

IWH – International Symposium on the Challenges of Workplace Injury
Prevention Through Financial Incentives


SYMPOSIUM DISCUSSION

POSSIBLE SOLUTIONS

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Global Sustainability Reporting: Health and Safety metrics around the globe!

- In recent years, international companies are beginning to report their health and safety performance as part of their "corporate sustainability reports".
 - This session will address:
 - the evolution from traditional lagging internal indicators to becoming an integral part of a company's external overall corporate reporting
 - present metrics and company examples. Safety practitioners across North America are preparing to proactively meet this new health and safety corporate reporting.
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Two or More Lost-Time Injuries.

ABC Company experienced 3 non-fatal lost-time injuries.



Workwell Firm Profile

SOURCE: Enterprise Information Warehouse
As of: October 2011

ABC Company
200 Front St West
Toronto, ON M5V 3J1

Organization FAX: 555-555-1212

SCIF Participant:
Safety Group Participant: Y

Firm Number: 123456AB
Account Number: 1234567

Reporting Frequency: [REDACTED]
Rate Group: 111 Example Rate Group
Number of Active Accounts in Rate Group: [REDACTED]
Rate Coverage Earliest Start Date: Aug 17, 1998
Rate Coverage Latest End Date: [REDACTED]

123-4567Example

CU	Coverage Start Date	Coverage End Date
4592002 - FREIGHT FORWARDERS (WAREHOUSING)	Aug 17, 1998	

Year	# Fatal LTI	# Non Fatal LTI	# NLTI	LTI Freq.	NLTI Freq.	Total Freq.	YTD Days Lost	Severity Rate	Rate Group				
									Year	LTI Freq.	NLTI Freq.	Total Freq.	Cost to Premium %
YTD 2011	0	0	0						2011				
2010	0	1	0	2.10	0.00	2.10	628	1,316.56	2010	1.87	4.39	6.27	48.36
2009	0	3	3	6.38	6.38	12.77	538	1,144.68	2009	2.41	4.74	7.15	46.57
2008	0	3	1	5.76	1.92	7.68	280	536.85	2008	3.05	4.90	7.95	40.40
2007	0	3	4	6.29	8.39	14.68	270	566.04	2007	2.93	5.47	8.40	42.94
2006	0	3	2	7.80	5.20	13.01	110	286.46	2006	2.88	5.31	8.20	31.06
2005	0	2	3	6.35	9.53	15.89	28	88.89	2005	3.27	6.21	9.47	34.23
Total	0	15	13										

Year	Premium Amount \$	Cost to Premium %	FTE Workers	Derived Hours Worked
YTD 2011	26,739.80			
2010	46,357.46	82.21	47.70	95,305
2009	40,872.02	77.60	47.00	94,000
2008	46,796.45	38.36	52.10	104,123
2007	43,607.91	23.84	47.70	95,365
2006	32,162.93	23.35	38.40	76,883
2005	26,175.01	11.99	31.50	62,947
Life Time	315,051.86			

- Number of Fatal LTI, Non Fatal LTI, NLTI: Count of Allowed claims with an accident date occurring in the calendar year indicated.
- Firm (LTI) Frequency, NLTI Frequency, Total Frequency: (Total number of allowed claims/Derived Hours Worked)*200,000.
- Rate Group (LTI Frequency, NLTI Frequency, Total Frequency): The average number of allowed claims per 200,000 hours for all employers within the rate group in the years indicated. This is used to determine how well the company is performing in accident prevention in comparison to other companies within the rate group. This will only appear in the Account/Rate, Account/CU, Rate and CU Profile reports.
- YTD Days Lost: The year-to-date number of equivalent full working days lost authorized for all claims regardless of accident dates, having temporary benefits charged against an account which are captured at the firm/cu level and rolled up at any level within the class hierarchy for a given calendar year.
- Severity Rate: The year-to-date days lost, regardless of accident dates, per 100 full-time equivalent workers or 200,000 hours worked.
- Premium Amount: The premium that the employer is obligated to pay for the year, based on Insurable Earnings times the individual premium rate divided by 100.
- Cost to Premium: The award year claim total benefit costs as a percentage of the premium paid.
- FTE Workers: An estimated number of Full Time Equivalent workers based on the average hourly wage for the rate group and the insurable earnings for the calendar year, assuming a person works an average of 2,000 hours per year.
- Derived Hours Worked: An estimated number of hours worked based on the insurable earnings divided by the average hourly wage for the rate group.
- Lifetime Premium: Total premium billed for the account, account/rate or account/cu for the life of the account to date.



Ten or More Days Lost Due to Work-Related Injury or Illness:



ABC Company experienced 538 days lost due to work-related injury or illness.



ABC Company
200 Front St West
Toronto, ON M5V 3J1

Organization FAX: 555-555-1212

SCIP Participant:
Safety Group Participant: Y

123-4567Example

Workwell Firm Profile

SOURCE: Enterprise Information Warehouse
As of: October 2011

Firm Number: 123456AB
Account Number: 1234567
Reporting Frequency: 12 Months
Number of Active Accounts in Rate Group: 1
Rate Group: 111 Example Rate Group
Rate Coverage Earliest Start Date: Aug 17, 1998
Rate Coverage Latest End Date:

CU	Coverage Start Date	Coverage End Date
4592002 - FREIGHT FORWARDERS (WAREHOUSING)	Aug 17, 1998	

Year	# Fatal LTI	# Non Fatal LTI	# NLTI	LTI Freq.	NLTI Freq.	Total Freq.	YTD Days Lost	Severity Rate
YTD 2011	0	0	0				628	1,316.56
2010	0	1	0	2.10	0.00	2.10		
2009	0	3	3	6.38	6.38	12.77	538	1,144.68
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2006	0	3	2	7.80	5.20	13.01	110	286.46
2005	0	2	3	6.35	9.53	15.89	28	88.89
Total	0	15	13					

Rate Group				
Year	LTI Freq.	NLTI Freq.	Total Freq.	Cost to Premium %
2011				
2010	1.87	4.39	6.27	48.36
2009	2.41	4.74	7.15	46.57
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N/A = Not Applicable
** All frequencies are based on: (Total Claims/Derived Hours Worked) * 200,000

* Year-to-date (YTD) Days Lost represent days lost by all those who have lost time regardless of accident dates. Some lost days may be related to injuries that occurred in previous years.



Selection Criteria - Enhancement

Traditional Approaches?

- LTI counts
- Experience Rating Rebates
- Serious Injury prompts action
- Occupational Disease – not considered part of the equation
- Are we talking business language
- What about “sustainability” discussions around the world?

Sustainability? What is it?

- Reporting guidelines that set out the **“Principles and Indicators”** an organizations can use to measure and report their economic, environmental, and social performance
- “people, planet and profit” ...it is also described as “environment, social impact and profit.
- Simply stated ...“business approach that creates long term stakeholder value.”

Sustainability – GRI?



Report Application Level	C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures OUTPUT	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Same as requirement for Level B	Same as requirement for Level B	Same as requirement for Level B
	G3 Management Approach Disclosures OUTPUT	Not Required	Management Approach Disclosures for each Indicator Category	Management Approach Disclosures for each Indicator Category	Management Approach Disclosures for each Indicator Category	Management Approach Disclosures for each Indicator Category
	G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.	Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society, Product Responsibility.	Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society, Product Responsibility.	Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.

*Sector supplement in final version

Sustainability

Report on a minimum of 20 Performance Indicators, at least one from each of the Economic, Environmental, Human Rights, Labour, Society, Product Responsibility

Report Application Level		C				
Standard Disclosures	G3 Profile Disclosures OUTPUT	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15				
	G3 Management Approach Disclosures OUTPUT	Not Required				
	G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.				
		Report	Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society, Product Responsibility.	Report	Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	Report

*Sector supplement in final version

How is H&S sustainability measured?

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 work-related 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.

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

Product Safety - GRI

Product Responsibility

CUSTOMER HEALTH AND SAFETY:

PR1: Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.

PR2: Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.

KPI**DART Injury Rate per 200,000 Hours
Global Enterprise**

Goal achieved, as DART rate drops below 4.



2011 Goal - 3.9



2011 - 3.8




2010 - 4.1



2009 - 4.2



2008 - 5.0

 = 1 injury per 200,000 hours

DART injury rate is a designation for on-the-job injuries originally developed in the United States. We have used it to measure injuries globally. "DART" stands for days away from work, restricted in activity, or transferred to another job due to injury. We have focused for many years on reducing injuries throughout our operations with a combination of training, adjustments in facilities and equipment, and ideas generated by our Comprehensive Health and Safety Process (CHSP) committees around the world. As a result, the DART injury rate

KPI**Auto Accident Frequency
Global Enterprise**

Goal achieved, with accident frequency well below target.



2011 Goal - 9.7




2008 - 13.3

2009 - 10.9

2010 - 10.3

2011 - 9.3

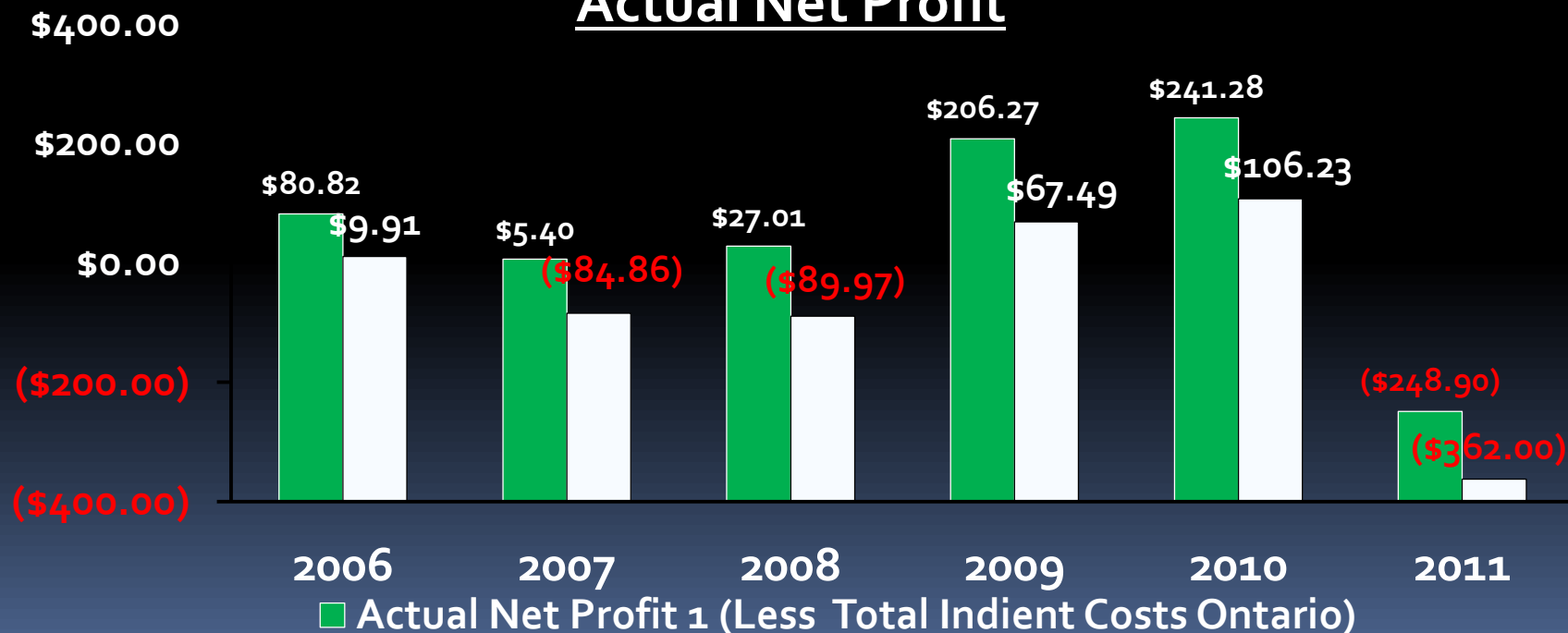
2011 Goal
9.7 = 1 accident per 100,000 driver hours

CASE STUDY: Actual Net Profit

Year	Total Incident Costs Ontario (Hidden Costs from Ontario)	Estimated Total Incident Costs Canada (Hidden Costs of Canada)	Revenue	Reported Net Profit	Operating Profit Margin%	Reported Gross Profit	Actual Net Profit 1 (Less Total Incident Costs Ontario)	Actual Net Profit 2 (Less Estimated Total Incident Costs Canada)
2006	\$38.18	\$109.09	\$7,264	\$119	2.00%	\$145	\$80.82	\$9.91
2007	\$48.60	\$138.86	\$7,474	\$54	1.70%	\$127	\$5.40	(\$84.86)
2008	\$62.99	\$179.97	\$7,729	\$90	1.80%	\$139	\$27.01	(\$89.97)
2009	\$74.73	\$213.51	\$7,312	\$281	4.90%	\$357	\$206.27	\$67.49
2010	\$72.72	\$207.77	\$7,453	\$314	1.90%	\$142	\$241.28	\$106.23
2011	\$60.90	\$174.00	\$7,484	(\$188)	(3.00%)	(\$226)	(\$248.90)	(\$362.00)

- Estimated Total Incident Costs Canada (Hidden Costs of Canada) = (Estimated Total Incident Costs Ontario)/35% (In millions of dollars)
- Actual Net Profit 1 = (Reported Net Profit) – (Total Incident Costs Ontario)
- Actual Net Profit 2 = (Reported Net Profit) – (Total Incident Costs Canada)

Actual Net Profit



CASE STUDY: Some Estimates


Year	Total Incident Costs (Hidden Costs)	Revenue	Reported Net Profit	Operating Profit Margin%	Reported Gross Profit	Actual Net Profit	Revenue Required to Recover (based on operating profit margin%)	Average Net Profit per working day	Number of working days to recover Total Incident costs
2006	\$38.18	\$7,264	\$119	2.00%	\$145	\$80.82	\$1,909	\$0.48	80
2007	\$48.60	\$7,474	\$54	1.70%	\$127	\$5.40	\$2,859	\$0.22	225
2008	\$62.99	\$7,729	\$90	1.80%	\$139	\$27.01	\$3,499	\$0.36	175
2009	\$74.73	\$7,312	\$281	4.90%	\$357	\$206.27	\$1,531	\$1.12	66
2010	\$72.72	\$7,453	\$314	1.90%	\$142	\$241.28	\$3,828	\$1.26	58
2011	\$60.90	\$7,484	(\$188)	(3%)	(\$226)	(\$248)			

(In millions of dollars)

1. Revenue, Reported Gross Profit/Net Profit and Operating Profit Margin% are collected from Company CP Annual Report 2009 -2011.
2. Actual Net Profit = (Reported Net Profit) – (Total Incident Costs).
3. Revenue Required to Recover = (Total Incident Costs) / (Operating Profit Margin%).
4. Actual Net Profit per Working Day = (Reported Net Profit) / 250 Working Days per year.
5. Number of working days to recover Total Incident Costs = (Total Incident Costs) / (Average Net Profit per working day)
6. (**\$188**): Loss/Negative number.

So what does this mean?





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