



# Impact of Workplace Safety and **Health on Sustainable Development**

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### Abstract

The impact of the COVID-19 pandemic on employment practices and the nature of work will continue to be felt for generations. New estimates confirm that labor markets around the world were affected by the pandemic on historically unprecedented scales.<sup>1</sup>

Globalization, use of technology, and the reopening of workplaces pose threats to employment conditions and present new challenges for workplace safety and health. Improving workers' safety and health has many socioeconomic benefits, and positive safety culture is associated with organizational performance measures directly related to sustainable development.<sup>2</sup> Therefore, improving workplace safety and health culture must become a global priority in the pursuit of building a sustainable workforce in alignment with the United Nations (UN) Sustainable Development Goals (SDG).

## Safety & Health Improvements Build Sustainable Workforces

Statistics clearly show the need for increased investments in worker safety and health. The International Labour Organization (ILO) estimates that 2.78 million people around the world die from work-related accidents or diseases every year, equating to 7500 deaths every single day and accounting for 5-7% of deaths globally. Worldwide, there are around 374 million non-fatal occupational accidents annually<sup>3</sup> and, according to the World Health Organization (WHO), work related health problems result in a loss between 4 and 6% of gross domestic product (GDP) for most countries.<sup>4</sup> To achieve this, employers can:

- Begin by performing an assessment of safety and health climate and culture at all levels of the organization;
- Identify actionable areas of improvement;
- Build a business case using data to demonstrate the return on investment in safety and health to influence support for implementation of new program and policies; and
- Enterprises should also consider implementation of International Organization for Standardization (ISO) standards 45001 and 9001.

#### **7,500** deaths per day totaling 5-7% of annual deaths globally

**2.78 million** work-related deaths **per year** from accidents or disease

The consequences of this are far reaching for workers, employers, and communities. A worker who is injured may not be able to support their family and may see an overall decrease in quality of life. For companies, it can lead to production and productivity losses, an unstable workforce, and a poor perception of their dedication to health and safety which may ultimately affect their reputation. There are also impacts to the broader community including being viewed as a less stable place to do business. In 2015, the UN launched its sustainable development agenda which included 17 goals as a universal call to action for countries, communities, and companies. These goals include:

- Goal 3.9 is "By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination."<sup>5</sup>
- Goal 8.8 is "Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment."<sup>6</sup>

In pursuit of achieving these goals, and as a global company innovating to advance sustainable development, 3M became a Patron Sponsor of the United Nations Global Compact (UNGC) SDG Ambition. The UNGC Global Impact Initiative aims to help companies integrate the UN SDGs into core business objectives, thereby advancing sustainable impact and global progress toward achieving the goals.

Research indicates that establishing a safe and healthy work environment doesn't preclude economic performance and other operational outcomes.<sup>7</sup> The World Bank estimates that developing countries need to invest at least 4.5% of GDP to achieve some of these SDGs.<sup>8</sup> However, much of this cost could be offset by improving workplace conditions, which can reduce direct and indirect costs associated with injury and illness.

Adoption of the ISO consensus standards can help industries contribute to the SDGs by providing guidelines that support the economic, social, and environmental fundamental principles of sustainable development.<sup>9</sup> Employers that adopt standards aimed at improving health and safety and involve workers as emphasized in ISO 45001<sup>10</sup> can implement sustainable work practices that prevent injuries and illness,<sup>11</sup> which can lead to a more productive workplace and better economic outcomes.

Additionally, implementation of the voluntary ISO 9001 standard, which focuses on quality management to benefit employers and their customers, can also have an appreciable effect on workplace safety.<sup>12</sup> Operational effectiveness and safety do not have to be competing priorities.<sup>14</sup>

There are demonstrable benefits to an improved safety climate and culture not just for the individual worker and communities, but also for businesses and the economy indicating that a sustainable workforce can equate to success for companies and their customers.



#### **Impact on Workers and Communities**

Evidence suggests that work conditions such as long work hours, job stress and insecurity, low job control, and other workplace risk factors can contribute to health problems that may have historically been considered unrelated to work, including obesity, cardiovascular disease, and depression.<sup>13-17</sup> Research also indicates that improving safety climate and culture not only impacts worker health, but can also contribute to worker engagement, morale, and professional longevity.<sup>18, 19</sup> Therefore, development of a sustainable workforce must include a multifaceted approach to addressing not only social and economic determinants of worker health, but also organizational and environmental factors that may influence health.

This type of integrated approach to workplace safety and health can result in reduced

workplace injuries, improved health promotion and behaviors, reduced sick leave needed, and reduced disease and health costs.<sup>20</sup> Employees can experience better health which, in turn, may improve morale and enhance their overall quality of life and that of their families and communities.<sup>21</sup>

Healthier communities correlate to more robust economies where people want to live and companies want to do business. These communities may benefit from reduced healthcare expenditure and utilization and provide greater opportunity for healthy behavioral choices. This can enhance the health of the workforce and broader community, potentially driving community engagement, revitalization, and prosperity.<sup>19</sup>

### Impact on Organizations, Businesses, and Enterprises

With improved cultures of safety and health, employers benefit from more motivated and productive employees which may enhance retention, company reputation in the community and corresponding recruitment. This can result in the creation of a sustainable work force culture, reduced direct costs such as healthcare expenditures, and impact indirect costs such as those related to absenteeism, shortages, turnover, and reduced worker productivity.<sup>22,23</sup>

A worker who is engaged and believes their safety is valued by management is more likely to participate in practices aligned with operational improvement, such as quality management,<sup>24</sup> and demonstrate commitment to pursuing organizational goals and objectives.<sup>2</sup> Alternatively, workers who do not believe their safety is valued are less likely to engage in these practices which can erode production and safety.<sup>24</sup>

Multi-National Enterprises (MNE) are increasingly considering holistic aspects of corporate sustainability, including worker safety, when deciding on location or expansion of their subsidiaries.<sup>25</sup> Additionally, by improving the safety climate and culture of a workplace, an employer can achieve a market advantage by attracting contracts with customers committed to safer workplaces. For example, 3M works to ensure suppliers share a commitment to sustainable and responsible business practices, including improving safety and health in the workplace. These expectations are outlined in the 3M Supplier Responsibility Code.

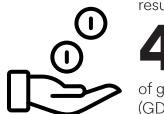
In supply chains that are becoming more reliant on multi-national sourcing, suppliers benefit from supporting improvements in the safety and health of the workplace. By integrating workplace safety and health programs, employers see an increase in productivity,<sup>20</sup> allowing for customer demands to be met and improved company financial stability.



#### Impact on Economy

Much of the conversation about sustainability in the workplace focuses on the impact on the worker and the individual employer. While this is incredibly important and cannot be dismissed, large scale improvement of the safety climate and culture has broader economic implications. This improvement delivers additional benefits not only through direct employment, but also through the subsequent effect on the supply chain and broader economy in the form of supplier employment. Additionally, this can cascade to local companies resulting in better sustainability practices by those companies and indirect benefits for families, dependents, and communities.<sup>25</sup>

A sustainable workforce can lead to expansion in trade and attract MNEs and manufacturers committed to sustainable development, whereas outcomes associated with poor worker safety and health can negatively impact sustainable economic growth.<sup>26</sup> While there may be a monetary expense at the outset of adopting sustainable workplace practices, the productivity gained and the long-term economic benefits outweigh the initial cost.



work-related health problems result in a loss between



of gross domestic product (GDP) for most countries<sup>4</sup>

### **Call to Action**

Safety and operational effectiveness do not have to be competing priorities. Improving the safety and health culture of a workplace should be a goal for all employers. There are demonstrable social and economic impacts and direct organizational benefits. "The growing empirical evidence finds a synergy between improving safety and improving production outcomes such as quality,<sup>24</sup> efficiency<sup>27</sup> and other sustainability goals such as lowering the environmental impact of production<sup>2</sup>."<sup>11</sup> Additionally, a positive correlation exists between safety and organizational sustainability, including workforce empowerment and capability development.<sup>28</sup>

Building a sustainable workforce requires a commitment to safety and health culture at all levels of an organization and a proactive, participatory approach that supports and empowers workers to contribute to organizational goals and objectives. Businesses can begin by performing an organizational assessment of existing safety and health measures, identifying actionable areas for improvement, and building a business case using data to demonstrate the return on investment in safety and health to influence support for implementation of new programs and policies. Enterprises should also consider implementation of ISO standards 45001 and 9001. These standards provide a framework for a proactive approach to improving safety, health, and organizational performance as well as a mechanism for ongoing evaluation and improvement. Use of these standards offers many benefits, including reduced injuries and employee turnover, improved morale, and increased compliance. Implementation of these standards can also be associated with increased productivity, quality, and enhanced organizational reputation.<sup>29,30</sup>

As the world recovers, reopens, and returns to normal post pandemic, globalization, use of technology, and the reopening of workplaces will continue to present new challenges for workplace safety and health. By improving workers' safety and health, countries, companies, and communities can experience the socioeconomic benefits of improved safety cultures and achieve a sustainable workforce.

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