company's sourcing data.



Principe 3 : Improve the monitoring of OSH compliance, including through closer engagement with suppliers

To identify and address OSH and employment injury protection issues in lower tiers of supply chains, enterprises may need to go beyond traditional, compliance-based sustainability efforts, such as audits, supplier compliance management systems and reliance on certification schemes. Enterprises may need an approach that draws on the support, knowledge and commitment of suppliers to ensure that appropriate measures are in place to prevent employment-related injuries and ensure workers and their families are protected if injuries occur. Shifting from a compliance and punitive approach to an engagement and partnership approach can produce real change. Evidence shows that the presence of trust-based relationships between buyers and suppliers, characterized by open communications and joint problem-solving, can positively impact working conditions, including safety and health