



# NINE BUSINESS PRACTICES

for Improving Safety and Health Through Supply Chains and Building a Culture of Prevention and Protection



United Nations  
Global Compact



International  
Labour  
Organization



**The International Labour Organization and the United Nations Global Compact have identified nine business practices to improve safety and health through supply chains and create a culture of prevention and protection:**

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

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**2** Include OSH and employment injury protection in procurement practices

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

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**4** Promote vertical and horizontal knowledge and capacity sharing

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

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**6** Promote workers' participation and social dialogue

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

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

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**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





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Photo: ILO

# INTRODUCTION

An estimated 2.78 million workers die each year from occupational accidents and work-related diseases while an additional 374 million workers suffer from non-fatal occupational accidents, according to the International Labour Organization (ILO). This means 7,500 people die from unsafe and unhealthy working conditions every single day. Workplace-related deaths exceed the average annual deaths from road accidents (999,000), war (502,000), violence (563,000) and HIV/AIDS (312,000).<sup>1</sup>

Unsafe and unhealthy working conditions often result from a combination of underlying causes, such as governance gaps, deficient legislative frameworks, insufficient knowledge and resources, unsustainable business practices, and the absence of a culture of prevention at national and workplace levels. Governments and enterprises have their respective roles to play to address this challenge.

Robust occupational safety and health (OSH) laws and policies and good business practices, combined with employment injury insurance schemes, contribute to the achievement of several **Sustainable Development Goals (SDGs)** and their related targets, including Goal 1 (No Poverty), Goal 3 (Good Health and Well-Being) and Goal 8 (Decent Work and Economic Growth), among others.<sup>2</sup>

Both employment injury insurance schemes and occupational safety and health are the primary drivers behind the realization of decent work for all workers under Goal 8. Target 8.8 of Goal 8 has made occupational safety and health a sustainable development priority. It calls for concerted action to “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”.<sup>3</sup>

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

This brief specifically focuses on the role that businesses can play in ensuring safe and healthy workplaces, especially when operating in countries with deficient national safety and health and employment injury protection schemes. The brief recognizes the important link between sound OSH practices and effective employment injury insurance schemes: the most desirable mechanisms to protect the incomes of workers who suffer work-related injuries and cover their medical costs.

The brief identifies practices that businesses can implement to ensure that all workplaces and all workers can benefit from the wealth of knowledge, expertise, instruments and tools developed in the field of OSH to ensure that no one is left behind. These practices are evidence-based and follow the guidance offered by international instruments such as the UN Guiding Principles on Business and Human Rights (UNGPs), the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration), and the OECD Guidelines for Multinational Enterprises (OECD Guidelines). These instruments recognize that the primary responsibility rests on States to protect human rights and adopt relevant policies, legislation, regulation and adjudication. Yet they also acknowledge that within the framework of policies established by Governments, businesses can make an important contribution to economic and social progress and the realization of decent work for all.<sup>4</sup>

1. See International Labour Organization (ILO), *Safety and health at the heart of the future of work: Building on 100 years of experience*. 2019. Also see [ILOSTAT](#).

2. See [SDG targets 1.3, 3.8, 3.9 and 8.8](#).

3. United Nations. [Sustainable Development Goal 8: Decent Work and Economic Growth](#).

4. See, for example, *ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy* (MNE Declaration), paras 1–2.





# BACKGROUND INFORMATION

## **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), Americas (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.<sup>5</sup>

## **Furthermore, manufacturing, construction, transportation and storage are the industries that experience the highest level of work-related accidents.**<sup>6</sup>

In these highly hazardous sectors — as elsewhere — work-related injuries are not equally distributed among the workforce. The workers most exposed to work-related injuries are those in precarious employment (temporary, casual or part-time workers), workers in informal employment, those working in **small and medium-sized enterprises (SMEs)**, and work performed by groups subject to discrimination and marginalization (such as migrant workers, young workers and racial and ethnic minorities),<sup>7</sup>

## **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.<sup>10</sup> 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.

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 refers to the rights and duties of workers and their representatives.<sup>11</sup>

5. ILO. *Safety and health at the heart of the future of work: Building on 100 years of experience*. 2019, p. 5.

6. See [ILOSTAT](#).

7. Wu, Y., Schwebel, D. C., and Guoqing, H., "Disparities in unintentional occupational injury mortality between high-income countries and low- and middle-income countries: 1990–2016." *Environmental Research and Public Health*, vol. 15 (10), p. 2296–2307.

8. ILO. *Decent Work in Global Supply Chains*, 2016, p. 7.

9. B. Nowrouki-Kia, N. Nadesar, J. Casole. "Systematic review: factors related to injuries in small- and medium-sized enterprises." *International Journal of Critical Illness & Injury Science*, 2019, vol. 9(2), p. 57–63.

10. ILO. *Rana Plaza, Two Years On: Progress made & challenges ahead for the Bangladesh RMG sector*. April 2015.

11. ILO. [Promotional Framework for Occupational Safety and Health Convention](#). 2006 (No. 187).

# THE 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, interruption of production and medical expenses.<sup>12</sup> In some countries, this increases to 6 per cent or more.<sup>13</sup>

**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.<sup>14</sup>

**For workers and their dependants**, occupational injuries have a major impact, not only in economic terms, but also in terms of 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 a loss of work or production or education to care for the injured worker.<sup>15</sup> The psychosocial impact of occupational injuries on victims and their families must also be taken into account.

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.<sup>16</sup> As such, 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 prioritize which OSH issues should receive the frequently limited resources available.

12. J. Takala and others. "Global Estimates of the Burden of Injury and Illness at Work in 2012," *Journal of Occupational and Environmental Hygiene*, 2014, vol. 11(5), p. 329.

13. Hämäläinen and others, "Global Estimates of Occupational Accidents and Work-related Illnesses," *Workplace Safety and Health Institute*, 2017.

14. For more information on reputational risks: International Trade Union Confederation (ITUC), [Scandal: Inside the global supply chains of 50 top companies](#), 2016.

15. ILO, *Safety and health at the heart of the future of work: Building on 100 years of experience*, 2019, p. 9.

16. ILO, *Estimating the Economic Costs of Occupational Injuries and Illnesses in Developing Countries: Essential Information for Decision-Makers*, 2012, p. 14.

# OCCUPATIONAL SAFETY AND HEALTH IN A GLOBALIZED ECONOMY

While OSH hazards are intrinsic to all workplaces around the world, workplaces in countries with limited resources, weak legal frameworks, and inadequate enforcement and support functions face particular challenges. These are often exacerbated by the absence of a preventive safety and health culture, both at the national and workplace levels.

To address these deficits, many enterprises have developed voluntary measures, such as codes of conduct and monitoring programmes, including self-assessments, auditing and certification by third parties, among others. While these compliance-based sustainability efforts are a good starting point to improve working conditions, they may not be sufficient to identify and address risks, particularly risks found beyond direct suppliers.<sup>17</sup>

To complement these efforts, some enterprises have focused on capacity-building initiatives to improve suppliers' technical expertise and internal management systems. This would help suppliers improve working conditions on their own. Some enterprises have also joined multi-stakeholder initiatives that set and enforce labour standards across enterprises in the same industry and establish mechanisms to enforce these standards.<sup>18</sup> Finally, there have been instances where private compliance initiatives are combined efforts with public regulatory authorities, such as labour inspectors, to improve working conditions.<sup>19</sup>

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.

The ILO has highlighted four opportunities (and entry points) for improving occupational safety and health in food and agriculture value chains, particularly in the area of knowledge sharing:<sup>20</sup>

**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 are 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 further removed from the formal sector.

**Knowledge sharing horizontally at each step of the supply chain** towards the most vulnerable workers. When vulnerable (in terms of OSH) supply chain links have been identi-

fied at each stage of production, actors could share experiences on best OSH practices. Some companies/suppliers — which may have access to higher-value markets or are linked directly to global buyers — may also have advanced systems to control risk factors. Additionally, 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 that only supply 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.

17. S. Kuruvilla, N. Li, and J.L. Jackson, "Private regulation of labour standards in global supply chains: current status and future directions" in Delautre et al. (eds.), ILO, *Decent work in a globalized economy: Lessons from public and private initiative*, 2021, p. 189.

18. Such as the Fair Labor Association and Fair Wear Foundation in the garment sector, and Fairtrade and Rainforest Alliance/UTZ in the agricultural sector.

19. R.M. Locke, *The Promise and Limits of Private Power: Promoting Labor Standards in a Global Economy*, Cambridge University Press, 2013, p. 156–173.

Also see conclusions of the [2015 ILO tripartite meeting on Labour Inspection and the Role of Private Compliance Initiatives](#).

20. ILO, *Food and agriculture value chains: drivers and constraints for occupational safety and health improvement*, 2017, vol. 1 p. 66.





# 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 as a consequence of an accident or occupational disease and for workers' access to medical and allied care.

The first generation of such schemes consisted of "workmen's compensation schemes", under which the compensation of a worker or their 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 mean 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.

Employment injury benefit schemes, providing cash and in-kind benefits for cases of work-related injuries, constitute the oldest branch of social security in many countries.<sup>21</sup> These schemes were established to address a key challenge in the modern workplace: meeting the needs of workers who have lost their working capacity, totally or partially, due to a work-related injury. The schemes also meet the needs of dependant family members left without financial support in the case of a work-related death.

They provide medical and allied care, as required, and periodic payments to injured workers, as long as they cannot work. When the injury sustained by the worker leads to their death, these schemes provide periodic payments, and a funeral or death grant, to their dependent family members.

21. There is a diversity of nomenclature used at the national level to refer to such schemes: employment injury insurance institution, work injury insurance institution, workers' compensation schemes, etc.



## COVID-19 INFECTION AND INJURY AT THE WORKPLACE

The world continues to be profoundly affected by the COVID-19 pandemic, which touches all of us one way or another. The world of work is no exception. The data are appalling in many ways: loss of lives, loss of jobs and the closure of businesses, to name a few. The fact that thousands of health workers have died around the world after contracting COVID-19 at their workplace — while trying to save others — shows that the crisis has reached a staggering scale. And these health workers are not alone, unfortunately.

Occupations are commonly linked to socio-economic status, which can also affect an individual's risk of contracting COVID-19. The most vulnerable workers in countries all around the world have been the most affected.

Recent State practice shows that if COVID-19 is contracted through occupational exposure, it could be considered an occupational injury that entitles infected workers or their dependants to compensation. With good preventive measures, the incidence of such occupational injury will diminish and the costs of the recovery measures will follow accordingly.

However, even with the best prevention measures in place, there is no zero-risk scenario. Any prevention policy should also be linked to a compensation policy to cover the situation in which workers contract COVID-19 at work, need health care, lose their income temporarily or even permanently, or die as a result of infection. Well-functioning employment injury schemes are designed to benefit both workers and employers by providing reliable coverage with predictable, timely payments and reduced legal costs.

For more information, please refer to the ILO collection of State practice on COVID-19 and occupational injury, [available here](#).

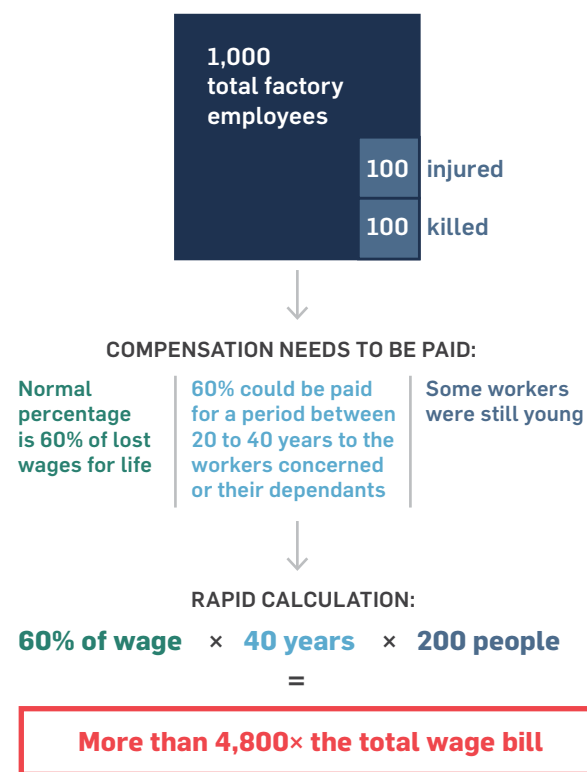
In principle, workers' compensation, or employment injury insurance, schemes should be funded entirely from employer contributions, which means the economic burden is borne by the employer. Yet in practice, the principle is undermined by two factors: the poor coverage of workers' compensation schemes and the payment of inadequate benefits. **Approximately 60 per cent of the world's labour force lacks protection if they are injured or become ill as a result of their work.**

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 (for more info see [Practice 5](#)).

**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.

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



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.

### **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 a 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.<sup>22</sup>

► 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.

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, employment injury insurance cost reduction in a differential rating system 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 a preventive approach 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.<sup>23</sup>

22. United Nations Economic and Social Commission for Asia and the Pacific. *Socially Responsible Business: A Model for a Sustainable Future*. 2017.

23. ILO. *Strengthening the role of employment injury schemes to help prevent occupational accidents and diseases*, 2013, p. 2.

24. ILO. *Safety and Health at Work: A Vision for Sustainable Prevention*, 2014, p. 2.

## **TOWARDS A CULTURE OF PREVENTION**

Starting in the early 1980s, there was a growing recognition that rather than focus on single issues, such as exposure to hazardous materials, and on highly hazardous sectors, such as mining, construction and manufacturing, a more holistic approach to safety and health was necessary. This holistic approach would emphasize the establishment of a general culture of prevention at national and enterprise levels. This new way of thinking about safety and health was reflected in the ILO's [Occupational Safety and Health Convention, 1981 \(No. 155\)](#) and its accompanying [Occupational Safety and Health Recommendation, 1981 \(No. 164\)](#).

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.

The most recent OSH instruments — the [Promotional Framework for Occupational Safety and Health Convention, 2006 \(No. 187\)](#) and its accompanying

[Recommendation, 2006 \(No. 197\)](#) — 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)).

In addition, in 2019, the ILO Centenary Declaration for the Future of Work underscored that “safe and healthy working conditions are fundamental to decent work”. A growing number of countries and enterprises are placing a higher priority on OSH and preventing accidents and ill health. As noted previously, the burden of occupational injuries and ill health is much greater than previously believed. There is now widespread recognition that occupational accidents and diseases can have a major impact on productivity, the competitiveness and reputation of individual enterprises, as well as on the livelihoods of individuals and their families. In short, **prevention pays**.<sup>24</sup>

*For more information, please see the [International Labour Standards on Occupational Safety and Health from the ILO](#).*



# IMPACT OF PROCUREMENT PRACTICES ON OCCUPATIONAL SAFETY AND HEALTH AND EMPLOYMENT INJURY PROTECTION

Global buyers' purchasing practices directly affect a supplier's ability to foster the key conditions for decent work, including OSH. The global garment industry is a case in point. 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.<sup>25</sup> 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.<sup>26</sup>

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.<sup>27</sup> 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.<sup>28</sup>

A recent study conducted by the ILO, in cooperation with the Ethical Trading Initiative (ETI), provides empirical evidence on the direct relationship between purchas-

ing practices and decent work, including on health and safety.<sup>30</sup> 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.<sup>31</sup>

Integrating safety and health standards into procurement or sourcing decisions can lead to improved safety and health management among suppliers, and 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.<sup>32</sup> 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.<sup>33</sup>

In addition, anecdotal evidence shows that in many companies, sourcing and compliance efforts are not sufficiently integrated.<sup>34</sup> 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).

## GLOBAL BUYERS' PURCHASING PRACTICES DIRECTLY AFFECT A SUPPLIER'S ABILITY TO FOSTER THE KEY CONDITIONS FOR DECENT WORK

25. See Better Work, *Progress and Potential: A focus on sourcing practices from a factory perspective*, 2016.

26. See, for example: ILO, *Working Time, Health and Safety: A Research Synthesis Paper*, 2012. For a specific country example, see *Australian Institute of Health and Welfare, 2017, Australia's Welfare Series* No. 13. AUS 214.

27. F. Pega and others. "Global, regional and national burdens of ischemic heart disease and stroke attributable to exposure to long working hours for 194 countries, 2000–2016: A systematic analysis from the WHO/ILO Joint Estimates of the Work-related Burden of Disease and Injury." *Environment International*, 2021.

28. J.P. Leigh and R. De Vogli. "Low Wages as Occupational Health Hazards," *Journal of Occupational and Environmental Medicine*, May 2016, 58 (5), p. 444–447.

29. United Nations Global Compact. *Decent Work Toolkit for Sustainable Procurement*, 2020.

30. 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).

31. Ibid.

32. ILO. Purchasing practices and working conditions in global supply chains: Global Survey results, INWORK Issue Brief No. 10, 2017, p. 4.

33. D. Walters and P. James, "Drivers and constraints for OSH improvement in global value chains - the perspective of research on OSH management and standards" in ILO, *Food and agriculture global value chains: Drivers and constraints for occupational safety and health improvement. Volume 1 – Perspectives from relevant research areas* (2017), p. 50.

34. S. Kuruvilla, N. Li, and J. Lowell Jackson, "Private regulation of labour standards in global supply chains: current status and future directions" in Delautre et al. (eds.), ILO, *Decent work in a globalized economy: Lessons from public and private initiatives*, 2021, p. 202–203.



# NINE BUSINESS PRACTICES TO IMPLEMENT AND PROMOTE A CULTURE OF PREVENTION AND PROTECTION THROUGH SUPPLY CHAINS

Meaningful initiatives have been developed to address the various facets of a safe and healthy working environment, including monitoring, compliance and remediation. However, there is no zero risk-injury working environment. That is why 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 an occupational accident or disease.

A set of nine practices is proposed below. These are neither exhaustive nor placed in order of importance. They are not binding and do not intend to impose binding obligations on businesses. They 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 occupational disease. This is particularly important in host countries in which OSH systems and employment injury are deficient. Such practices take into account the guidance offered by the **ILO MNE Declaration**<sup>35</sup> and

▶ the **UN Guiding Principles on Business and Human Rights**<sup>36</sup> and aim to illustrate the positive role of business in improving safety and health and building a culture of prevention and protection.

Acting on preventing and protecting supply chain workers from health and safety risks where a condition that is identified as a risk to the enjoyment of workers' rights, including in their supply chains, contributes to building a culture of prevention and protection. The concept of human rights due diligence is included in several other international instruments, including the ILO MNE Declaration, the OECD Guidelines for Multinational Enterprises and the OECD Due Diligence Guidance for Responsible Business Conduct.

35. ILO Convention No. 121 is listed in Annex I of the ILO MNE Declaration as part of labour conventions and recommendations relevant to the Declaration.

36. United Nations. *Guiding principles on business and human rights: Implementing the United Nations "Protect, Respect and Remedy" framework*. 2011.





## PRACTICE 1: MAP YOUR SUPPLY CHAINS TO GAIN A BETTER UNDERSTANDING OF EXISTING OSH CHALLENGES

Mapping a supply chain allows enterprises to 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. This can offer an entry point to protect the most vulnerable workers and, ultimately, help benefit all workers in producing countries.<sup>37</sup> A growing number of enterprises are demonstrating that it is possible to achieve such visibility, despite the complexity, fluidity and geographical diversity of supply chains.

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 sustainably address risks.<sup>38</sup> 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.

### ENTERPRISE EXAMPLE

In 2019, **TotalEnergies**, a French multinational integrated oil and gas company, engaged with external experts to develop a new methodology for its procurement sustainability mapping. The Sustainable Procurement Team initially reached out to a specialist service provider to analyze 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. This summary can then be shared with internal stakeholders and suppliers. The tool also takes into account the mitigation measures that exist and are being implemented to calculate the residual risk as required by the French Corporate Duty of Vigilance Law.

## PRACTICE 2: INCLUDE OSH AND EMPLOYMENT INJURY PROTECTION IN PROCUREMENT PRACTICES

Ensuring health and safety in the workplace is part of responsible business practices. Enterprises should strive to include an assessment of their suppliers' compliance with safety and health standards in their procurement practices. This verification should also cover employment injury protection. Evidence suggests that 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.<sup>39</sup>

The [UN Global Compact Decent Work Toolkit for Sustainable Procurement](#) developed as part of the UN Global Compact Decent Work in Global Supply Chains Action Platform provides good guidance for enterprises, procurement professionals and suppliers on how to advance decent work through purchasing decisions. This Toolkit contains real-life examples of buyers and suppliers jointly addressing decent work concerns in their supply chains.

37. Increasingly supported by consumers in consuming countries, many Governments have imposed reporting requirements on global companies in order to compel them to provide end-to-end visibility in their supply chains. See, for example, the United Kingdom's *Modern Slavery Act 2015* and the United States' Dodd-Frank Wall Street Reform and Consumer Protection Act.

38. 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. ILO. [Occupational Safety and Health in Global Value Chains Starterkit](#), 2018.

39. 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. See S. Kuruvilla, N.Li and J.L. Jackson. "Private regulation of labour standards in global supply chains: current status and future directions" in Delautre et.al. (eds.), ILO, *Decent work in a globalized economy: Lessons from public and private initiatives*. 2021, p. 203.

## ENTERPRISE EXAMPLE

In order to identify, assess, prevent and mitigate human rights risks, the Italian multinational tyre 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. 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.

Source: [Pirelli & C. S.p.A. – 2019 Annual Report, Pirelli Sustainability Clause](#) and [Health, Safety and Environment Policy](#)

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## PRACTICE 3: IMPROVE THE MONITORING OF OSH COMPLIANCE, INCLUDING THROUGH CLOSER ENGAGEMENT WITH SUPPLIERS

The programmes that enterprises use to respond to societal concerns should integrate detailed processes that identify OSH risks and impacts and lay out how to integrate and act upon the findings, track any necessary responses, and communicate how the challenges were addressed. When efficient, such measures could contribute to establishing good practices in relation to OSH and protection against work-related injury.

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.<sup>40</sup>

## ENTERPRISE EXAMPLE

**Sakhalin Energy Investment Company Ltd.**, a Russian oil and gas company, 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, ionizing radiation, etc. This data is then used to track implementation of corrective measures to minimize risks.

Source: [Sustainable Development Report 2019](#), p. 178.

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## PRACTICE 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. This would enable suppliers

to enforce OSH standards, including provisions on employment injury, and improve working conditions on their own. However, the "good practices" and policies that suppliers align with should be appropriate to their size and the nature of their activities. Evidence suggests that the process of transferring these practices and policies will be more effective if enterprise workers were involved and engaged with suppliers in a way that enables OSH management to reflect surrounding contexts.<sup>41</sup>

## ENTERPRISE EXAMPLES

**Inditex** (Industria 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. An example of this could be their project in Portugal, conducted in collaboration with national and international trade unions, the national authority for working conditions and a local university, which is oriented to improve health and safety at work in their suppliers and manufacturers. Seventy-four factories and suppliers were involved in the project, which included training and awareness, assessment and corrective tasks that improved the workplace safety conditions of more than 4,000 workers.<sup>42</sup>

40. D. Walters and P. James. "Drivers and constraints for OSH improvement in global value chains - the perspective of research on OSH management and standards" in ILO, *Food and agriculture global value chains: Drivers and constraints for occupational safety and health improvement. Volume 1 – Perspectives from relevant research areas*. 2017, p.50.

41. Ibid.

42. Inditex. [Annual Report 2019](#), p. 125.



**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 were 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.<sup>43</sup>

**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 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.

### HORIZONTAL KNOWLEDGE SHARING

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 would not only promote good OSH standards across the sector, but prevent the creation or continuation of a two-tiered sector, i.e. those with good OSH practices and those without.

### ENTERPRISE EXAMPLE

**Knoll Printing & Packaging Inc.**, a leader in the deluxe packaging industry with headquarters in New York State, 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 important topics 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.

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## PRACTICE 5: ALIGN AND COMPLEMENT THE NATIONAL LEGAL AND POLICY FRAMEWORK AND BE A DRIVER FOR IMPROVEMENT

Human rights due diligence does not take place in a vacuum. Obeying domestic laws is the first obligation of enterprises. 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."<sup>44</sup> However, 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 relationships with third parties — such as business partners and entities in their supply chains.

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 employ-

ment injury insurance schemes in several ways. One way is supporting efforts to strengthen national institutions that support the effective operation of employment-injury insurance schemes, e.g. the labour inspectorate or the national health system. Enterprises could also promote in-house or private initiatives to stimulate the development of a fully functioning national employment injury insurance scheme.<sup>45</sup> To do so requires knowledge and an assessment of the national protection system that is in place in countries of operations and sourcing countries. This is particularly relevant in countries with weak social security systems. International labour standards, and in particular Convention No. 121 on Employment Injury Benefits (1964), provide clear standards and guidelines against which the national system could be measured.

Through its [Global Programme on Employment Injury Insurance and Protection](#), the ILO has developed a useful tool for interested stakeholders to self-assess the fundamental elements of a national scheme based on technical guidelines and ILO standards.

### ENTERPRISE EXAMPLE

**TotalEnergies**, 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. **TotalEnergies'** 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.

Source: [Total Employment and Social Inclusion](#)

43. Hsieh and others. "Global Sourcing at Nike." *Harvard Business School Teaching Note* 619-061, 2019, p. 23.

44. See ILO MNE Declaration, para. 11

45. See ILO MNE Declaration, para. 22: "Multinational and other enterprises could complement public social security systems and help to stimulate further their development, including through their own employer-sponsored programmes."

## PRACTICE 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. Workers' representation in health and safety committees significantly improves OSH outcomes. The autonomous representation of workers' interests in OSH has been widely known as being associated with improved workplace OSH management arrangements and OSH outcomes among workers.<sup>46</sup> In accordance with national practices, multinational enterprises should promote the appointment of workers' safety delegates, safety and health committees and cooperate fully with worker's organizations' representatives on OSH-related issues. The enterprises also should share relevant observations made in other countries.<sup>47</sup>

How can enterprises support and develop worker participation committees, such as health and safety committees, in their supply chains? Enterprises can do so in three ways: acting as guarantors, capacity builders or enforcers of workplace dialogue.<sup>48</sup> 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. Second, 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. Third, 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.

In order 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, 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".<sup>49</sup> 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](#).

### ENTERPRISE EXAMPLES

**Assent Compliance Inc.**, a Canadian supply chain data management company, established the employee-led Joint Health & Safety Committee which 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.

Source: [Assent 2019 Corporate Social Responsibility Report](#)

**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.

Source: [L'Oréal United Nations Global Compact Communication on Progress \("CoP"\) 2018. Advanced Level. November 2019](#)

## PRACTICE 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. All employers should make adequate arrangements to record and notify the competent authorities about occupational accidents and diseases.<sup>50</sup>

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.<sup>51</sup>

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.

46. ILO. *Safety and Health at the Future of Work: Building on 100 years of experience*, 2019, p. 67.

47. [ILO MNE Declaration](#), paras. 44–45.

48. J. Reinecke and J. Donaghey. "Political CSR at the Coalface: The Roles and Contradictions of Multinational Corporations in Developing Workplace Dialogue." [Journal of Management Studies](#), 2021, vol. 58(2), p. 457–486.

49. ILO. Occupational Safety and Health Convention, 1981 (No. 155), (Article 19(d)).

50. ILO. [Recording and notification of occupational accidents and diseases](#). An ILO Code of Practice, 1996. Also see ILO. Occupational Safety and Health Convention, 1981 (No. 155). For the specific responsibilities of employers on recording and notification, see [ILO Protocol of 2002 to the Occupational Safety and Health Convention, 1981](#).

51. ILO. [Global Trends on Occupational Injuries and Diseases](#), 2015.

## ENTERPRISE EXAMPLES

**Michelin**, a French multinational tyre 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.

Source: [Michelin 2019 Universal Registration Document](#)

**Unilever plc**, a British multinational consumer goods company, monitors occupational injury and illness rates through the Airsweb Environmental Health and Safety 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).

Source: [Unilever: Monitoring our safety performance](#)

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## PRACTICE 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. For example, the role of 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 levels.

► **Enterprises should cooperate in the work of international organizations** focused on the preparation and adoption of international OSH standards.<sup>52</sup> 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.

## 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.

Source: [Walt Disney Company's Supply Chain Investment Program](#)

**Nike, Inc.**, an American multinational apparel corporation, considers collaboration with external experts and key partners as critical to improving 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.

Source: [Sourcing and Manufacturing Standards](#)

<sup>52</sup> ILO MNE Declaration, para. 45.

## 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 ([visit website](#)).

## THE ILO HELPDESK FOR BUSINESS, THE ONE-STOP SHOP FOR COMPANY MANAGERS AND WORKERS ON HOW TO BETTER ALIGN BUSINESS OPERATIONS WITH INTERNATIONAL LABOUR STANDARDS

The ILO offers a free and confidential individual assistance service to company managers and workers; government agencies, employers' and workers' organizations and other interested organizations who want to better align business operations with international labour standards. Replies are prepared by an ILO expert team and draw on the different 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](mailto:assistance@ilo.org).

To find information on [ILO tools and resources for business on occupational safety and health](#).

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



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## **PRACTICE 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**

A feature common to most successful supply chain initiatives that improve compliance with good OSH practice is the multiplicity of coordinated actors and their actions.<sup>53</sup> The initiatives embody the coordinated engagement of many actors and move away from strategies adopted by one actor, whether corporate, union or regulatory. Vision Zero Fund is one such initiative. It 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.

53. D. Walters and P. James. "Supply Chains and their Present and Future Implications for Occupational Safety and Health", *European Agency for Safety and Health at Work*, Discussion Paper, 2020, p. 6.

# VISION ZERO FUND

In 2015, the Group of Seven established Vision Zero Fund. Administered by the ILO, the Fund aims to eliminate work-related deaths, injuries and diseases in global supply chains around the world. The Fund is an integral part of the ILO's Flagship programme Safety + Health for All that provides ILO leadership in global efforts to improve the safety and health of workers worldwide.

Currently, Vision Zero Fund 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 Fund 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, Vision Zero Fund 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 Vision Zero Fund 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 Fund 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. [Learn more.](#)

## LOW-INCOME COUNTRY

For the current 2022 fiscal year, low-income economies are defined as those with a GNI per capita, calculated using the [World Bank Atlas method](#), of \$1,045 or less in 2020. [Learn more.](#)

## 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. [Learn more.](#)

## OCCUPATIONAL DISEASE

An occupational disease is a disease contracted as a result of exposure to risk factors arising from work activity. [Learn more](#) and see also [ILO Recommendation 121](#).

## 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. [Learn more.](#) The [ILO Employment Injury Benefits Recommendation, 1964 \(No. 121\)](#) 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 their employment. It also includes commuting accidents, accidents which happen on the way in and out of work.

## 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. [Learn more.](#)

## OCCUPATIONAL SAFETY AND HEALTH (OSH)

Occupational safety and health (OSH) is identified as the discipline dealing with the prevention of work-related injuries and diseases as well as the protection and promotion of the health of workers. 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." [Learn more.](#)

## SMALL AND MEDIUM-SIZED ENTERPRISES (SMES)

Definitions of small and medium-sized enterprises (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. [Learn more.](#)

## 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 enterprise level. It can be interprofessional, sectoral or a combination of both. [Learn more.](#)

## 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. [Learn more](#) and [also see.](#)

## WORK-RELATED INJURY PROTECTION

According to the [ILO Social Security \(Minimum Standards\) Convention, 1952 \(No. 102\) \(Article VI\)](#) and the [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 their dependants. Accordingly, the provision must include medical and allied care to maintain, restore or improve the health of the injured person and their 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.

# ABOUT

This publication was co-developed by the United Nations Global Compact and the International Labour Organization, with inputs from participants of the Decent Work in Global Supply Chains Action Platform.

## ABOUT THE INTERNATIONAL LABOUR ORGANIZATION

The International Labour Organization (ILO) is the United Nations agency for the world of work. It sets international labour standards, promotes rights at work and encourages decent employment opportunities, the enhancement of social protection and the strengthening of dialogue on work-related issues. The ILO has a unique structure, bringing together governments, employers' and workers' representatives. The ILO has 187 member States and is one of the oldest UN agencies. The ILO's Secretariat has its headquarters in Geneva, Switzerland, and a global network of technical experts and field offices in more than 40 countries.

For more information, visit the ILO website at [ilo.org](https://ilo.org).

## ABOUT THE UNITED NATIONS GLOBAL COMPACT

As a special initiative of the UN Secretary-General, the **United Nations Global Compact** is a call to companies everywhere to align their operations and strategies with Ten Principles in the areas of human rights, labour, environment and anti-corruption. Our ambition is to accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the Sustainable Development Goals through accountable companies and ecosystems that enable change. With more than 12,000 companies and 3,000 non-business signatories based in over 160 countries, and 69 Local Networks, the UN Global Compact is the world's largest corporate sustainability initiative — one Global Compact uniting business for a better world.

For more information, follow [@globalcompact](https://twitter.com/globalcompact) on social media and visit our website at [unglobalcompact.org](https://unglobalcompact.org).

## ABOUT THE UNITED NATIONS GLOBAL COMPACT DECENT WORK IN GLOBAL SUPPLY CHAINS ACTION PLATFORM

The United Nations Global Compact launched the Action Platform on Decent Work in Global Supply Chains in 2017 to build an alliance of companies, Global Compact Local Networks and partner organizations who are committed to respect human rights and labour rights by leveraging supply chains and taking action to address decent work deficits. This platform builds the case for advancing decent work in global supply chains through sustainable procurement practices and engagement with suppliers, and demonstrates how labour rights and human rights are critical for achieving the UN Sustainable Development Goals (SDGs).

For more information or a list of participating companies, please visit the [Action Platform website](#).

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# THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT



## HUMAN RIGHTS

- 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
- 2 make sure that they are not complicit in human rights abuses.



## LABOUR

- 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4 the elimination of all forms of forced and compulsory labour;
- 5 the effective abolition of child labour; and
- 6 the elimination of discrimination in respect of employment and occupation.



## ENVIRONMENT

- 7 Businesses should support a precautionary approach to environmental challenges;
- 8 undertake initiatives to promote greater environmental responsibility; and
- 9 encourage the development and diffusion of environmentally friendly technologies.



## ANTI-CORRUPTION

- 10 Businesses should work against corruption in all its forms, including extortion and bribery.



**United Nations**  
Global Compact

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The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.