

VISION ZERO

Global Supply Chains: Vision Zero
for Compliance, SHW+ and More

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PRACTICE



Global Supply Chains: Vision Zero for Compliance, SHW+ and More

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Vision Zero is ISSA's global people-centred prevention strategy integrating the three dimensions of safety, health and wellbeing (SHW) at all levels of work. It focuses on prevention efforts to promote workplaces that are free of accidents and injuries, work-related diseases and illnesses to establish work processes with people staying safe and healthy. Vision Zero accepts the right of every worker to life and physical integrity, as outlined in the United Nations Universal Declaration of Human Rights. This strategy can also be used along supply chains.

Initial Situation in Trade

Today's economies are characterized by globalisation and cross-border trade. Companies specialize in their core businesses and use global supply chains to organize the activities needed to develop, produce, and deliver goods and services to their consumers worldwide. Global supply chains increase productivity. They can boost economic growth and thus create new jobs. As per UNCTAD (UN Conference on Trade and Development) 80 % of global trade takes place along global supply chains. Due to internationalization, increasing flow rates and changes in global consumer behaviour, these supply chains have become extremely complex and highly sophisticated with the result, that they are not simple chains anymore but form a set of interlinked networks.

Every supply chain starts with the extraction of raw material or agriculture products, followed by several steps of suppliers, processing, transportation and finally ends up with the trading company and the customer. Moreover, supply chains do not automatically lead to better working conditions. It has been learned that the tasks involved in the companies' work may increase risks to the safety, health and wellbeing of workers of another company along the supply chain. According to ILO calculations, 453 million people worldwide work along global supply chains, in 2022 approx. 2.900.000 deaths per year must be bemoaned because of unhealthy and unsafe working conditions all over the world. These numbers show that occupational accidents and work-related diseases

take a heavy toll on humanity across the globe and cause significant economic losses.

Supply chains are closely linked to sustainability, which comprises the economic, environmental and social dimensions of work. Each company along the supply chain has to pay attention to many different tasks as well as legal obligations. Occupational safety, health and wellbeing is one vitally important aspect, among several others. The image of cogwheels perfectly illustrates this complexity and interdependence. In conclusion companies must face with these two effects of globalization:

1. When trading companies commission the production of their goods from suppliers, regardless of whether they act as employers or customers, social standards will be particularly affected.
2. Both companies and employees must deal with heterogeneous working conditions and different legal regulations worldwide.

In a changing world, the need for improving safety, health and wellbeing in global supply chains is widely recognized.

Aims

Against this background ISSA Trade decided to focus on Vision Zero and to use its principles for improving safety, health and wellbeing along global supply chains. The aim was to develop a new ISSA Vision Zero Guide especially for Global Supply Chains. It should be an instrument for companies of any sector and any size for both assessing and improving occupational safety, health and wellbeing and related fundamental principles and rights at work.

One of the main challenges in global supply chains is leveraging the supply chains for improvements in occupational safety, health and wellbeing, because fierce competition among suppliers, combined with high costs and time pressure, ultimately lead to a downward spiral in wages

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and working conditions to achieve even more cost savings. All these efforts result in the violation of basic human rights and/or occupational health and safety. Besides this, another challenge was to keep the guide as simple as possible. The professional work was done by the Finish Institution for Health at Work (Finland) in cooperation with Prof. Gerard Zwetsloot (Netherland) and managed by ISSA Trade.

Focus of the Guide

As a result of the increasing demand for sustainability, responsibility and due diligence, several opportunities to develop SHW at work have been brought up. This ISSA Vision Zero Guide for Supply Chains was addressed from this perspective, because all these aspects also include SHW. In addition, SHW are closely related to the fundamental right to a safe and healthy work environment, as underlined by the ILO in 2022. Furthermore, the Universal Declaration of Human Rights in 1948 states that everyone has a right to “just and favourable conditions of work”, as well as the related fundamental rights. SHW is influenced by factors that go beyond organizational boundaries. Even though each company is primarily responsible for ensuring SHW within the own organization, it is important to widen the perspective to cover supply chains. Thus, SHW is relevant for each company, not only to protect its own best interests but to grow sustainable business practices together with its business partners.

This Guide is principally for companies that are motivated to take an initiative and start or continue to improve existing SHW conditions. In this guide the terms “initiating company” and “supply chain partner(s)” must be distinguished.

Initiating company refers to companies acting proactively in terms of SHW and related fundamental rights at work. Their action may influence and motivate other companies to do the same. Supply chain partner(s) refers to companies that are part of the supply chain and linked with the initiating company.

In line with the Vision Zero approach, the guide encourages companies to build sustainable, long-term collaboration with their supply chain partners. In practice, improving SHW and related fundamental rights along supply chains is a joint effort, and is both a challenge and an opportunity, requiring collaboration and mutual learning.

Structure and Content of the Guide

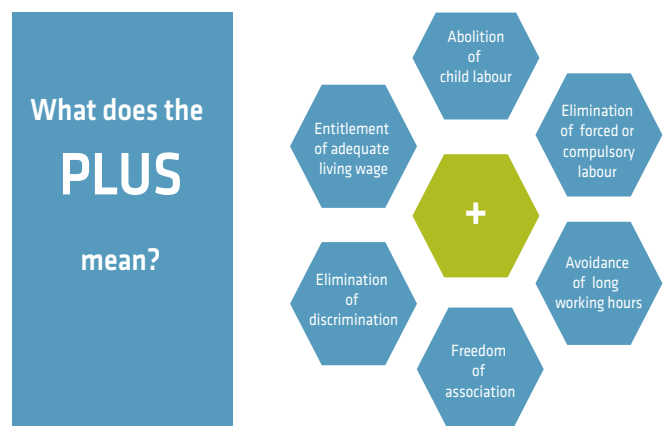
The guide consists of two complementary parts, the underlying concept is explained in part 1, and the instruments for practical use are provided in part 2.

In the first part, the fundamental idea of the Vision Zero strategy and its adaption to global supply chains is described. The SHW+ (PLUS) concept and the five-step process for improving SHW+ along supply chains build its core elements.

Meaning of SHW+ (PLUS)

When improving SHW along supply chains, companies must act together to prevent harm to human beings caused by work. The heart of the concept is the new term SHW+. It was developed to widen the aspects of good work life from safety, health and wellbeing to include related human rights and fundamental principles and rights at work. Violations of fundamental rights at work are closely linked to SHW, this can clearly be illustrated by the example of child labour. Therefore, it is very important for a responsible company to recognize signals that indicate there might be problems with these fundamental rights at work, because these must not be ignored.

Figure 1. Fundamental Rights at Work covered in this Guide



The “PLUS (+)” refers to:

- ⇒ The abolition of child labour: The general minimum age for admission to employment or work is set at 15 years

(13 for light work) and the minimum age for hazardous work at 18 (16 under certain strict conditions) (ILO 2023a).

- ⇒ The elimination of forced or compulsory labour: Forced labour is a serious violation of a fundamental human right, and it is a leading cause of poverty and a hindrance to economic development (ILO, 2023b).
- ⇒ The avoidance of long working hours: Long working hours (defined as > 55 hours per week) play the biggest role in work-related deaths, causing around 745,000 deaths each year globally (WHO and ILO, 2021b).
- ⇒ Freedom of association and the effective recognition of the right to collective bargaining: The right to organize and form employers' and workers' organizations is a prerequisite for sound collective bargaining and social dialogue (ILO, 2023c).
- ⇒ The elimination of discrimination in respect of employment and occupation: Freedom from discrimination is a fundamental human right and is essential for workers to be able to choose their employment freely, develop their potential to the full and reap economic rewards based on merit (ILO, 2023d).
- ⇒ The entitlement of adequate living wage: The setting of adequate wages is an essential mechanism to enable decent living standards and incomes for working women and men and their families, while at the same time ensuring the sustainability of enterprises which create the jobs for these workers (ILO, 2022b). "Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection" (UN, 1948).

Five-Step Process for improving SHW+ along supply chains

To give an idea of how to do the improvement of SHW+ in practice the model lays out a five-step SHW+ improvement process. It provides a framework to initiate or continue the development process with supply chain partners. The steps form a continuum for companies to engage in SHW+ improvement along supply chains.

Key for long-term collaboration and improving SHW+ along supply chains is building trust. Trust is built through interaction and requires regular communication, e.g. on visions, goals, practical means as well as failures. To do so, it requires a solid base for mutual support and learning. In

the beginning, companies need to get in contact and find meaningful ways how to communicate with each other and how to interact on SHW+ topics. In the longer run, collaboration can take many different forms, such as joint forums and trainings or more comprehensive development programmes.

Figure 2. A five-step process for improving SHW+ in supply chains



This process addresses different companies. Step one and two affect the initiating company, the following steps three up to five pertain the direct interaction with its supply chain partner(s).

Step 1 - Starting the Process by the Initiating Company

The first step refers to the commitment to start the process for caring and improving SHW+. This step can be done by any company along the supply chain, each company can take the initiative and then starts from its own starting point.

Step 2 - Checklist A for the Initiating Company: Self-Assessment by using the "7 Golden Rules for Supply Chains"

Next the initiating company does a self-assessment by using the "7 Golden Rules for supply chains". This assessment is used for evaluating the present state of the initiating company regarding its own maturity level of SHW+. The practical assessment related to step 2 is provided as Checklist A in part 2 of this Vision Zero guide.

Step 3 - Involving Supply Chain Partners: SHW+ Assessment by Checklist B

For managing supply chains collaboration between companies is essential. Therefore, the initiating company

contacts its supply chain partners in step three to gather information, to discuss and share detailed information on several aspects related to SHW+. For this purpose, the ISSA Guide provides Checklist B. This practical SHW+ Assessment for Supply Chain Partners related to step 3 is provided in part 2 of this Vision Zero guide.

Step 4 - Implementing Actions to improve SHW+ in Collaboration with Supply Chain Partners

This step refers to concrete actions and active collaboration between the supply chain companies to improve SHW+, which will create the basis for developing a long-term cooperation.

Based on the gathered information and outcomes of the previous assessments regarding the supply chain partners' current state, the main areas for improvement must be defined. It is good practice to develop an action and collaboration plan, jointly determining concrete tasks and means to accomplish priorities and goals in terms of improving SHW+. The initiating company takes the lead in discussions and decision making.

Step 5 - Improving Active Communication and Sound Collaboration to develop Partnership with Supply Chain Partners

The last step encourages both the initiating company together with the supply chain partners to improve their communication to deepen their interaction. They evaluate the goals and achievements set and involve more and more further supply chain partners for the purpose of trustful collaboration.

After having finished this round the continuous improvement process restarts with steps 2-5.

Forms for practical use

Checklist A: 7 Golden Rules for Supply Chains

This instrument is a self-assessment tool for the initiating company. It consists of a one-page form for each adapted golden rule. The initiating company uses it for evaluating its present state regarding its own maturity level of SHW+.

By documenting related challenges and opportunities in its own activities as well as of supply chains partner activities, existing good practices and challenges will become transparent and visible.

It can be assumed that a company that embarks on this process has already achieved success in safety, health and wellbeing PLUS and, therefore, will not have the low status of an absolute beginner regarding this topic.

The results of this self-assessment provide perspective for further collaboration between the initiating company and its supply chain partners.

Checklist B: SHW+ Assessment for Supply Chain Partners

This instrument provides essential questions and aspects to be addressed by the initiating company to its supply chain partner(s) to gather detailed information and to identify the main elements of its supply chain. It enables the initiating company to assess the present status of each supply chain partner company, and to visualize focal points regarding the need for improvement and prioritization.

This checklist shows the minimum standard of the SHW+ level and comprises also an action plan for supply chain partner companies regarding SHW+.

Template 1: Synoptical Table – Summary of SHW+ Aspects

This template aims to state a conclusion and final overview. The initiating company is enabled to combine the gathered information regarding SHW+ topics from its supply chain partners to set priorities.

This final document shows both the maturity regarding SHW+ of each supply chain partner company and the maturity of the entire supply chain. It can serve as a proof that the company has analysed its supply chains and has set measures.

Availability

The official international launch of the ISSA Vision Zero Guide for Supply Chains took place at the World Congress on Safety and Health at Work in Sydney on 29 November 2023. Now Now the Guide can be downloaded for free from the ISSA Trade Website and the Vision Zero Website.

Outlook and contact

The development of an electronic version of the checklists is planned. Against this background, ISSA Trade is interested in the users' experiences and would highly appreciate any comments. Please send them to: secretariat@issa-trade.org.



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