

Sustainability through Safety: The shifting landscape – Are you prepared for the conversation?

Durham CSSE Chapter

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Session Objectives:

- Discover a new and emerging approach integrating sustainability into workplace health and safety management
- Discuss the movement from compliance to management systems to sustainability
- Analyze key sustainability terms and put in context for your organization
- Performance metrics that apply in your specific organization
- Organizations readiness for safety and sustainability
- Build a plan to integrate “safety+sustainability” into your program
- Provide Update on GRI, Centre for Safety & Health Sustainability and ANSI Z16 Leading Indicators

Sustainability Continuum

At Risk	Compliance Focus	Management System	Sustainable+Safe
<ul style="list-style-type: none"> ▪ Unaware of obligations ▪ “This will not happen to us” ▪ Do not know how? 	<ul style="list-style-type: none"> ▪ Experienced a event ▪ Focus on minimum legal compliance 	<ul style="list-style-type: none"> ▪ We want to be the best ▪ Improve productivity and effectiveness & manage risks and hazard 	<ul style="list-style-type: none"> ▪ It’s the “right thing to do” ▪ Global leadership ▪ Meet the needs of community, employees & investors

Companies in the red zone are either unaware or their obligations, assume that an incident will not happen to them, do not feel they are legally obligated or simply do not know.

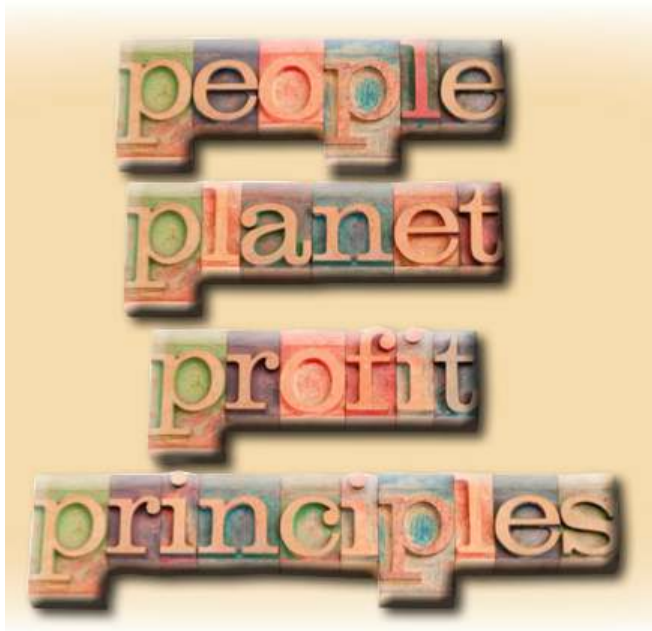
Companies usually in a defensive attitude and focus on the compliance aspects of H&S, Their main focus is on development of policies, procedures and rules to avoid prosecution

Companies have a formalized management system for health and safety and strive to exceed legislative compliance and are seen as good employers in their community

Companies care for their employees as the “right thing to do.” Relying on their robust management systems and promoting a safety culture; they understand that this makes good business sense, are engaged and share with stakeholders, investors, community, and employees usually on a global perspective.

* Adapted SOS International Duty of Care

Safety began the discussion...



**Frank Bird – 1950's
(PEME)**

People

Equipment

Materials

Environment

Safety leaders are in the sustainability business!

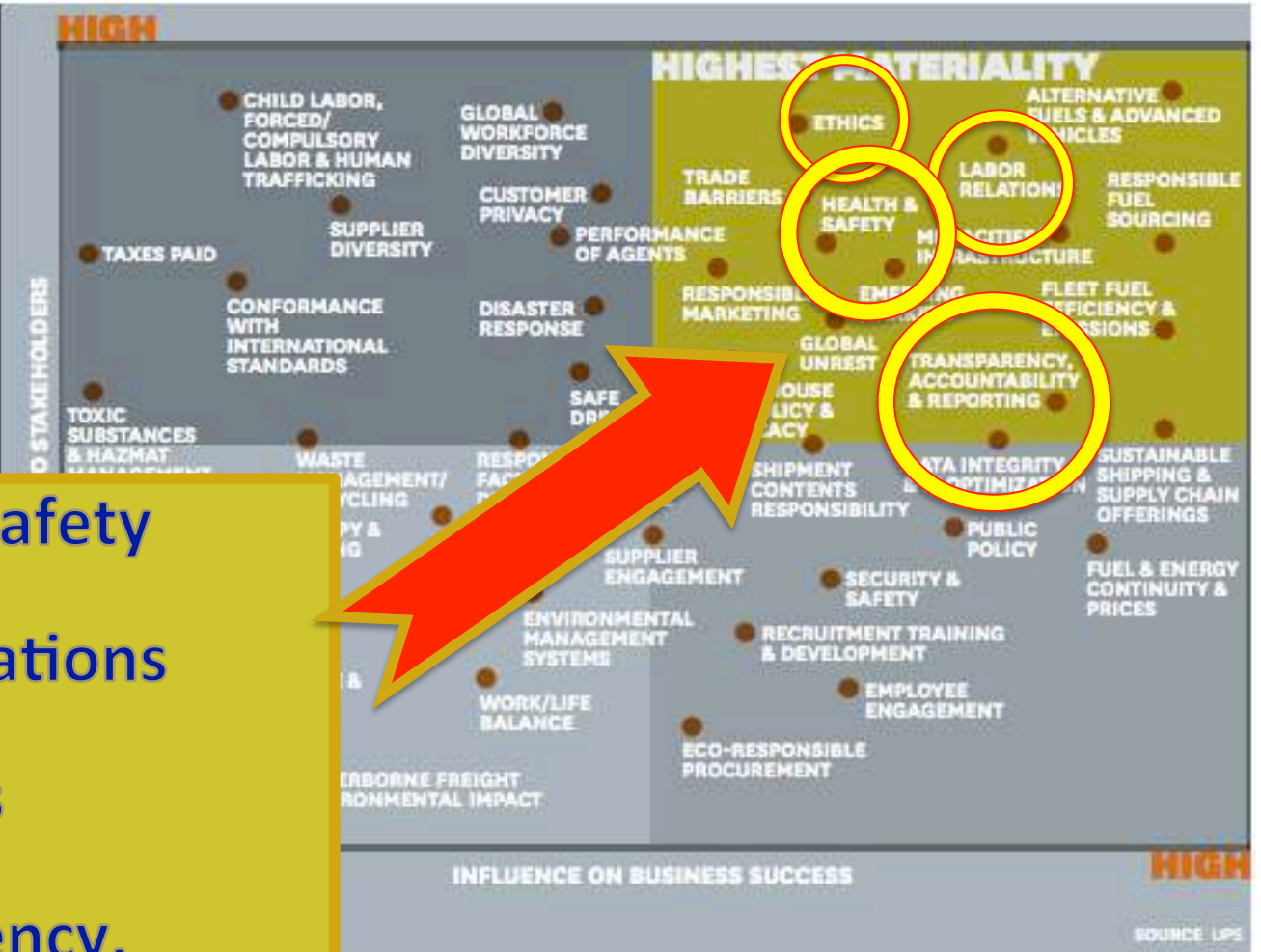
Of all the ways that people define it, sustainability really comes down to three principles:

- ☑ Do no harm to people or planet in our activities or our organization;
- ☑ Leave no footprint;
- ☑ Do some good along the way!

“You Do Well by Doing Good”

HOW UPS CHOSE ITS SPOTS

Companies get the most out of sustainability investments when they fund initiatives that both respond to stakeholders' greatest concerns and tap into existing operational momentum. Combining these two dimensions yields a simple decision-making tool known as



Health & Safety
 Labour Relations
 Ethics
 Transparency,
 Accountability &
 Reporting (UPS)

High Profile Tragedies Have Highlighted the Importance of Safety and Health in Sustainability



Fatal Fashion

Analysis of recent factory fires in Pakistan and Bangladesh: a call to protect and respect garment workers' lives



A Tale of Two Cities



London, UK

Doha, Qatar



A Tale of Two Cities

- **Doha, Qatar**
 - Home of the 2022 World Cup
 - At least 900 fatalities (as of March 2014)
 - At least 4,000 migrants expected to die by 2022
 - 2.2 million migrant workers expected to work
- **London, UK**
 - Home of the 2012 Summer Olympic
 - Safest Olympic Games in terms of construction
 - 46,000 workers, 62 million hours worked, **0 fatalities**

A Tale of Two More Cities



City Center, Las Vegas

One World Trade Center
New York



A Tale of Two More Cities

- **Las Vegas – City Center Project**
 - \$9.2 Billion project (largest privately funded in US)
 - 8,000 construction workers
 - LEED Approved Green Building
 - At least 12 construction fatalities
- **New York – One World Trade Center**
 - 10,000 construction workers
 - \$3.9 Billion
 - Complicated project/densely populated area
 - **0 Fatalities**

So, What is the Tale of Two Cities?

The tale of the two cities is that **with the proper amount of management leadership and planning, complex projects can be completed without fatalities and serious losses.**

If complex construction projects can be completed without serious losses, then any business activity can be completed without workers suffering serious injuries and deaths.

That's the definition of a **sustainable organization!**

Intro to Sustainability + Safety: Human Capital

Sustainability

People: Human Capital

"**People**" pertains to fair and beneficial business practices toward labour (employees), community and stakeholders in which a company conducts its business. A Triple Bottom Line company promotes a social structure in which the well-being of corporate, labour and other stakeholder interests are interdependent.

Planet: Natural Capital

"**Planet**" refers to sustainable environmental practices. A TBL company endeavors to benefit the natural order as much as possible or at least do no harm and minimize environmental impact.

Profit: Social License to Operate

"**Profit**" is the economic value created by the organization after deducting the cost of all inputs, including the cost of the capital tied up. The "profit" aspect needs to be seen as the real economic benefit enjoyed by the host society.

What is Sustainability + Safety for you?

Why sustainability?

Why is this an issue?

Sus·tain·a·bil·i·ty: “Meeting the needs of the present without compromising the ability of future generations to meet their own needs.”

UN commission, 1983 headed by Norwegian Prime Minister Brundtland

Why is this important to your business?

What is material to an organization:

Materiality

US Supreme Court



"...a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the 'total mix' of information made available."

SASB [Sustainability Standards Accounting Board]



"... companies must provide investors and other users with material information that is necessary to [form] an understanding of the company's financial condition and operating performance, as well as its prospects for the future."

US Financial Reporting



"... companies are required to disclose risk factors—factors that may affect a company's business, operations, industry or financial position, or its future financial performance."

What is material to your company?

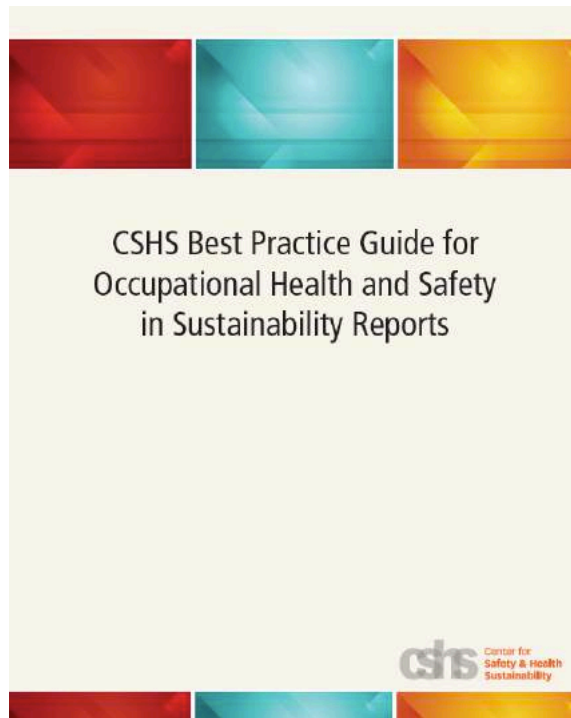
What is Materiality?

Why is this an issue?

“Materiality is an accounting principle that requires financial information relevant to the decision-making needs of end users be disclosed. Organizations should consider workplace health and safety as material to their stakeholders. Every organization should consider itself within the scope and materiality of these guidelines.”

Why is this important to business?

OH&S Performance Metrics



OHS Performance Metrics

#1

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

#2

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

#3

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

#4

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

#5

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

Leading Performance Indicators

Leading performance measures

What type(s) of leading performance measures for safety sustainability should companies use?

Which leading H&S metrics can you use at your company?

Assessment Tools for Safety+Sustainability

Assessment Tools

Measures & Assessment



"...To develop the business case to strengthen the relationship between safety and sustainability...to support Canadian OHS practitioners to influence a senior leadership team and to talk the same language as leading edge, sustainable businesses."

GRI Reporting Initiatives



"Sustainability reporting can help organizations to measure, understand and communicate their economic, environmental, social and governance performance, and then set goals, and manage change more effectively...is the key platform for communicating sustainability performance."

Internal versus External Reporting



"...a single report that combines the financial and narrative information found in a company's annual report with the nonfinancial (such as environmental, social, and governance issues)." Bob Eccles

GRI Metrics

Source: <https://www.globalreporting.org/resourcelibrary/G3.1-Quick-Reference-Sheet.pdf>

OCCUPATIONAL HEALTH AND SAFETY

- LA6** 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.
-
- LA7** Rates of injury, occupational diseases, lost days, and absenteeism, and number of workrelated fatalities by region and by gender.
-
- LA8** Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.
-
- LA9** Health and safety topics covered in formal agreements with trade unions.
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Readiness Assessment Exercise



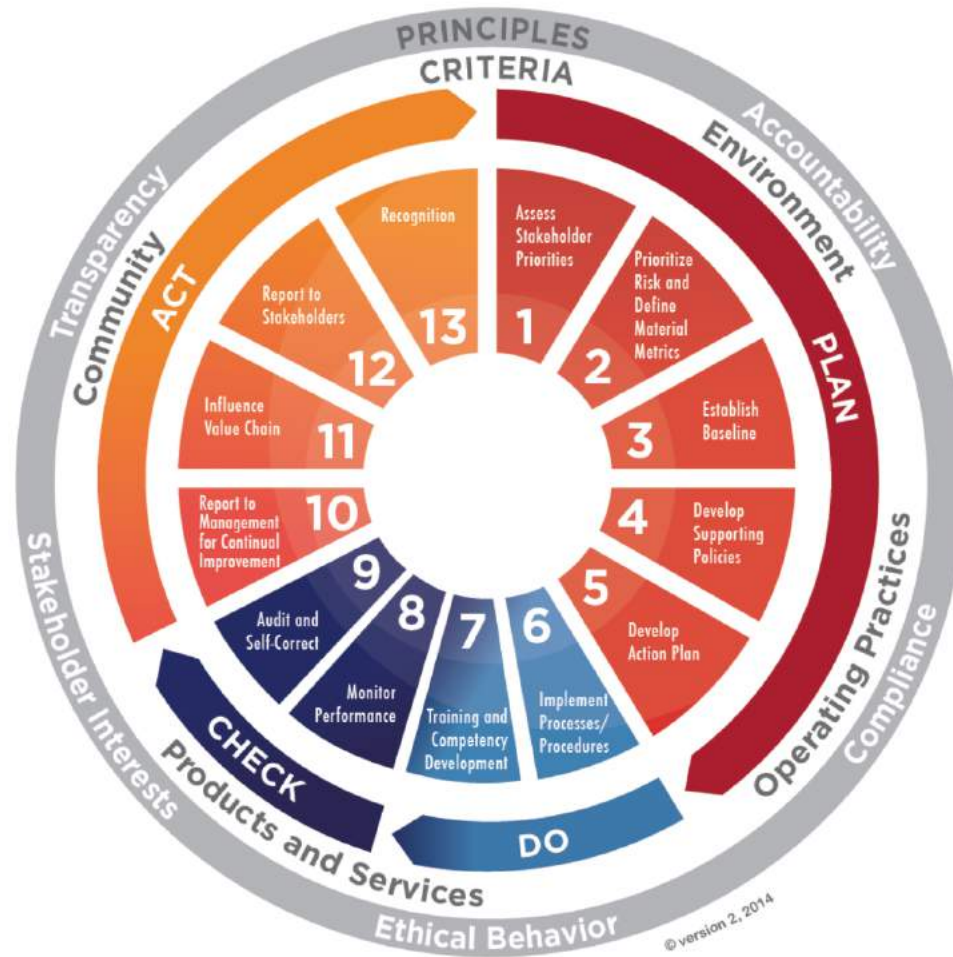
Readiness Assessment Exercise: (SMART)

Company Corporate Sustainability Measurables	
Lagging Safety Performance Metrics	
Best Practice Measureables	
Other Reliable Metrics	
<p>Stakeholders: Company, Employees, Government, Customers, Contactors, etc. Opportunities: Compliance, Corporate Mandate, Company Policy, Competition, Best Practices, Strategic Objectives, Reputation, etc.</p>	

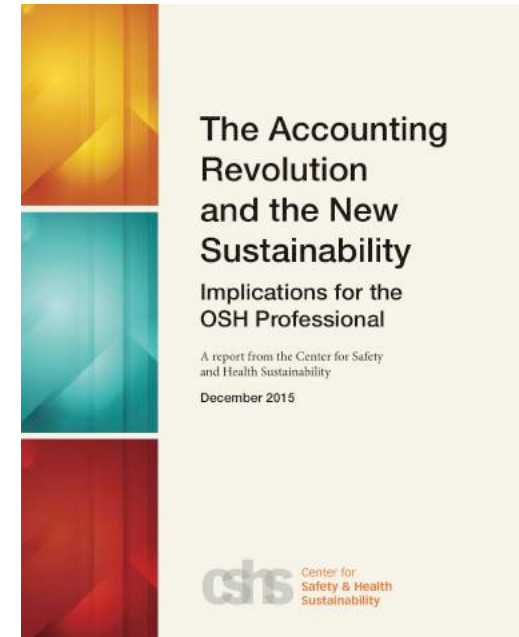
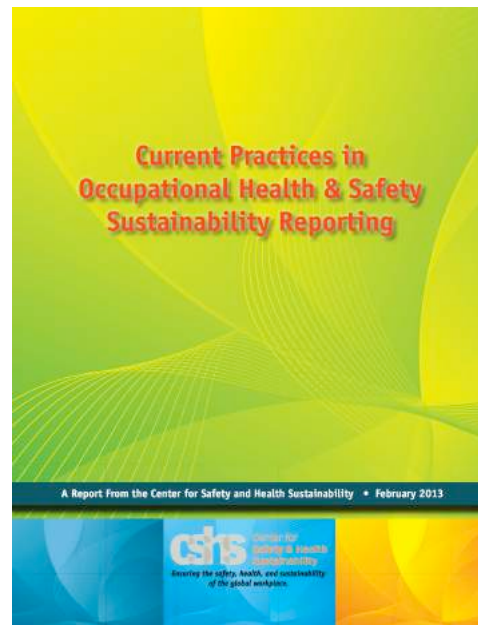
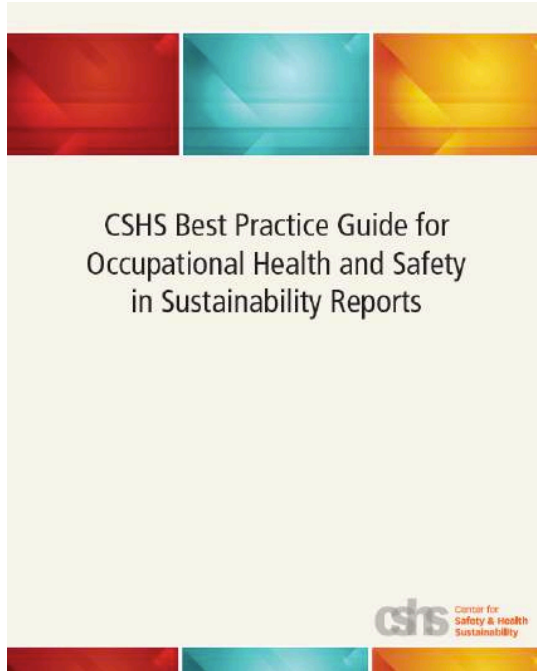
Readiness Assessment: Safety+Sustainability Tool

	STAKEHOLDERS							OPPORTUNITIES							TOTAL SCORE	COMMENTS		
	Company	Employees	Government (e.g. MOJ)	Contractors	Customers	Investors	Suppliers	Community	Other	Legislated (Compliance)	Corporate Mandate	Internal Mandate/Policy	Business Needs (Competition & Industry Lead)	Best Practices			Strategic Objectives	Business Risk (Cost \$)
COMPANY SUSTAINABILITY READINESS													0.00					
Does your company define and communicate sustainability (+safety) for your company?																		
Does your company have an inventory of all the sustainability actions going on at your company																		
Does your company have a sustainability strategy and goals																		
Does your company have systems in place for incorporating sustainability in decision-making?																		
Can everyone at your company articulate your company's point of view on sustainability																		
Does the CEO's and the senior leadership team promote and support sustainability																		
Does the Board of directors request updates on sustainability initiatives?																		
LAGGING SAFETY + SUSTIANABILITY INDICATORS													0.00					
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).																		
% 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.																		
% of owned or leased manufacturing, production, or warehousing facilities that have had their OHS management systems audited.																		
% of direct/first tier suppliers' facilities that were audited for compliance with OHS standards.																		
BEST PRACTICES													0.00					
Do you have a formal safety management system that includes sustainability staffing, reporting to a senior business leader with board of director oversight.																		
Does your sustainability scope include safety at all sites, facilities, business units, business operations, suppliers and contractors																		
Do you have a sustainability + safety policy or codes of conduct that apply throughout the entire organization																		
Does your safety and health management system includes sustainability																		
Does your sustainability+safety program include performance auditing to determine adherence to internal and/or mandated standards, etc.																		
OTHER RELIABLE METRICS													0.00					
Does your sustainability+safety system include metrics that provide performance improvement against safety and health and safety continual improvement goals and targets (i.e. 30% reduction over three years)																		
Does your company have programs and approaches that assure safety and health oversight of capital investments, including new construction or equipment, process redesign, expansion, modernization																		
Does your organization track and document safety fairs; campaigns; community programs; awards and recognition programs;																		
Does your organization support wellness and health promotion programs; return to work programs; safety culture indicators; and safety observations.																		
Stakeholder Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Sustainability+Safety Development Tool



Sustainability+Safety Must Read Documents



Importance of ESG issues!

ESG: environment, social & corporate governance



- “...aligns with our values and brings us closer to realizing our purpose as a company.”
- “Doing good is good business if you’re in business for the long term.”
- “.... we are a force for good in the world. And that belief is perfectly compatible with shareholders’ interests and the bottom line.”

Source: HBR November 2016

Updates 2017

Provide Update on:

- Global Reporting Initiative
- Centre for Safety & Health Sustainability (Harvard Human Capital Research,
- CSSE Sustainability Committee, and
- ANSI Z16 Leading Indicators

Wrap Up

Questions

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