The Need for Standardized Sustainability Reporting Practices:

Issues Relating to Corporate Disclosure of Information on Occupational Health & Safety Performance

A report from the Center for
Safety & Health Sustainability

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Contents

The Center for Safety & Health Sustainability (CSHS), established in 2010, is a 501(c)(3) nonprofit organization committed to advancing the safety and health 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 100,000 workplace safety and health professionals in over 120 countries.

Executive Summary

The purpose of this report is to provide insight into how organizations considered "sustainable" currently publicly disclose information on occupational health and safety (OHS). The report presents an analysis of the extent to which:

- Organizations report on key OHS-related performance indicators
- Information reported helps provide an understanding of actual OHS performance
- Information reported lends itself to comparability across organizations.

A compelling case can be made that voluntary "sustainability" or "social responsibility" corporate reporting schemes have failed to yield the kind of comprehensive and meaningful data needed by key stakeholders.

The study involved the analysis of corporate social responsibility reports, sustainability reports, annual reports, registration documents, and/or other information publicly available on corporate websites between June and December 2016 for each organization on the Corporate Knights' *Global 100 Most Sustainable Corporations in the World 2016* list ("Global 100"). Data on OHS-related performance indicators were collected, analyzed and organized; focusing first on the Global Reporting Initiative (GRI) sustainability reporting framework (version G4 Labor Aspects 5-8) and second on the metrics provided by the Center for Safety and Health Sustainability ("CSHS"). Included in each section are aggregate summaries on how well the group responds to each indicator. The report concludes with recommendations for improving and standardizing OHS performance indicators.

This work represents CSHS's second analysis of the Corporate Knights *Global 100 Most Sustainable Corporations in the World*. The first report, "*Current Practices in Occupational Health & Safety Sustainability Reporting,*" was published in 2013.[1] This body of work will inform the leading sustainability reporting frameworks and standards development organizations (GRI, UN Global Compact, International Integrated Reporting Council and Sustainability Accounting Standards Board) on the viability of their OHS performance indicators or other guidance they provide to reporters in this context.[2]

Is OHS a Material Issue?

Materiality has become an important issue in corporate sustainability reporting. Materiality has its roots in corporate financial reporting and has moved to the forefront of sustainability-related discussions. It is an accounting principle that requires financial information relevant to the decision-making needs of end users be disclosed. Driven by the recognition that material sustainability data and metrics are important to financial investment decisions, the financial community has begun to develop guidelines and standards on how material sustainability information should best be reported.

74 of the Global 100 reported on the results of a materiality analysis, usually in the form of a materiality matrix or chart. The "material" issues identified were typically prioritized based on an evaluation of the issue's importance to key external stakeholders or the organizations' business operations or strategies. OHS was specifically identified as a material issue by 45 of the 74 organizations reporting materiality information.

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[1] February 2013, Center for Safety and Health Sustainability, accessed June 8, 2017, http://www.centershs.org/assets/docs/CSHS_SustainReport_2013_FinalZ.pdf

[2] Twenty eight organizations appear on both the Corporate Knights *Global 100 Most Sustainable Corporations in the World* reports that CSHS analyzed.

KEY FINDINGS

- Reporting on GRI G4:
  - G4 LA5 (Corresponds to GRI G3.1 LA6) - While the number of reporters complying with this indicator has increased since CSHS's analysis in 2013 (from 5 reporters to 10), the numbers are still very low.
    - 10% reported on percentage of total workforce represented in formal joint management-worker health and safety committees.
    - Only 3 reported on the level at which each joint management-worker health and safety committee typically operates within the organization.
  - G4 LA6 (Corresponds to GRI G3.1 LA7) – The number of reporters utilizing an injury rate or a lost time rate decreased slightly since CSHS's analysis in 2013 (from 75 reporters to 72).
    - 49 reported on worker/employee injury rates.
    - 23 reported on a lost day rate for workers/employees but not injury rates (overall, 66 organizations reported on lost day/lost time/severity rates).
    - Occupational disease rate reporting increased (from 6 reporters to 15) but remains at a low level of 15% of the reporters.
    - Reporting on the gender specific information requested is extremely low (4% or less).
  - G4 LA7 (Corresponds to GRI G3.1 LA8) – While the number of reporters complying with this indicator has increased since CSHS's analysis in 2013 (from 3 reporters to 8), the numbers are still very low.
    - 7 indicated that they had no workers performing activities that expose them to specific diseases.
    - 1 provided the number of employees involved in high-incident or high-risk activities.
  - G4 LA8 (Corresponds to GRI G3.1 LA9) – No change in performance since the CSHS 2013 analysis.
    - 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."
    - 2 list the number of agreements in place which deal totally or partially with health and safety.
- The number of reporters providing information on fatalities increased (from 38 reporters to 50).
  - 12 reported more than one work-related death.
  - 4 reported 10 or more fatalities.
  - 2 reported more than 20 work-related fatalities (20 and 27).
  - 1 reported a total of 63 deaths over a 3-year period.
  - No organization specifically mentioned fatalities related to occupational diseases.
- The lack of standardized terms, definitions, and formulas used to report OHS performance continues to be an issue, making it difficult to compare performance across organizations.
  - 14 different definitions were used for workers.
  - 12 different definitions of absentee or explanations of the scope of absenteeism-related information were used.
  - 11 different formulas were used to calculate the absentee rate.
- There were low levels of reporting on the three leading indicators recommended by CSHS.

RECOMMENDATIONS

- Identify one or more indicators that relate to OHS management systems.
  - CSHS recommends two indicators around occupational health and safety management systems:
    - Percentage of owned or leased work locations that have implemented an occupational health and safety management system that meets recognized standards.
    - Percentage of owned or leased work locations that have had their occupational health and safety management systems audited by an independent third party.

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[3]International Labour Organisation press statement 2011 www.ilo.org/global/about-theilo/newsroom/news/WCMS_154749/lang--en/index.htm. Last accessed June 8 2017.

These leading indicators are designed to measure whether systems are in place to effectively manage worker health and safety. The International Labour Organization (ILO) has stated that: "Implementation of OSH management systems is critical in helping to reduce occupational accidents, diseases and deaths."[3] The ILO's OHSMS (ILO-OSH 2001) and OHSAS 18001 (an ISO 14001-based approach), have been widely implemented throughout the world. A new ISO global standard on OHSMS, ISO 45001, is scheduled for completion this year.

- Identify one or more indicators that measures OHS performance in the supply chain.
  - CSHS also recommends that organizations report the percentage of direct or first-tier suppliers' facilities in developing countries that were audited for compliance with health and safety standards. This leading indicator is based on recognition that workers for suppliers in developing countries are especially vulnerable to OHS risks. The International Labour Organization (ILO) has reported that the work-related mortality rate in developing countries is five to seven times higher than in industrialized nations. ILO research also found that while accidents and illnesses are decreasing in the developed world, both are increasing in the developing world. Organizations that source products from developing countries are well positioned to provide oversight and support for their suppliers to ensure the safety, health, and well-being of supplier workers. Our proposed indicators would encourage reporters to audit their suppliers, thereby helping to promote proactive safety measures and saving lives in the long run.
  - Some current supporters provide injury, illness, and fatality rates for their supply chain vendors.
    - One of the organizations on the Global 100 reported no employee fatalities for the previous year but did report 27 deaths in the "supply chain and others" category (17 contractors and 10 members of the public) during that same period.
- Identify specific formulas to be used in reporting data. While in some instances it is not difficult to convert data outputs from one formula to compare to the data generated using another formula, it is sometimes a complex process, especially for stakeholders who are less familiar with the OHS field.
- Simplify and clarify the definitions. GRI has 9 defined terms to identify the parties relevant to injury and illness reporting. This adds an unnecessary level of complexity to the reporting process. Fewer and more easily understood terms should be the goal. In addition, the guidance to reporters should require reporters to define terms used in their reports.
- Ranking organizations should use performance criteria that only awards sustainability rankings to organisations that report on their work-related fatalities and show an improving trend.

Introduction

On April 5, 2017, the Global Reporting Initiative (GRI), a network-based organization that developed the world's most widely used sustainability reporting framework, announced the formation of a Project Working Group to revise GRI 403: Occupational Health and Safety, the GRI OHS-related performance indicators which have not been substantively changed since 2006. Two members of CSHS leadership have been selected to serve on the working group. CSHS, which has been collaborating with GRI on improving OHS performance indicators since 2011, welcomed these developments.[4]

In 2011, CSHS and several of its partners from the international OHS community completed GRI online surveys, submitted comments outside GRI's survey platform, and participated in GRI workshops to provide input during the development of GRI's most recent iteration of its framework, G4. In response to the interest expressed in OHS during the consultation process, GRI announced plans to form an OHS working group in May 2012. At that time, GRI noted that several issues had come to light through the G4 development process to be addressed by the OHS working group, particularly the need to improve clarity, give more consideration to contractors/subcontractors, and standardize data.[5] Ultimately, no OHS working group was formed by GRI in 2012.

In 2013 CSHS published a report entitled *Current Practices in Occupational Health & Safety Sustainability Reporting*, which provided insight into reporting practices on OHS indicators by organizations listed on the Corporate Knights *Global 100 Most Sustainable Corporations in the World*. It specifically sought to identify gaps in overall OHS reporting and determine the practicality and utility of the GRI 3.1 OHS-related indicators, as well as five indicators proposed by CSHS. Among these "most sustainable" organizations, the 2013 analysis showed very low conformance in reporting on the GRI OHS indicators and high variability in the terms and definitions used in reporting. This was the antithesis of the intent of GRI, effectively making it impractical to compare performance across organizations. Although this work was meant to inform the GRI G4 process, the new iteration of the framework was launched in 2013 with no substantive changes to the OHS-related indicators.

In 2014 and 2015 CSHS undertook a consultative process with the members of the CSHS home organizations, the Institution of Occupational Safety and Health, the American Society of Safety Engineers, the American Industrial Hygiene Association, and the Canadian Society of Safety Engineering to vet the five OHS-related indicators proposed by CSHS. This process culminated with the 2016 publication of the *CSHS Best Practice Guide for Occupational Health and Safety in Sustainability Reports*, a cornerstone in the CSHS efforts to standardize OHS reporting.

The purpose of this report is to determine the current state of OHS sustainability reporting and whether there has been any improvement in reporting practices since CSHS last analyzed the Corporate Knights' *Global 100 Most Sustainable Corporations in the World* in 2013. Since that time, the corporate reporting landscape has dramatically changed. Investors and other key stakeholders are demanding more and better information on corporate performance. Influenced by the work of the International Integrated Reporting Council (IIRC), a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs, there has been a heightened interest in measuring the value of human capital, which has implications for OHS-related reporting. In addition, new OHS-related guidance has been developed by the Sustainability Accounting Standards Board (SASB) with the aim of better aligning sustainability reporting with financial reporting.[6]

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[4] In May of 2013 GRI launched the fourth generation (G4) of its sustainability reporting guidelines, replacing version G 3.1. The G4 Guidelines have now been superseded by the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards will be required for all reports or other materials published on or after 1 July 2018 – the G4 Guidelines remain available until this date. In addition, the GRI Standards Glossary 2016 is designed to be used together with the GRI Standards. It includes terms and definitions that apply in the context of using the GRI Standards for sustainability reporting. For purposes of this report, we use the G4 indicators and definitions that were in place at the time the Global 100 reports were published. Note: there have been some changes in the definitions in moving from G4 to the GRI Standards but the changes do not alter the recommendations made in this report.

[5] "G4 Development: Occupational Health and Safety Working Group Terms of Reference, 9 May 2012" Global Reporting Initiative, accessed June 8, 2017, https://www.globalreporting.org/SiteCollectionDocuments/GRI-Occupational-Health-and-Safety-Working-Group-Terms-of-Reference.pdf

[6] OHS indicators have been developed within industries where OHS is deemed likely to be a material issue. See SASB Standards Download site, accessed June 8, 2017, https://www.sasb.org/standards/download/

The data collected and analyzed in this report, as well as the recommendations set forth below, will serve to inform leading sustainability reporting frameworks, standards development organizations and the GRI OHS working group. CSHS views improving the GRI OHS-related indicators as a critical step in improving OHS performance and, ultimately, preventing worker injuries, illnesses, and fatalities.

METHODOLOGY

The Corporate Knights' Global 100 Most Sustainable Corporations in the World 2016 served as the source for the sample group of 100 organizations analyzed in this report. The Corporate Knights' list was originally selected for the CSHS analysis in 2013 "Due to its size, institutional influence, breadth of industries represented, and timeliness."[7]

Corporate Knights analyzes data from all publicly-traded companies with a market capitalization of at least US $2 billion. For 2016, they analyzed data from 4,600 companies against their global industry peers on a list of twelve quantitative key performance indicators, relating to such topics as energy and water use, executive compensation, leadership diversity, and safety performance.

Corporate Knights stated that their reason for including an indicator on safety performance is that "companies with an unusually high number of fatalities or an abnormally high lost time injury rate compared to sector norms could be suffering from inadequate management systems, or generally poor management focus." The scoring methodology used by Corporate Knights for safety performance is as follows:

> Each company's Safety Performance is comprised of the Lost Time Injury Score (50% weight) and the Fatality Score (50% weight). The Lost Time Injury Score is determined by calculating the company's lost time injury rate (defined as the number of lost time incidents per 200,000 employee hours) and percent-ranking it against that of all same-industry group peers within the CK coverage universe. The Fatality Score is determined by calculating the company's fatality rate (defined as the number of fatalities divided by the total number of fill-time equivalent employees) and percent-ranking it against that of all same-industry group peers within the CK coverage universe.[8]

For purposes of this report, CSHS researchers reviewed the most recent corporate social responsibility reports, sustainability reports, annual reports, registration documents, and/or other information publicly available on corporate websites between June and December 2016 for each organization on the Corporate Knights list. Data on worker safety-related topics were collected from each of the sources, including any information reported related to:

- OHS in general.
- GRI G4 Indicators LA5-8, 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.

This report will provide information on the data accumulated for the Corporate Knights *Global 100* corporations, organized by GRI OHS related Labor Aspects (LA) indicator, including an aggregate summary of how well the group responds to each indicator. It will then provide an overview of the proposed CSHS indicators and the degree to which the *Corporate Knights Global 100* corporations provide information on these indicators. The report concludes with recommendations for optimizing the GRI OHS indicators for the purposes of encouraging standardized, comprehensive, meaningful reporting on occupational health and safety performance.

[7] CSHS, *Current Practices*, page 7.

[8] "The 2017 Future 40 Ranking: Overview of Methodology," Corporate Knights, accessed June 8, 2017, http://www.corporateknights.com/wp-content/uploads/2016/10/2017Future40methodology.pdf

GRI G4 Occupational Health & Safety Indicators

G4-LA5

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

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

b. Report the percentage of the total workforce represented in formal joint management-worker health and safety committees.

GRI'S INSTRUCTIONS FOR COMPILING DATA

Identify formal health and safety committees that help monitor, collect feedback and advise on occupational safety programs. These committees may exist at the facility level or at multi-facility, region, group or organization levels.

Calculate the total number of workers represented by these committees, as a percentage of total workforce numbers.

CSHS FINDINGS

Summary

- Out of the 100 reporters, 10 (5) reported on percentage of total workforce represented in formal joint management-worker health and safety committees, consistent with G4 LA5.
- Only 3 (2) reported on the level at which each joint management-worker, health and safety committee typically operates within the organization, consistent with G4 LA5.

Findings

- 29 (32) organizations reported on some activity related to health and safety committees. Of those:
  - 10 (5) listed the percentage of total workforce represented in formal joint management-worker health and safety committees;
  - 10 (7) referenced the use of health and safety committees, but provided no data and few details on activities;
  - 6 (2) reported that they form joint committees as required by local laws, with 2 stating that the information resulting from consolidating information on committees beyond the local level is not relevant to their decision-making process;
  - 2 (N/A) reported on the number of health and safety committees;
  - 1 (N/A) reported on the percentage of sites with health and safety committees.
- 3 (2) organizations reported on the level of operation as required by the GRI compilation instructions. These organizations reported on levels in general terms:
  - 2 (1) stated that they maintain committees at the site level: manufacturing, research and development, or office;
  - 1 (N/A) indicated that the committees operated at the group level;
  - 1 (N/A) organization only included information from locations that have more than 100 employees.
- 1 (N/A) organization indicated that their reported percentage included information on temporary workers, interns, and thesis and doctoral candidates.

Red denotes corresponding numbers from the 2013 *Current Practices in Occupational Health & Safety Sustainability Reporting.*

G4-LA6

Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender

a. Report types of injury, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR) and work-related fatalities, for the total workforce (that is, total employees plus supervised workers), by:

- **Region**
- **Gender**

b. Report types of injury, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR) and work-related fatalities for independent contractors working on-site to whom the organization is liable for the general safety of the working environment, by:

- **Region**
- **Gender**

c. Report the system of rules applied in recording and reporting accident statistics.

GRI'S INSTRUCTIONS FOR COMPILING DATA

Since some organizations include minor (first-aid level) injuries in their data, indicate whether such injuries are included or excluded.

Report this information separately for the total workforce (that is, total employees plus supervised workers) and independent contractors working on-site to whom the organization is liable for the general safety of the working environment, by:

- Region
- Gender

The injury rate includes fatalities.

CSHS FINDINGS

Summary

- 87 (77) organizations provided some information on the rate or number of accidents, incidents, or injuries.
  - 49 (48) reported on worker/employee injury rates.
  - 23 (29) reported on a lost day rate for workers/employees but not injury rates (overall, 66 organizations reported on lost day/lost time/severity rates).
  - 10 (9) reported on the number of accidents, injuries, lost time, or major incidents.
  - 5 (N/A) reported on a reduction in lost day/lost time/severity rates but did not report what the rates were.
- 20 (18) organizations provided information on contractors, subcontractors, or other third party personnel.
  - 12 (N/A) relate to on-site contractors.
  - 8 (N/A) do not define the term "contractor".
  - 12 (N/A) report contractor information separate from worker/employee information.
  - 8 (N/A) include contractor information with their worker/employee report.
  - 1 (N/A) reported an improvement in contractor injury and lost day rate without providing the rates.
  - 1 (N/A) provided the number of major incidents involving contractors.

INJURY RATE

Summary

- 49 (48) organizations reported on worker/ employee injury rate.
- 5 (6) different formulas were used to calculate injury rate overall.
- 12 (12) different terms were used for "rates of injury."
- 15 (15) different methods were used to define a report-worthy injury or incident.

Calculations

- 25 (34) calculated the rate using injuries per million hours worked.
- 10 (17) used the formula total # of injuries/total hours worked x 200,000.
- 8 (N/A) used injuries per 100 full-time employees.
- 1 (N/A) used injuries per square foot
- 1 (5) used injuries per 100,000 hours worked
- 1 (3) used injuries per 1000 workers
- 3 (N/A) did not describe how they calculated the rate

Terms

Terms Used to Describe "Rates of Injury"

- Industrial accident frequency rate
- Frequency rate
- Incident rate
- Total recordable injury frequency rate
- Occupational recordable rate
- Reportable incident rate
- Reportable accident rate
- Frequency rate of medical treatment injuries
- Recordable cases
- Accident rate
- Recordable incidents

Scope of coverage

Quoted from reports analyzed:

- Includes all employees (both full-time and part-time) involved in the daily operations and project management of its development sites.
- Third party personnel are those individuals employed by a third party that work regularly on the premises and receive day-to-day work assignments from company associates.
- Operational accidents
- Employees, on-site contractors and on-site members of public.
- For non-mobile personnel, accidents occurring during the home-workplace commute are not included in this indicator.
- Employees and temporary employees.
- Employees and resident third parties.
- Excluding commuting accidents.
- Includes main contractors on-site.
- Includes on-site subcontractors.
- Employees and employees of external companies who work at on site and are directly contracted
- Employees (on permanent, fixed term or apprenticeship contracts).
- Accidents/injuries during working hours or when travelling to or from work.
- Definition of an 'employee': all temporary staff and contractors who work under our direct supervision.
- We incorporate the applicable national definitions for categorizing incidents as being work related. Depending on national regulations, foreign or temporary workers may also count as employees.
- Contractors who bill by time, especially those who work on large project sites.
- Domestic employees only (permanent, casual and contractors paid directly by the Group).

Gender/Region

- 9 (6) organizations reported the information by regions.
- 1 (2) reported information by gender.

Range of Years Reported

- The number of years covered by each organization's report ranged from 1 to 11 (1 to 18), with the majority reporting information from a period ranging from 1 year to 5 years (1 to 5).

GRI: OCCUPATIONAL DISEASES RATE

Identify the occupational disease rate (ODR) experienced during the reporting period.

Report this information separately for the total workforce (that is, total employees plus supervised workers) and independent contractors working on-site to whom the organization is liable for the general safety of the working environment, by:

- Region
- Gender

CSHS FINDINGS

Summary

- 25 (12) organizations provided some data on their occupational disease loss experience.
  - 15 (6) reported on employee/worker occupational disease rates.
  - 8 (6) reported the number of employee/worker occupational disease cases (5 reported occupational disease rate and number of cases).
  - 1 (N/A) reported days lost to diseases.
  - 1 (N/A) reported on days lost due to stress.
- 3 (3) formulas were used in reporting disease rate.
- Terms used to describe the scope of the reported diseases/illnesses/pathologies included "recognized" illnesses, "reported" diseases, and "declared" diseases, and "suspected" occupational diseases although these terms were not defined.

Calculations

- 5 (2) reported the information using the employee illnesses per million hours worked formula.
- 1 (0) reported calculated occupational disease rate using the formula of total # of occupational diseases cases/ Total hours worked x 200,000).
- 1 (1) used cases per 1000 employees.
- 4 (N/A) did not indicate what formula was used in calculating the rate.

Gender/Region

- No organization reported on occupational diseases by gender (1)

- 3 (0) provide breakdowns by geographic location or region.

Range of Years Reported

- The number of years covered by each organization's report ranged from 1 to 5 (1 to 5).

GRI: LOST DAY RATE

Identify the lost day rate (LDR) experienced during the reporting period.

In calculating 'lost days' indicate:

- Whether 'days' means 'calendar days' or 'scheduled work days'
- At what point the 'lost days' count begins (for example, the day after the accident or 3 days after the accident)

Report this information separately for the total workforce (that is, total employees plus supervised workers) and independent contractors working on-site to whom the organization is liable for the general safety of the working environment, by:

- Region
- Gender

CSHS FINDINGS

Summary

- 66 (29) reported a lost day related rate for workers/employees.
- 7 (4) different formulas were used to calculate lost day rate.
- 8 (3) different definitions of "lost day" were used.

Calculations

- 22 (5) calculated the rate using lost days per million hours worked.
- 15 (4) followed the formula of total # of lost days/ Total hours worked x 200,000/# of lost working days due to accidents].
- 11 (N/A) used lost days per 100 full time employees.
- 7 (1) used lost days per 1,000 hours.
- 2 (N/A) used lost days per 1,000 workers.
- 2 (1) used lost days per 100,000 hours worked
- 1 (N/A) reported an improvement in lost day rate without providing the rates.
- 6 (N/A) did not define how they calculated the rate.

Definitions

From reports:

- A lost time Injury is where an employee is kept from attending a complete normal work day following the day in which a work-related incident occurred, or a cumulative condition is reported.
- Lost time injuries or illnesses is (based on workers' compensation claims accepted) resulting in an employee being unable to work for a full scheduled day (or shift) other than the day (or shift) on which the injury occurred where work was a significant contributing factor.
- A lost time accident is defined as any work-related incident resulting in injury or illness where the individual is unable to work or where a job restriction is required. Our LTA numbers also include any work-related fatalities.
- The assessment of lost time excludes the day the incident occurred, is based on calendar days, and is made without regard to whether or not the person was scheduled to work.
- Based on work-related incidents that resulted in more than three days of medical leave or more than 24 hours of hospitalization.
- Lost time injury frequency is one that results in lost time of one day or more within a 12-month period.
- Lost time injuries are defined as workplace injuries which result in an employee being absent from work for over seven days as per the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995.
- Fatalities are automatically counted as 6,000 lost days.

Gender/Region

- 1 (1) corporation reported on gender.
- 1 (19) reported by geographic area.

Range of Years Reported

- The number of years covered by each corporation's report ranged from 1 to 6 (1 to 6), with the majority reporting information from 2 to 5 years. (1 to 10)

GRI: ABSENTEEISM RATE

Identify the absentee rate (AR) experienced during the reporting period.

Report this information separately for the total workforce (that is, total employees plus supervised workers) and independent contractors working on-site to whom the organization is liable for the general safety of the working environment, by:

- Region
- Gender

CSHS FINDINGS

Summary

- 44 (27) reported an absentee rate or total number of days absent.

- 11 (8) different formulas were used to calculate absentee rate.
- 12 (6) organizations provided definitions of "absentee" or explanations on the scope of the absenteeism-related information provided.

Calculations

- Total # of missed (absentee) days over the period/Total # of workforce days worked for same period x 200,000]
- Total number of sickness absence hours as a percentage of planned/scheduled working hours
- Total number of sickness days as a percentage of calendar days lost
- Rate of employee absence per million hours
- Average number of sick days per full time equivalent
- Hours of absenteeism x 100 / theoretical hours (average workforce x 1,682 hours)
- Number of hours of absence due to illness / theoretical number of regular working hours x 100
- Total days' absenteeism / average staff No. x 11 (months) x 22 (days)
- # of sick leave hours/# of hours worked
- Calculated taking into account the method used locally by each entity, weighted in relation to headcount
- % absence hours/theoretical working time

Definitions and Explanatory Comments

- 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."
- 12 (6) organizations provided definitions of "absentee" or explanations on the scope of the absenteeism-related information provided:
  - Sick days due to occupational injuries, commuting injuries and occupational diseases
  - Illness, work-related accidents and occupational illness, excluding commuting and other authorized absences.
  - "In some countries, such as Japan, sick leave is regarded as annual leave quota and illness-related absenteeism is recorded as zero."
  - Absences due to illness, a doctor's appointment, or medical treatment of the company's own personnel
  - Includes absenteeism due to illness and every other kind of absence (maternity leave, paternity leave, unjustified absences, etc.).
  - Excludes days of temporary layoff, disciplinary suspension, strikes, maternity leave, absence for family events (legal or under agreements), statutory holidays or unpaid leave.
  - Excluding short-time work, layoffs, strikes and holidays (including maternity leave).
  - The length of absence beyond which employees are considered "inactive" instead of "absent" varies from one country to the next.
  - The scope of this indicator includes actively working permanent employees but excludes temporary staff, interns, apprentices, summer job staff and inactive employees.
  - Does not include absences authorized by the company: paid leave, holidays, unpaid leave, parental leave, sabbatical leave, business creation leave, leave for family-related responsibilities and unworked notice periods.
  - Absenteeism is defined as the total of working days not worked, excluding paid leave, training courses, trade union absences, exceptional and standard leave and additional days of leave. Contract suspensions are not counted. However, all cases of sick leave, including long-term disability leave, are included.
  - For the "Absenteeism" indicator in particular, French sites use the social assessment definition, which is different from the definition recommended by the Group's reporting procedures.

Gender/Region

- 4 (1) organizations reported on gender.
- 1 (N/A) reported by age of the employees
- 12 (5) reported by country or region

Range of Years Reported

- The number of years covered by each corporation's report ranged 1-3 years.

GRI: FATALITIES

Identify the absolute number of fatalities that occurred during the reporting period.

Report this information separately for the total workforce (that is, total employees plus supervised workers) and independent contractors working on-site to whom the organization is liable for the general safety of the working environment, by:

- Region
- Gender

GRI'S INSTRUCTIONS FOR COMPILING DATA

Fatality

The death of a worker occurring in the current reporting period, arising from an occupational in-

jury or disease sustained or contracted while in the organization's employ.

CSHS FINDINGS

Summary

- 50 (38) organizations reported on the number of worker/employee fatalities.
- 25 (23) reported on contractor fatalities.
- 23 (28) reported at least one work-related fatality. of those:
  - 12 (16) reported more than one work-related death.
  - 4 (5) reported 10 or more fatalities.
- 2 reported more than 20 work-related fatalities (20 and 27) (1 reported 49) and 1 reported a total of 63 deaths over a 3-year period (70 over a 3-year period).

Definitions

- Although the GRI definition of "fatality" includes disease-related deaths, no corporation specifically mentioned that category of fatalities.

Gender/Region

- 5 (1) reported by geographic area.
- 2 (2) reported by division or business line.
- 1 (3) reported fatalities by gender.

Range of Years Reported

- The number of years covered by each corporation's reporting on fatalities ranged from 1 to 10 years (1 to 8 years), with the majority reporting 1 year or 3 years (1 to 5 years).

G4-LA7

Workers with high incidence or high risk of diseases related to their occupation

a. Report whether there are workers who are involved in occupational activities who have a high incidence or high risk of specific diseases.

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."

CSHS FINDINGS

Summary

- 26 (N/A) organizations cited G4 LA7 in their reporting.
- 17 (3) reporters indicated that they had provided information that complied or partially complied with the requirements G4 LA7. These reporters only provided general information on disease prevention, medical services, training related to safety, worker health management or risk prevention without providing specific data on workers as required by G4 LA7.
- 7 (N/A) indicated that they had no workers performing activities that expose them to specific diseases.
- 1 (N/A) claimed medical privacy laws prevent disclosure of information on many serious diseases.
- 1 (N/A) provided the number of employees involved in high incident or high-risk activities.

G4-LA8

Health and safety topics covered in formal agreements with trade unions

a. Report whether formal agreements (either local or global) with trade unions cover health and safety.

b. If yes, report the extent, as a percentage, to which various health and safety topics are covered by these agreements.

GRI'S INSTRUCTIONS FOR COMPILING DATA

Identify whether the organization had local or global agreements in place with trade unions during the reporting period.

Identify the extent and coverage of health and safety topics within these agreements.

Agreements at the local level typically address topics that may include:

- Personal protective equipment
- Joint management-employee health and safety committees
- Participation of worker representatives in health

and safety inspections, audits, and accident investigations
- Training and education
- Complaints mechanism
- Right to refuse unsafe work
- Periodic inspections

Agreements at the global level typically address topics that may include:
- Compliance with the International Labour Organization (ILO)
- Arrangements or structures for resolving problems
- Commitments regarding target performance standards or level of practice to apply

Using this information, calculate the percentage difference between those agreements that contain this information versus those that do not.

CSHS FINDINGS

Summary

- 32 (24) organizations referenced G4 LA8 in their reporting.
- None (0) followed the GRI instruction to report the extent, as a percentage, to which health and safety topics are covered by these agreements.
- 3 (11) reported that health and safety is covered as a topic in collective bargaining agreements.

Findings

- Of the 32 (24) organizations that reported on trade union activities:
  - None (0) 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."
  - 11 (8) reported on the percentage of workers/ employees covered by collective bargaining agreements without reference to health and safety topics.
  - 6 (0) state that they do not cover health and safety topics in formal agreements with trade unions.
  - 4 (N/A) cited LA 8 but provided no supporting information.
  - 3 (2) state that this aspect is managed locally.
  - 2 (5) listed the number of collective bargaining agreements.
  - 2 (N/A) state that this aspect is not applicable to them, 1 without explanation and the other because they are not a unionized company.
  - 2 (N/A) list the number of agreements in place which deal totally or partially with health and safety.
  - 1 (N/A) states that actual percentages are not tracked at the enterprise level.
  - 1 (N/A) states that no agreements dealing solely with occupational health and safety are in place but health and safety is included as a topic in broader agreements signed with trade unions.

Health and Safety Topics

- 1 (2) provided information on the types of health and safety topics that were covered in agreements with trade unions, stating that in local agreements: "These requirements may include personal protective and safety equipment, health and safety committees and their designated representatives, inspections, complaint processes and training."

Proposed CSHS Occupational Health & Safety Indicators for GRI Framework

Lost-time injury and illness frequency rate, lost-time injury and illness severity rate, and number of fatalities (all employees/workers – 5 year period).

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

CSHS FINDINGS

Definitions

Lost-time injury or illness

CSHS 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." In contrast, GRI allows the reporters to define lost days. GRI instructions for lost days is to indicate: "At what point the 'lost days' count begins (for example, the day after the accident or 3 days after the accident)." Since 8 different definitions of "lost day" were used by organizations in the *Global 100*, it is difficult or impossible to compare performance across organizations.

Worker and Contractors

Both CSHS and GRI guidance limit reporting on injuries and illnesses to those within the sphere of control of the corporation, either through direct supervision of the workers or as a result of their responsibility to provide a safe work environment. CSHS uses the terms "employee/worker" and "contractor" in defining the scope of reporting obligations for injuries and illnesses:

> "Employee/worker – A person who is subject to the control of the organization's management for the performance of work duties, including contract workers and temporary workers.
>
> Contractor – External person(s) providing services to an organization at a workplace in accordance with agreed specifications, terms and conditions."

GRI has a series of terms that are relevant to their guidance on the reporting of injuries and illnesses:

- Work-related fatality – Death of a worker occurring in the current reporting period arising from an occupational disease or injury sustained or contracted while performing work that is controlled by the organization or that is being performed in workplaces that the organization controls.
- Total workforce – The total number of persons working for the organization at the end of the reporting period (that is, the sum of all employees and supervised workers).
- Employee – An individual who is, according to national law or practices, recognized as an employee of the organization.
- Supervised worker – An individual who performs regular work on-site for, or on behalf of, the organization but is not recognized as an employee under national law or practice.
- Worker – Generic term for any person performing work, regardless of the contractual relationship.
  - Note 1: The term 'workers' includes, but is not limited to, employees.
  - Note 2: Further examples of workers include interns, apprentices, self-employed persons, and persons working for organizations other than the reporting organization, e.g., for suppliers.
- Supplier – Organization or person that provides a product or service used in the supply chain of the reporting organization. The supplier can have a direct or indirect relationship with the organization.
  - Examples of suppliers can include, but are not limited to:
    - Contractors – Persons or organizations working onsite or offsite on behalf of an organization with a relationship determined by contract. A contractor may hire their own staff or hire subcontractors or independent contractors.
    - Independent contractors – Persons or organizations working for an organization, a contractor, or a sub-contractor, with a relationship determined by contract. Independent contractors do not have an employment relationship with the organization.
    - Sub-contractors – Persons or organizations working onsite or offsite of an organization that have a direct contractual relationship with a contractor or sub-contractor but not

necessarily with the organization. A subcontractor may hire their own staff directly or hire independent contractors.

The lack of standardization in the use of terms remains a problem in the *Global 100*, making it difficult or impossible to compare performance among the organizations. *Global 100* corporations typically do not provide definitions of the terms used (8 of the 20 organizations reporting information on contractors did not define the term), sometimes use their own terms (third party personnel, temporary workers, resident third parties, main contractors, casual employees, etc.), and may have different definitions of terms based on local laws or practice (one corporation stated: "We incorporate the applicable national definitions for categorizing incidents as being work related. Depending on national regulations, foreign or temporary workers may also count as employees." Another reported on contractors who were "fixed or nested at a site for a minimum of a month.").

Scope of Coverage

One challenge reporters face is the lack of a common definition and varying legislation globally on how to classify and report injuries, illnesses, and fatalities in different areas, such as commuting to and from work. Two organizations from the Global 100 reported that accidents/injuries when traveling to and from work were excluded from their data and one corporation reported that such accidents/injuries were included in the reported information. Yet another corporation limited reporting to "operational accidents," without defining the term but may exclude commuting accidents/injuries.

Formulas

Similarly, CSHS recommends specific formulas for the reporting of lost-time injury and illness rate and lost-time injury and illness severity rate:

> Lost-time injury and illness rate – The number of lost-time injuries and illnesses per million hours worked, calculated using this formula: (Number of lost-time injuries and illnesses x 1,000,000)/Total hours worked in accounting period.
>
> Lost-time injury and illness severity rate – The number of days away from work due to workplace injury or illness per one million man hours worked, calculated using this equation: (# of work days lost x 1,000,000)/ Total hours worked

In a change in guidance from GRI G3.1 to GRI G4, GRI no longer recommends a specific formula for reporting injury, illness, and lost day rates. GRI now instructs reporters to "Report the system of rules applied in recording and reporting accident statistics." From the organizations on the *Global 100*:

- 66 (29) reported a lost day related rate for workers/employees.
- 22 (5) calculated the rate using lost days per million hours worked.
- 7 (4) different formulas were used to calculate lost day rate.

Range of Years Reported

The CSHS 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. As previously noted, the number of years reported on in the data collected on the Global 100 is highly variable, but it is common for organizations to provide data on multiple years' performance.

Percentage of owned or leased manufacturing, production, or warehousing facilities that have implemented an OHS management system that meets nationally or internationally-recognized standard or guideline.

CSHS FINDINGS

Summary

- 25 (34) organizations reported using an occupational health and safety management system (OHSMS).
- 18 (27) of the organizations reporting on this indicator referenced the standard they used in setting up their OHSMS. (FN: OHS standards – Standards required by contract with the supplier, pursuant to an agreed upon Supplier Code of Conduct, or by relevant local law or regulation.)
  - 16 (26) referred to OHSAS 18001.
- 21 (18) of the organizations provided some information on the scope of coverage for their OHSMS:
  - 8 (4) reported on the percentage of locations covered by the system.
  - 7 (0) reported on the number of locations with OHSMS.
  - 3 (4) reported on specific types of facilities or businesses (production, corporate management and operations, manufacturing, shipping, warehouse, industrial, engineering, office).
  - 1 (0) reported on the % of employees covered by the OHSMS.
  - 1 (0) reported on the % of production volume covered by the OHSMS.
  - 1 (1) reported on the number of countries with facilities covered by an OHSMS.

Percentage of owned or leased manufacturing, production, or warehousing facilities that have had their OHS management systems audited.

CSHS FINDINGS

Summary

- 18 (27) organizations reported that their OHSMS had been audited by an independent third party.
- 15 (26) organizations reported OHSAS 18001 certification.

Percentage of direct/first tier suppliers' facilities that were audited for compliance with OHS standards.

CSHS FINDINGS

Summary

- 34 (28) organizations reported that they had audited their suppliers in some fashion.
  - 21 (12) reported on the number of supplier audits.
  - 7 (6) reported on the number of suppliers audited.
  - 2 (1) reported on the number of facilities audited.
  - 2 (N/A) reported on the percentage of supplier spend audited.
  - 1 (1) reported on the percentage of new suppliers audited.
  - 1 (8) reported on the percentage of suppliers audited.
- There were 7 (11) descriptions of the "suppliers" that were audited:
  - Percentage of procurement spend
  - High risk suppliers
  - Significant suppliers
  - Elevated risk suppliers
  - Priority suppliers
  - Critical suppliers
  - "Tier 1" suppliers
- OHS was specifically mentioned as a subject matter of the audits by 14 (8) organizations.
- 8 (8) organizations reported some level of involvement by third party auditors.

Conclusion

A compelling case can be made that voluntary "sustainability" or "social responsibility" corporate reporting schemes have failed to yield the kind of comprehensive and meaningful data needed by key stakeholders. While the number of corporate reporting schemes has grown exponentially over the last decade (including recent trends in developing so-called "standards") there is still a lack of consensus on the metrics or indicators that should be reported, the data collection methodology and reporting formats to be used, and the definition of terms.

As demonstrated by the findings in this report, voluntary sustainability reporting on OHS lacks the degree of rigor necessary to allow key stakeholders to effectively evaluate corporate performance or compare performance across organizations. To address this concern, new levels of collaboration and compromise are needed among the leading sustainability reporting frameworks and standards development organizations (GRI, UNGC, IIRC and SASB). Standardized terms, definitions, and data collection methodology and reporting formats must be agreed upon and adopted by these groups. While the types of information needed by key stakeholders of these groups may vary (e.g. investors versus NGOs), the need for more disciplined reporting practices is universally applicable.

Other concerns stemming from the CSHS findings, such as the low levels of reporting on certain indicators, the lack of leading indicators, and the absence of an indicator relating to workers for suppliers in developing countries, highlight the need to re-evaluate the appropriateness of the OHS performance indicators currently recommended for reporters. The objective of such a review should be on identifying the indicators that measure activities that will ultimately have the most impact on performance.

Public reporting of performance-related data has been shown to be an impetus for organizations to improve or maintain performance. One study of the perceived impact of public reporting of hospital performance data found that it: "led to increased involvement of leadership in performance improvement; created a sense of accountability to both internal and external customers; contributed to a heightened awareness of performance measure data throughout the hospital; influenced or re-focused organizational priorities; raised concerns about data quality and led to questions about consumer understanding of performance reports." To achieve these objectives in OHS reporting, guidelines and reporting practices must standardized.[9]

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[9] JM Hafner, et al "The perceived impact of public reporting hospital performance data: interviews with hospital staff," *International Society for Quality in Health Care* 2011 Dec;23(6):697-704, accessed June 8 2017, doi:/10.1093/intqhc/mzr056.

RECOMMENDATIONS

- Identify one or more indicators relating to OHS management systems
  - CSHS recommends two indicators around occupational health and safety management systems:
    - Percentage of owned or leased work locations that have implemented an occupational health and safety management system that meets recognized standards
    - Percentage of owned or leased work locations that have had their occupational health and safety management systems audited by an independent third party

    These leading indicators are designed to measure whether systems are in place to effectively manage worker health and safety. The International Labour Organization (ILO) has stated that: "Implementation of OHS management systems is critical in helping to reduce occupational accidents, diseases and deaths." The ILO's OHSMS (ILO-OSH 2001) and OHSAS 18001 (an ISO 14001-based approach), have been widely implemented throughout the world. A new ISO global standard on OHSMS, ISO 45001, is scheduled for completion this year.
- Identify one or more indicators that measures OHS performance in the supply chain.
  - CSHS also recommends that organizations report the percentage of direct or first-tier suppliers' facilities in developing countries that were audited for compliance with health and safety standards. This leading indicator is based on recognition that workers for suppliers in developing countries are especially vulnerable to occupational health and safety risks. The International Labour Organization (ILO) has reported that the work-related mortality rate in developing countries is five to seven times higher than in industrialized nations. ILO research also found that while accidents and illnesses are decreasing in the developed world, both are increasing in the developing world. Organizations that source products from developing countries are well positioned to provide oversight and support for their suppliers to ensure the safety, health, and well-being of supplier workers. Our proposed indicators would encourage reporters to audit their suppliers, thereby helping to promote proactive safety measures and saving lives in the long run.
  - Some current supporters provide injury, illness, and fatality rates for their supply chain vendors
    - One of the organizations on the Global 100 reported no employee fatalities for the previous year but did report 27 deaths in the "supply chain and others" category (17 contractors and 10 members of the public) during that same period.
- Identify specific formulas to be used in reporting data. While in some instances it is not difficult to convert data outputs from one formula to compare to the data generated using another formula, it is sometimes a complex process, especially for stakeholders who are less familiar with the OHS field.
- Simplify and clarify the definitions. GRI has 9 defined terms to identify the parties relevant to injury and illness reporting. This adds an unnecessary level of complexity to the reporting process. Fewer and easier to understand terms should be the goal. In addition, the guidance to reporters should require reporters to define terms used in their reports.

Center for
Safety & Health Sustainability

The Center for Safety & Health Sustainability (CSHS), established in 2010, is a 501(c)(3) nonprofit organization committed to advancing the safety and health 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 100,000 workplace safety and health professionals in over 120 countries.

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