

Occupational Safety and Health in Marketing and Procurement Summary of an Agency report

Legislation and enforcement have been the traditional ways of improving levels of occupational health and safety. However, companies, governments and sector organisations have increasingly been looking at additional ways of promoting health and safety. This Agency study describes two of these ways:

- the use of Occupational Safety and Health as a criteria in purchasing products and services from other companies;
- the use of Occupational Safety and Health as a marketing element for promoting the sales of their products or services.

In their search for quality, firms are putting increasing emphasis on the health and safety capability of their suppliers, as well as their capacity to deliver the goods. The trend of outsourcing work to contractors and suppliers has also made companies and public organisations more dependent on the safety and health performance of their contractors, especially those who are working within their own premises.

In addition, consumers - individuals and companies - have become more sensitive to social and ethical values/issues related to the production process. Many firms have taken steps to improve their health and safety performance as a competitive advantage when marketing products, goods and services.

The report brings together 22 case studies of voluntary initiatives taken by companies, sector organisations and governments.

The case studies, based on interviews with key respondents, provide objective descriptions of the practices, their purpose and function and are grouped around six different approaches.



Marketing at company level

Just as many companies have developed their own individual schemes for procurement, the same is true in relation to marketing of products and services. These marketing schemes reflect the needs and priorities of the customers and the market in general. As the focus on OSH performance and qualities of products and services is increasing, there is also an increasing demand for measuring, documenting and communicating these qualities in the marketing material and to assist the customers in order to use the products and services in a safe and health manner. A number of cases is presented: Ergonomic Handtools –Fiskars, Office equipment –Konig + Neurath, Car cleaning products –Polytop Autopflege, and employment service sector- Vedior Bis.

One new trend is the introduction of social and ethical aspects in the evaluation of the working environment. An example of social accounting by Linjebus is presented in this report.

Generic marketing systems

Certification schemes and labels based on environmental performance have become more common as marketing tools over the last decades. OSH criteria have been included to varying degrees and schemes focusing primarily on OSH have also been launched. Among the generic marketing systems described in the catalogue are labelling schemes for products and equipment and certification of management systems and subcontractors based on OSH criteria. Cases presented here refer to: an Indoor Climate labelling Scheme, the TCO Labelling scheme of Office equipment (see box 1), the TCO 6E management scheme, and marketing Bakery Equipment – NF SHA by Bongard.

Box 1. Marketing Office Equipment – The TCO Labelling Scheme

In the beginning of the 1980s, TCO realised that personal computers were going to be the primary tool for the 1.3 million members in the TCO workers association (Sweden). At the same time, the first concerns emerged over a possible connection between magnetic fields, foetal damage and pregnancy problems. Shortly after, other terms such as electromagnetic hypersensitivity during work with computers, computer stress and physical strain injuries became common. TCO decided to draw up and set requirements together with user representatives and technical experts – and to address the requirements directly to the market. They introduced a voluntary label that intends to:

- stimulate the manufacturers to develop more occupational and environmentally safe office equipment;
- assist purchasers to choose office equipment less problematic for the users and the external environment;
- and to provide purchasers as well as the vendor with a clearly defined label, and thereby saving time, work and costs in the purchasing process.



The TCO labelling scheme was evaluated in 1998 and indicated the effectiveness of the scheme. During 1998 some 90 million display units were sold world-wide. One third of those were TCO labelled. The TCO labelling scheme has become a major factor in the technological development in this area. According to the evaluation, electromagnetic fields have been reduced by more than a factor 10, flicker and energy use have been sharply reduced.

Governmental marketing system

One marketing scheme initiated at governmental level is also described. This scheme, which aims at certifying companies with a good OSH performance, is still in the development stage. One of the goals is to attract employees and another to establish a competitive advantage on the market. It is a so-called soft economic incentive and management incentive for improving of the OSH- performance beyond what is required by the legislation.

Procurement at company level

Many companies and organisations have developed their own individual procurement schemes. In high risk sectors like the construction industry the obvious risks and high accident rates with their related costs and risks of delays have been key drivers. A number of schemes, originally developed within the construction industry, have been adapted to the needs of other sectors. In this category cases have been presented on the Øresund fixed link, Renault Technocenter (see box 2), Electrabel, and AstraZeneca.

The tendency over recent years has been to focus on the training needs for workers and supervisors and to define specific requirements for the contractors' OSH performance, which is then thoroughly monitored and evaluated by the client company or an independent auditor.

Box 2. Renault Technocenter

In the beginning of the 90's, Renault planned the construction of its new technology complex. The company wanted this construction site to be exemplary in terms of overall quality and occupational safety. The project covered 12 buildings representing 350,000 sq m of floor space, represented nine million hours of work distributed between 900 contractors and 10,000 persons.

Renault laid down its conditions for the potential contractors. The total cost of this policy (excluding first aid post and reception costs) for Renault was 18 million francs. This investment in safety was one facet of the search for total quality through good site management. Contractors were selected amongst other things on the basis of OSH-criteria and their work as well as safety performance was monitored intensively in the execution phase. As a result the accident frequency rates were far less than half of that of the construction industry in general.

Generic procurement systems

The growth in contract work has supported the development of more generic procurement schemes. Using uniform requirements for contractor OSH training or OSH management systems allows for a third party to carry out the "certification" or initial approval of the contractors as well overseeing the continuous improvement of the scheme.

Two of the schemes presented – VCA Checklist as well as the Safety Passport Scheme -have been developed in the petro-chemical industry but are now spreading to other sectors as well. Part of the success seems lie in the simplicity and practicality of the schemes and the fact that the client companies have taken part in their development and used their experience to define the criteria.

Elsewhere, a working group consisting of representatives of public purchasers, suppliers and a supplier association has developed the third scheme presented in this subcategory – IKA (see box 3). The scheme illustrates a guideline prepared for purchasers of cleaning agents. Other case studies look at public procurement services in Austria (BeschaffungsService) and ethical investment (Triodos Bank).

Box 3. Procurement of cleaning agents – IKA

This case study describes guidelines used to define requirements in tenders for procurement of cleaning agents. These guidelines were produced in 1996 by a working group appointed by The



Association of Public Purchasers in Denmark (IKA) and at present they are used in Denmark. The developers estimate that the guidelines have been used for approximately 75 tenders prepared by Municipalities and 12 tenders prepared by Counties up to February 2000. The guidelines aim to:

- save time for purchasers when preparing tenders by offering a fill-in template for the tender;
- stimulate suppliers to develop more environmentally and occupationally safe cleaning agents;
- assist purchasers in order to ensure that all relevant requirements regarding the delivery of cleaning agents are included when tenders are prepared;
- save time for purchasers when evaluating tenders based on standardised questions asked to the tenderers;
- save time for the suppliers of cleaning agents as a result of standardised requirements from more purchasers.

Governmental procurement initiative

One procurement scheme initiated by a government – The HSE's Good Neighbour Scheme - is described. This scheme aims to exploit the wealth of practical experience in managing safety and health and share it with others - neighbouring firms, suppliers, subcontractors or the wider community. This scheme is widely applicable in all sectors and provides a number of benefits to those who join the scheme - the Good Neighbours. These benefits include increased confidence in business partners due to increased OSH awareness.

How to get the report

The full text of the report in English is available in English in the Agency's web site at <http://agency.osha.eu.int/publications/reports>.

The printed report "Occupational Safety and Health in Marketing and Procurement", European Agency for Safety and Health at Work, 2000, ISBN 92-95007-01-8 can be ordered from the EC's Publication Office EUR-OP in Luxembourg (<http://eur-op.eu.int/>), or from its sales agents. The price is 9 euro (excluding VAT).