Improving safety and health in global supply chains

International Labour Organization

WHY?

Safety and health: the entry point to harness the power of global supply chains for improved working conditions in sourcing countries.

- The basis for decent working conditions.
- A collaborative topic bringing stakeholders together.
- A strong business case.
- A complement to environmental improvement efforts.

This factsheet is based on the research on drivers for occupational safety and health (OSH) improvement in global supply chains (GSCs) conducted by the ILO **Flagship Programme** on OSH in collaboration with the European Union.

Finding
Safety and health improvement in GSCs involves a mix of interventions from public and private actors and strong multi-stakeholder engagement.

Response
The Flagship programme on OSH created an assessment tool to design effective intervention models tailored to each supply chain context, based on an adaptation of the ILO **Market Systems for Decent Work** approach. This work will inform ILO interventions in global supply chains, in particular initiatives such as the Vision Zero Fund.

HOW?

Three steps towards better safety and health in supply chains
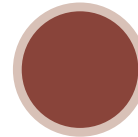
Step 1
Understanding OSH
vulnerability in GSCs

Step 2
Developing a strategic
vision for compliance

Step 3
Building an enabling
environment for OSH

Step 1
Identifying and understanding safety and health vulnerability in GSCs

Key findings from research on food supply chains

Invisible workers bear alone the consequences of low-visibility risks. Casual workers at the bottom of the supply chain benefit from little protection and are exposed to occupational risks related to chemical handling or ergonomic risk factors that are often aggravated by climatic factors (tropical countries with high levels of heat and humidity). Those can have chronic health consequences that are less visible than catastrophic accidents where resources for prevention tend to be concentrated.

Women and youth's specific needs are often overlooked. Women and youth are predominantly employed on a temporary basis with little visibility in GSCs. They are subsequently less organized and their specific needs in terms of safety and health are often not properly addressed, in particular for pregnant and lactating women.

High seasonality and low product differentiation are barriers to organization (employers, producers, workers) and subsequent OSH awareness. Seasonality encourages non-standard forms of employment, which is associated with limited access to social security and other benefits often linked to permanent employment. This situation increases workers' vulnerability to occupational risks and their consequences.

HOW?

Step 2
Developing a strategic vision for compliance

There is no one-size-fits-all solution. Improving safety and health in global supply chains down to the lowest tier of suppliers requires a thorough understanding of influences, root causes and underlying constraints for compliance at each production stage before designing interventions.

Private compliance initiatives, at times overlapping, build the basis of risk management systems for actors with the capacity to comply with such requirements. This process faces two limitations. Firstly, it potentially excludes from the global market those often most vulnerable and unable to comply. Secondly, it promotes risk management systems often focusing on the most visible risks, and fails to address effective risk elimination or reduction which may require additional investments.

Labour Inspectorates are uniquely positioned to facilitate a shift from general inspection to strategic compliance by developing targeted actions to tackle key non-compliance issues while drawing on existing influences in GSCs.

Step 3
Building an enabling environment for OSH

Integrated approaches on prevention, protection and compensation for occupational risks at national and workplace levels are needed. Compliance checks and requirements must be coupled with clear incentives and operational support functions such as occupational health services, social security institutions and others.

OSH catalysts must be identified and reinforced: they may include preventive care services, safety and health research and training facilities, social protection institutions, compensation programmes, as well as business service providers and input providers.

The business case for OSH is a key component to influence the sustainable adoption of a culture of prevention down the supply chain. There is room to further stimulate the demand for improved working conditions from buyers and importers and encourage them to contribute to sustainable, scalable and replicable solutions. Particular attention should be paid to untapped linkages between OSH upgrading and improved environmental practices.

KEY RESEARCH FINDINGS

The impacts of global supply chains on the safety and health of workers:

✔ Impacts are highly dependent on context and include both drivers and constraints for OSH improvement.

✔ Impacts are often indirect and multi-layered.

Examples of contextual, indirect and multi-layered impacts

- In supply chains where relationships between buyers and suppliers are highly transactional and product differentiation and visibility is low, there is typically more time pressure and less stability of orders for suppliers down the supply chain. This can result in **higher probability of work accidents and diseases**.

- Integration in the global economy can result in functional upgrading. This is often accompanied by the appearance of **new risks in evolving workplaces**.

- In supply chains where high importance is put on product quality and global buyers' image, new **demands for risk management systems** throughout the supply chain appear.

- In supply chains where relationships between buyers and suppliers are collaborative, there are **transfers of knowledge and technology for managing occupational risks and improving productivity**.

- When good practices on safety and health exist in a global supply chain, these are not necessarily widely adopted at producing country level. **Good practices spread to non-GSC workplaces** only when relevant institutions actively take this mandate forward.

- In many GSCs, increasing demands for environmental management and the adoption of **greener practices contribute to the elimination or reduction of risks** to workers and their communities.

The project directly links to the Sustainable Development Goal (SDG) on decent work and economic growth and its findings will further contribute to SDGs on good health and well-being and on responsible consumption and production.

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