

Eurosif/“Le Monde”/“La Stampa” indicators for environmental and social performance of international companies

Accidents are still the “black box” of health issues on the job

In the European Union (EU), 29% of employees feel their job is putting their health in danger and 14% that they are poorly informed about the associated risks; according to the latest poll made by the European Foundation for the Improvement of Living and Working Conditions in Dublin. Results of the survey will be published on November 7th in Brussels. Also, the “European week for safety and health at work”, organised by the European Agency with the same name (<http://ew2006.osha.eu.int>) took place in all member states from October 23rd to 27th.

The combination of what employees feel themselves, and the lessons learned from these yearly events reveals a weak propensity of companies to consider and manage work accident related risks, even though legislation and social negotiations keep a close eye on this area, and it is one of the most sensitive topics when it comes to judicial and financial reputation.

This was further demonstrated by the scandal that hit the British petroleum company BP, following revelations in the press in the US at the end of October, that the company was unable to prevent accidents like the one that happened on March 23rd, 2005 at the Texas City refinery in Texas. The explosion killed 15 employees and wounded 180 others, and forced BP to pay the American administration 21.4 million dollars (16.75 million euros) in fines for having violated security codes.

The table published by “Le Monde Economie”, and simultaneously by the Italian newspaper *La Stampa*, indicates that, even in the same sector, performances of large companies, who are normally the most well-equipped to prevent work-related accidents, can vary greatly. Of course, they all have accident frequency rates lower than the average in their sector. In the construction and public works sector, the average in France in 2004, regardless of the size of the company, was 56 work-related accidents per million hours of work, 31.2 in the transport sector, and 21.2 in chemicals. Comparatively, the average was 26.1 for all sectors mixed together.

The low level of consideration given to this issue by large, international companies can be seen by

the small number of them who publish statistics that are reliable and detailed enough to allow for a comparison to be made either with their past performances, or with their competitors. The most internationally recognised indicators, like the accident frequency rate, are not used by certain large actors in the sector, such as La Poste or Royal Mail, who prefer “home grown” indicators; which make comparisons impossible.

This lack of attention hinders the ability to tell whether or not companies are taking into account work-related illnesses, which is a medium and long-term risk factor that is more important in the eyes of the investors as well as the employees. Work-related accidents only represent a small portion of morbidity (illness and death) linked to a professional activity. The asbestos scandal alone brought to light the potential costs to the employer, including costs paid to their former employees. Dow Chemical had to come up with 1.35 billion dollars (1 billion euros) in order to cover the complaints brought against Union Carbide, a company they bought in 2001. The European group ABB was faced with 111,000 employee complaints filed against its American subsidiary Combustion Engineering (CE), and had to declare bankruptcy for the branch office in 2002 since the total amount to be paid out was more than the total of existing shares, estimated at 812 million dollars (636 million euros). From 1990 to 2001, CE had already paid 865 million dollars to plaintiffs. ABB would like to collectively pay off all remaining cases with a final payment of around 1.2 billion dollars (0.94 billion euros).

The price of stocks for implicated companies fluctuate as new suits are filed – the number of current proceedings is estimated at 500,000 in the United States alone.

However, the lack of comparable data for work-related illnesses is more glaring than for work-related accidents: in the EU the number of pathologies recognised as being “professional” varies from forty to ... one. If France counts the proportion of employees affected by illness to be 170 for every 100,000, this rate is only 4 for 100,000 in Ireland and in Greece “*the only realistic and useful indicator for company risks linked to*

health at work would be the rate of exposure to dangerous products or situations”, says the European Trade Union Institute of research on safety and health at work. However the companies refuse to communicate this type of information, often because they simply do not have it!

The survey by the European Foundation in Dublin indicates however that during at least one fourth of their time at work more than 60% of the European employees make repetitive movements with their arm or hand, 45% are in painful or tiring positions, 15% use chemical products, 19% breathe in gas, smoke or dust, 30% are exposed to noise, 24% are subject to vibrations, 22% work in low temperatures and 5% are exposed to radiation. Risk factors are abundant.

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PUBLIC DATA

Information published in this table was collected and processed by the consulting firm Ernst & Young based on documents published by companies. In some cases, the “frequency rate of work-related accidents” given as the number of incidents having resulted in a sick leave, per million of hours worked, was recalculated by Ernst & Young. In four cases (La Poste, Royal Mail, TNT and Norbert Dentressangle), the data available did not allow for a calculation to be made, therefore the raw data is presented in the table above. The companies listed are the biggest in their sector in terms of sales figures for 2005 according to Fortune. Construction & public works, chemicals/pharmaceuticals, oil & gas, and transportation are the four sectors that have the highest average of frequency rates.

Four widely exposed sectors

	Frequency rate ⁽¹⁾	Year
Construction, Public Works		
Bouygues (France)	11.8	2004
Halliburton (USA)	6.4 ⁽²⁾	2004-2005
Vinci (France)	18	2005
Chemicals/Pharmaceuticals		
Akzo Nobel (Sweden)	2	2005
BASF (Germany)	1.9	2005
Bayer (Germany)	2.7 ⁽³⁾	2005
Dow Chemicals (USA)	2.55 ⁽²⁾	2005
GSK (UK)	3 ^{(2) (3)}	2004
Pfizer (USA)	9 ⁽²⁾	2005
Sanofi-Aventis (France)	2.8	2005
Oil & Gas		
BP (UK)	0.4 ^{(2) (3)}	2004
Exxon Mobil (USA)	0.3 ^{(2) (3)}	2005
Royal Dutch/Shell Group (Netherlands)	2.6 ⁽³⁾	2004
Total (France)	3.9	2004
Transportation		
La Poste (France)	12,347 ⁽⁴⁾	2004
Norbert Dentressangle (France)	0.19 ⁽⁷⁾	2004
Royal Mail (UK)	132.9 ⁽⁵⁾	2004
TNT (Netherlands)	16.5 ^{(2) (6)}	2004
UPS (USA)	19.5 ⁽²⁾	2004

(1) Number of accidents resulting in a sick leave, per million of hours worked

(2) Data recalculated based on information supplied by the company

(3) Including suppliers and sub-contractors

(4) Number of work and travel related accidents having resulted in a sick leave

(5) Number of accidents for 1,000 employees

(6) Sites that are OHSAS 18001 certified

(7) Number of accidents per year per driver

Source: Ernst & Young, based on information published by companies.

Laurent Vogel: “We don’t really know if the difference in results between two companies comes from how well they report incidents or actual work safety”

Is it possible to compare data on work-related accidents from one country to another?

Eurostat tried to establish such comparisons at the heart of the European Union (EU), but it is important to realise that, even if this exercise is necessary, it is very difficult. First of all, there’s the problem of the area that is covered by law: is it only a question of company employees (it is mandatory to declare employee accidents in most countries in the EU)? Or does it also include temporary workers and sub-contractors? This is not a neutral question: in the chemical industry the accident rates are much lower than in the construction & public works sector because the dangerous tasks (transportation, cleaning, etc.) are outsourced. Another difficulty comes from the legal definition of work-related accident, which varies based on the number of days of sick leave. This duration is one day in Belgium, Denmark, Spain, France and Portugal, but three days in Germany, Finland, Ireland, Italy and Greece. Also, certain countries include in their definition incidents that may have caused psychological trauma, as is recommended by Eurostat: assault, harassment, etc.; whereas others only take into account physical trauma.



Aren’t statistics on work-related accidents also strongly influenced by what is done with them?

That’s the main bias. In most countries, the declaration of a work-related accident is made directly with the social security system or insurance companies, with the aim of reimbursing the employees. The rate of sub-declarations is low, even if it is likely that we don’t reach 100%. But in five countries (Denmark, Ireland, the Netherlands, the United Kingdom and Sweden), the declaration has to be made with work inspection services: we estimate that 40% to 50% of accidents are not

counted. In the United States the situation is different: declarations are made with the insurance company, but the companies who perform below average for their sector tend to under declare for fear of increasing their premiums.

Have international companies put into a place system to manage accidents that go beyond these differences?

Certain companies, in particular those in petroleum and chemical sectors, have setup a follow-up system. But, these policies have resulted in a dissimulation of accidents by managers, worried about “good performance”, which the American trade unions call the “bloody pocket syndrome”, when the wounded worker is asked to discreetly go home. This means that we don’t really know if the difference in results between two companies comes from how well they report incidents or actual work safety, even if it’s true that these policies reduce the number of work-related accidents, especially through information and prevention. Nonetheless, beyond company policies, legislation and cultural attitudes regarding professional risk, the difference in performance also comes from the social environment the company finds itself in. We note that the level of work-related accidents is closely related to the level of unemployment and instability in the job market.

Interview conducted by Antoine Reverchon

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2003 Laurent Vogel, in charge of research at the European Trade Union Confederation for research, training and health & safety in Brussels since 1990, published *La Santé des femmes en Europe. Des inégalités non reconnues (Women’s Health in Europe. Unrecognised inequalities)* (BTS editions).
1998 PhD at the University of Nantes with a thesis on the harmonisation of rights to health at work in Europe.