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It's About Making A Difference.

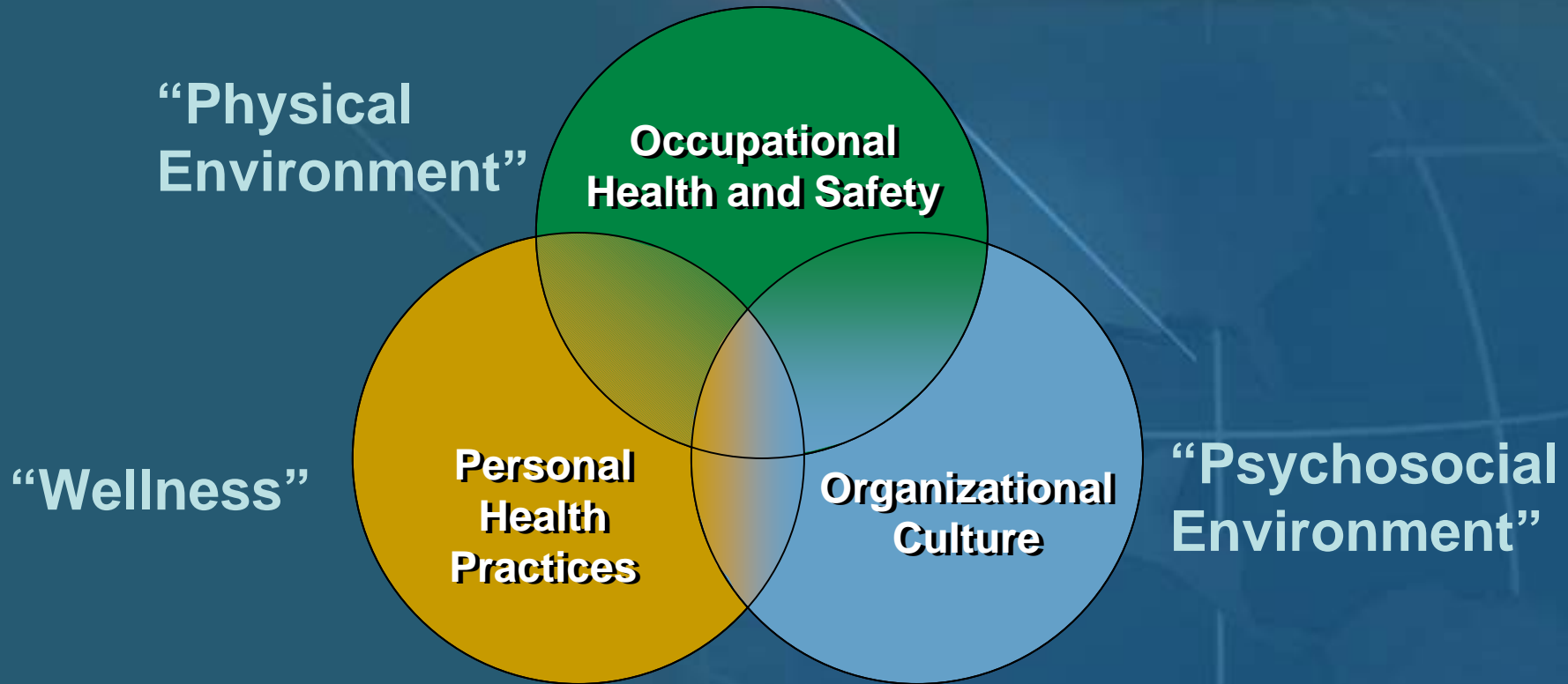
A Comprehensive Approach to Safety and Health in the Supply Chain

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A Comprehensive Approach to Safety and Health

IAPA's Healthy Workplace Model



Why Create A Healthy Workplace?

- ▶ **The Financial Costs:**
 - monetary costs of an unhealthy workplace, and the cost/benefit of creating a healthy workplace
- ▶ **The Organizational Profile:**
 - becoming an “employer of choice”, demonstrating CSR and creating added value for shareholders and other stakeholders
- ▶ **The Legal Case:**
 - demonstrating due diligence with respect to employees, customers and stakeholders

All three contribute to the financial status and viability of the organization

What is Supply Chain Management?

- ▶ Provides guidance and training for suppliers in order to improve their social performance*
- ▶ Aims at achieving compliance with social standards and at making an impact at the workplace, including the workplaces of suppliers*

**ILO, Supply Chain Management*

Areas of Influence: Social, Cultural, Environmental and Economic Performance of Suppliers

Making the Link: CSR - Healthy Workplaces - SCM

- ▶ Corporate Social Responsibility includes traditional health and safety and the way that employees are treated at work
- ▶ CSR principles are often the foundation for SCM policies and codes of conduct
 - Integration of healthy workplace concepts including respect, freedom from harassment, wellness
 - Build on existing concepts for a more comprehensive approach
- ▶ A workplace that creates a healthy, positive and encouraging culture is likely to contribute in a positive way to the communities it serves

Why Integrate Healthy Workplaces into Supply Chain Management?

For Organizations:

- Reputation/Brand Management
- Business risk management
- Learning and Motivation
- Cost Savings, Operational efficiency
- Competitiveness, Market positioning

For Suppliers:

- Safer and healthier workplace
- Achieve compliance with social and regulatory standards
- Higher productivity, improved work processes
- Increased business opportunities with other organizations

Supply Chain Management: Integration of Healthy Workplace Model

- ▶ Establish criteria for healthy workplaces that aligns with organizational values
- ▶ Incorporate the criteria into the Supply Chain Management Policy or Code of Conduct
- ▶ Develop a pre-hire checklist for suppliers and integrate criteria into supplier contracts
- ▶ Support suppliers in reaching goals through knowledge transfer, capacity building and mentoring
- ▶ Integrate principles into the supplier's management system to sustain initiatives
- ▶ Monitor acceptance through supplier audits/assessments and ensure continual improvement

What are Organizations Doing?

▶ Building OHS into Supply Chain Management

- Beyond Monitoring: Four Pillars
- UN Global Compact or Global Sullivan Principles
- Supply Chain Industry Codes of Conduct
 - Pharmaceutical Supply Chain Initiative (Novartis, AstraZeneca, Johnson & Johnson etc.)
 - Electronic Industry Code of Conduct (IBM, Dell, HP etc.)
 - Common Code for the Coffee Community Association

The goal is to extend our influence beyond one supply chain or economic sector

Building the Healthy Workplace Model into Supply Chain Management

- ▶ View healthy workplaces as a business advantage
- ▶ Broaden CSR practices to include personal health, mental health and the psychosocial environment
- ▶ Adopt the healthy workplace model and leverage relationships with existing suppliers
- ▶ Collaborate with non-traditional organizations, agencies and partners (e.g. government ministries, agencies, business and community associations)
- ▶ Utilize non-traditional approaches (e.g. participatory initiatives, communities of practice)

Call for Action

Current State:

- ▶ OHS in the supply chain often focuses on one avenue of influence – the physical side or occupational health and safety

Challenge:

- ▶ To integrate a comprehensive approach to safety and health (the healthy workplace) into supply chain management

References:

- 1 Business For Social Responsibility, “Beyond Monitoring: A New Vision for Sustainable Supply Chains” July 2007, www.bsr.org/meta/BSR_Beyond-Monitoring-Report.pdf
- 2 Conference Board of Canada, “More Than Just Hard Hats and Safety Boots: Creating Healthier Work Environments” November 2000, Ottawa Canada. www.conferenceboard.ca
- 3 Conference Board of Canada, “National Corporate Social Responsibility Report: Managing Risk, Leveraging Opportunities” Ottawa Canada. www.conferenceboard.ca
- 4 HSE, Health and Safety Laboratory, Benjamin K., White J., “Occupational Health in the Supply Chain: A Literature Review (HSL/2003/06)” Sheffield England.
- 5 IAPA, Abromeit M., “Floating a New Concept: A Call To Action” Accident Prevention Mar. / Apr. 2007, pg. 18-22, Toronto Canada. www.iapa.ca

References:

- 6 IAPA, Burton J., “Creating Healthy Workplaces” Nov. 2004, Toronto Canada. www.iapa.ca
- 7 IAPA, Burton J., “The Business Case For a Healthy Workplace” April 2007, Toronto Canada. www.iapa.ca
- 8 ILO, “Supply Chain Management” www.ilo.org/public/english/protection/safework/li_suppliers/supply/index.htm
- 9 ILO, Albracht G., “Enhancing Standards and Products Through Supply Chain Management” Presentation, Apr. 2007, Geneva. albracht@ilo.org
- 10 ILO, “Questionnaire on Supply Chain Management and Occupational Safety and Health” 2007, Geneva. www.ilo.org/public/english/protection/safework/li_suppliers/download/occupational/questionnaire_national.doc
- 11 Triple Innova, Kummer N., Turk V., “Sustainable Supply Chain management: How to Manage Triple Value Chains” June 2006, Germany. www.triple-innova.com

Additional References:

- ▶ Global Sullivan Principles of Social Responsibility
- ▶ Source: <http://www.thesullivanfoundation.org/gsp/principles/gsp/default.asp>
- ▶ The Global Sullivan Principles of Social Responsibility (GSP) is a voluntary code of conduct that seeks to enhance human rights, social justice, protection of the environment and economic opportunity for all workers, in all industries, in all nations
- ▶ Organizations that have adopted the GSP and are looking to integrate the principles into SCM include: GM, P&G, Chevron, etc.
- ▶ Source: <http://www.thesullivanfoundation.org/gsp/inAction/default.asp>
- ▶ United Nations Global Compact
- ▶ The Global Compact seeks to promote responsible corporate citizenship so that business can be part of the solution to the challenges of globalisation. The Global Compact is a purely voluntary initiative with two objectives: Mainstream the ten principles in business activities around the world, catalyze actions in support of UN goals
- ▶ Source: <http://www.unglobalcompact.org/AboutTheGC/index.html>
- ▶ The ten principles include Principle #6 - the elimination of discrimination in respect of employment and occupation.
Source:
<http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html>

Additional References:

Pharmaceutical Supply Chain Initiative (PSCI)

- ▶ A group of major pharmaceutical companies who share a vision of better social, economic and environmental outcomes for all those involved in the pharmaceutical supply chain. The PSCI created the Pharmaceutical Industry Principles for Responsible Supply Chain Management and an Implementation Guide. The principles address five areas of responsible business practices: ethics, labor, health and safety, environment and related management systems.
- ▶ Source: <http://www.pharmaceuticalsupplychain.org/>
- ▶ Principles for Responsible Supply Chain Management
- ▶ Source: http://www.pharmaceuticalsupplychain.org/files/psci_principles.pdf
- ▶ Common Code for the Coffee Community Association
- ▶ Source: <http://www.sustainable-coffee.net/>

IAPA Vision

A World where risks are controlled because everyone believes suffering and loss are morally, socially and economically unacceptable