

Health and Safety Essentials

Lecture 19 – Sustainability, CSRD, and ESG in Occupational Health and Safety

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Recap Question 1

Which statement BEST distinguishes communication from consultation in occupational health and safety?

- A. Communication is informal, while consultation must always be written
- B. Communication involves workers giving instructions to management
- C. Communication mainly involves providing safety information to workers, whereas consultation involves two-way dialogue and worker participation in safety decisions
- D. Consultation replaces the need for safety communication



Recap Question 2

According to Maltese OHS legislation, what is the primary purpose of Workers' Health and Safety Representatives (WHSRs)?

- A. To replace supervisors in enforcing safety rules
- B. To represent workers in consultation on health and safety matters and raise concerns about workplace risks
- C. To conduct legal inspections on behalf of OHSA
- D. To approve risk assessments before work begins



Recap Question 3

Why is two-way communication and psychological safety important in workplace health and safety?

- A. It encourages workers to report hazards, near misses, and safety concerns without fear of retaliation
- B. It allows workers to bypass management decisions
- C. It reduces the need for formal safety procedures
- D. It ensures that only supervisors communicate safety instructions



Objectives

 By the end of this lecture, students will be able to:

-  Define sustainability in the context of OHS.
-  Explain CSRD and its impact on workplace safety.
-  Describe the role of ESG in health and safety.
-  Identify legal obligations under EU & Maltese law.
-  Discuss corporate social responsibility (CSR) in OHS.
-  Analyse real-world case studies of ESG-driven OHS strategies.

What is Sustainability in OHS?

📌 Sustainability is about meeting current workplace safety needs without compromising future generations.

- ◆ Three Pillars of Sustainability in OHS:

- ✓ Environmental – Reducing workplace pollution, emissions, and hazardous waste.

- ✓ Social – Ensuring ethical treatment of workers, diversity, and mental well-being.

- ✓ Economic – Reducing accident costs, improving worker retention, and ensuring long-term profitability.

Corporate Sustainability Reporting Directive (CSRD) Overview

What is CSRD?

The Corporate Sustainability Reporting Directive (CSRD) is an EU law requiring companies to disclose sustainability and OHS-related performance. It replaces the Non-Financial Reporting Directive (NFRD) to create a standardised sustainability reporting framework.

Key Features of CSRD:

- ✓ Expands sustainability reporting to more companies.
- ✓ Requires OHS performance indicators to be reported.
- ✓ Standardises sustainability disclosures across the EU.

 Example: A firm must report on worker well-being and accident prevention initiatives under CSRD.

CSRD Implementation Timeline

- CSRD Phased Implementation

Reporting Year	Companies Covered
2024 reports (published 2025)	Large companies already under NFRD
2025 reports (published 2026)	Large EU companies meeting 2 of 3 criteria
2026 reports (published 2027)	Listed SMEs
2028 reports (published 2029)	Non-EU companies with major EU activity

- Criteria for large companies:

- 250+ employees
- €50M turnover
- €25M total assets

What Must Be Reported?

- ✓ Workplace safety & health policies
- ✓ Injury Rates
- ✓ Worker well-being initiatives.
- ✓ Sustainability risks and mitigation measures.

💡 Discussion: Why is sustainability reporting becoming mandatory for companies?

Key OHS Metrics Required in CSRD Reports

A CSRD-compliant OHS section in a sustainability report typically includes:

1 Workplace Safety Performance Metrics

 Purpose: Measure accident prevention, workplace safety culture, and health improvements.

- ✓ Lost Time Injury Frequency Rate (LTIFR) – Number of lost-time injuries per x (e.g.:1 million) hours worked.

- ✓ Total Recordable Injury Rate (TRIR) – All recordable workplace injuries per x (e.g.:100,000) hours worked.

- ✓ Fatalities – Number of work-related deaths.

- ✓ Serious Injuries & Incidents – Non-fatal incidents that result in hospitalisation or long-term absence.

- ✓ Near-Miss Reporting Rate – Number of reported near misses vs. incidents.

1 Workplace Safety Performance Metrics

-  Example Table:

Metric	2022	2023	2024 (Target)
LTIFR (per 1M hours)	2.4	1.9	1.5
Fatalities	1	0	0
Total Recordable Cases	45	37	30
Near Miss Reports	250	280	300

② Employee Well-Being and Psychosocial Risk Metrics

 Purpose: Measure mental health, burnout, stress management, and employee well-being efforts.

- ✓ Work-Related Stress & Mental Health Cases – % of employees reporting stress-related issues.

- ✓ Absenteeism Rate – % of lost workdays due to physical or mental health conditions.

- ✓ Employee Engagement in OHS Initiatives – % of workers participating in safety committees or OHS training.

2 Employee Well-Being and Psychosocial Risk Metrics

-  Example Table:

Well-Being Metric	2022	2023	2024 (Target)
Work-Related Stress Cases	5%	4.5%	4.0%
Absenteeism Rate	3.2%	3.0%	2.8%
Employee Participation in OHS Training	65%	72%	80%

③ Health & Safety Training and Compliance Metrics

📌 Purpose: Assess the effectiveness of OHS training, emergency preparedness, and regulatory compliance.

- ✓ % of Employees Completing Mandatory OHS Training – Compliance with safety regulations.

- ✓ Number of OHS Training Hours Per Employee – Training investment per worker.

- ✓ Fire Drills & Emergency Response Exercises – Number of exercises conducted.

- ✓ % of Employees Covered by Collective Bargaining Agreements on OHS – Worker representation in OHS policies.

③ Health & Safety Training and Compliance Metrics

 Example Table:

Training & Compliance	2022	2023	2024 (Target)
Employees Trained in OHS (%)	85%	90%	100%
Training Hours Per Employee	10	12	15
Fire Drills Conducted	3	4	5

OHS Governance, Leadership, and Reporting Structure

 Purpose: Ensure accountability, transparency, and leadership involvement in OHS strategies.

- ✓ Board-Level Oversight of OHS – Does the board review safety performance?
- ✓ OHS Policy & Strategy Disclosure – Does the company publish OHS policies?
- ✓ Whistleblower & Grievance Mechanisms – Are there channels for reporting OHS concerns?

 Example Reporting Statement (Narrative Section in CSRD Report):

"In 2023, our board-level sustainability committee reviewed health and safety policies quarterly, integrating OHS performance into ESG targets. Employee safety concerns were addressed through an anonymous reporting system, with 92% of complaints resolved within 30 days."

5 Supply Chain and Contractor OHS Monitoring

📌 Purpose: Ensure third-party contractors comply with OHS policies and CSRD/ESG frameworks.

✅ % of Suppliers Audited for OHS Compliance – Ensuring safe working conditions in supply chains.

✅ Workplace Incidents Involving Contractors – Tracking third-party safety performance.

✅ Alignment with ISO 45001 – Number of suppliers certified under international safety standards.

• 📊 Example Table:

Supply Chain OHS	2022	2023	2024 (Target)
Suppliers Audited for OHS (%)	70%	75%	85%
Contractor Workplace Incidents	15	10	5
Suppliers ISO 45001 Certified	55%	60%	70%

How Does CSRD Ensure Transparency in OHS Metrics?

- ◆ Standardised Format – Reports must follow ESRS (European Sustainability Reporting Standards).
- ◆ Double Materiality – Reports must show how OHS impacts both business performance & worker well-being.
- ◆ Third-Party Assurance – External auditors must verify OHS data to prevent greenwashing.
- ◆ Comparability – Data must be consistent across multiple years and align with sustainability targets.

ESRS and OHS

CSRD reports must follow European Sustainability Reporting Standards (ESRS), which define what companies must disclose.

- Relevant ESRS topics for OHS:
 - ESRS S1 – Own Workforce
 - ESRS S2 – Workers in the Value Chain
 - ESRS G1 – Governance

Key OHS disclosures include:

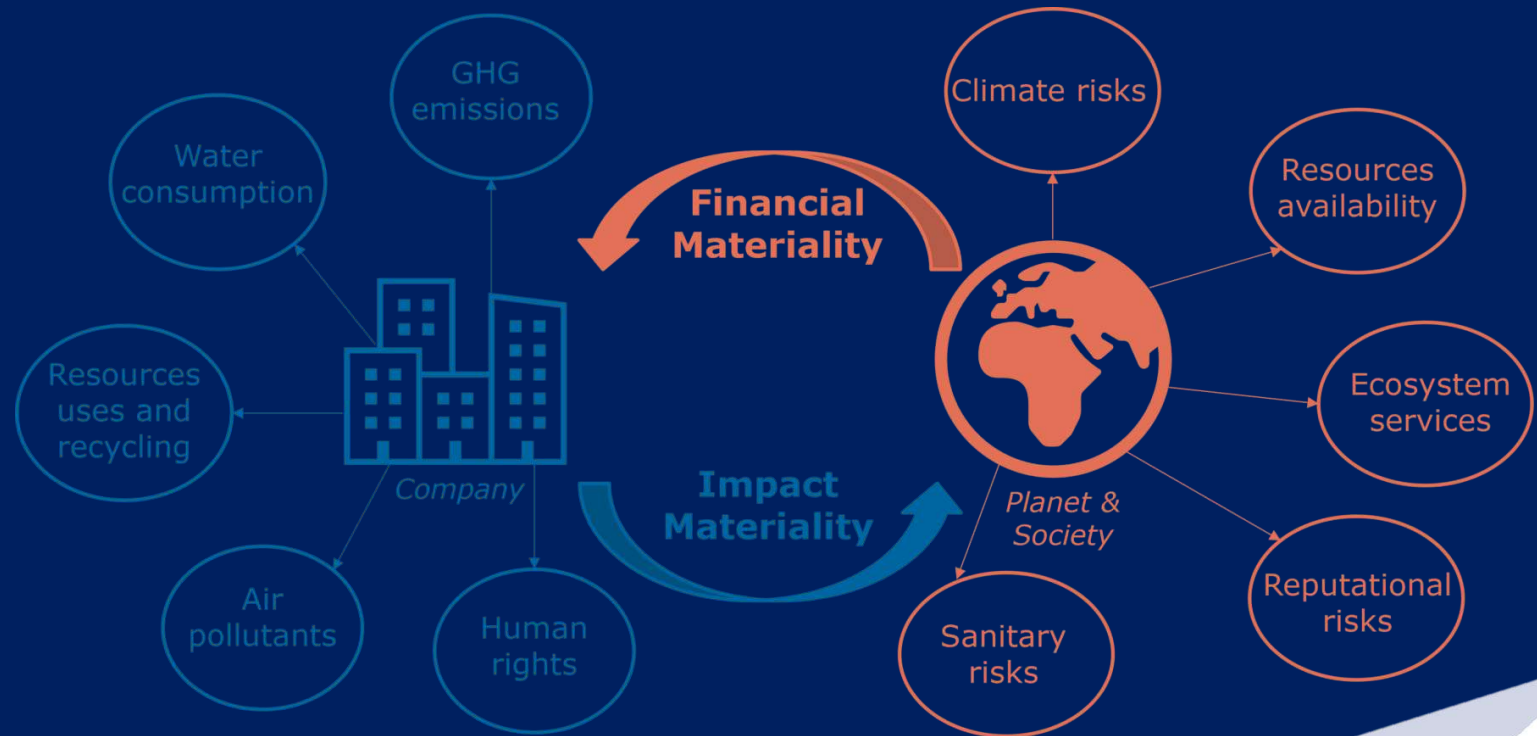
- Occupational injury rates
- Fatalities
- Worker wellbeing
- Safety training
- Social dialogue
- Health protection programmes



Double Materiality Principle

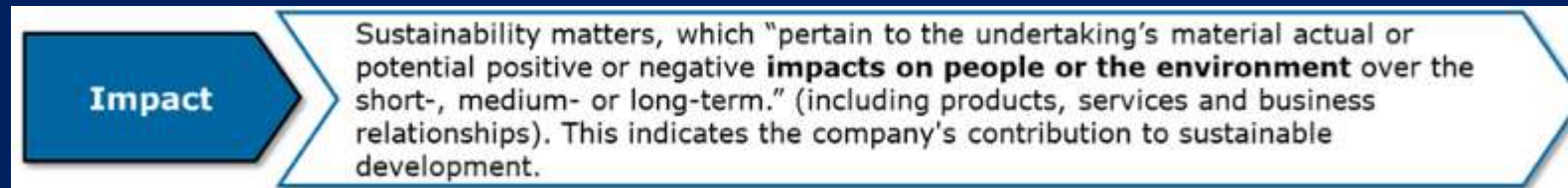
Companies must assess:

- **Impact Materiality**
How company activities affect:
 - workers
 - society
 - Environment
- **Financial Materiality**
How sustainability risks affect:
 - company profitability
 - operational stability
 - long-term value
- **Example for OHS:**
 - Worker injuries impact people (impact materiality)
 - Accidents increase costs and liability (financial materiality)



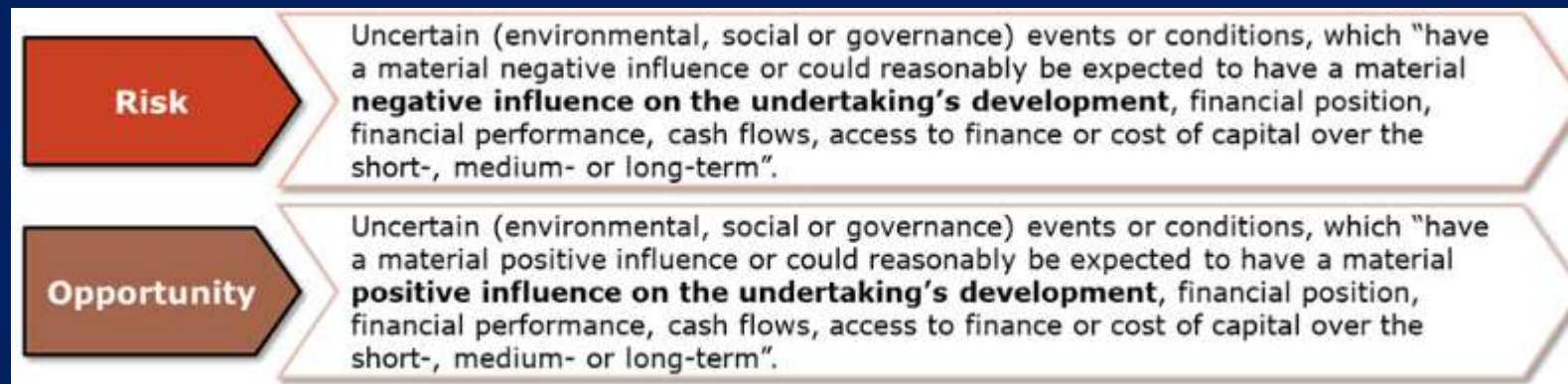
Double Materiality Principle....

- Impact Materiality



- Considering scale scope, irremediability and likelihood of impacts

- Financial Materiality



- Magnitude of financial effect and magnitude

Source: ESRS 1 General Requirements: <https://share.google/18coPuSgPoDwYf8mQ>

Discussion

 Final Thought: How Would These OHS Metrics Impact Your Workplace?

- Would these metrics improve workplace safety in your organisation?
- How could your company integrate OHS into CSRD/ESG reporting more effectively?
- What challenges might arise in tracking and reporting these safety metrics?

Break



ESG and Its Impact on OHS

What is ESG?

ESG stands for Environmental, Social, and Governance—three factors used to measure corporate sustainability and ethical impact.

- ◆ Environmental (E) – How does the company manage workplace emissions, hazardous materials, and climate risks?
- ◆ Social (S) – How does the company ensure fair wages, worker safety, and mental health?
- ◆ Governance (G) – Does the company enforce strong OHS policies, ethical leadership, and regulatory compliance?

How ESG Improves Workplace Safety

Why is ESG Important for OHS?

- ✓ Reduces accident rates by promoting worker safety standards.
- ✓ Encourages ethical treatment of workers and fair labour practices.
- ✓ Prepares workplaces for climate-related risks (e.g., extreme heat exposure).

Best Practices for ESG-Driven OHS Strategies:

- ✓ Conduct regular risk assessments and include sustainability metrics.
- ✓ Implement energy-efficient workplace safety systems.
- ✓ Ensure transparent reporting of safety performance to stakeholders.

 Discussion: How can companies measure ESG impact on OHS perfo

CRSD vs. ESG – Key Differences

1. What is CSRD?

- A legally binding EU directive that mandates sustainability reporting for companies.
- Requires standardised reporting under the European Sustainability Reporting Standards (ESRS).
- Covers double materiality (both financial risk & company impact on sustainability).
- Applies to EU-based & some non-EU companies with EU operations.
- Requires third-party assurance (external verification).

2. What is ESG?

- A voluntary framework assessing Environmental, Social, and Governance performance.
- Used by investors & stakeholders to measure corporate sustainability efforts.
- Reporting varies—companies choose different frameworks (GRI, SASB, TCFD, etc.).
- Focuses on financial materiality (impact on company performance).

CRSD vs. ESG – Comparison Table

Feature	CRSD (EU Regulation)	ESG (Voluntary)
Type	Mandatory directive	Framework used by investors and stakeholders
Scope	EU-based & some non-EU firms	Global, flexible adoption
Legal Requirement	Yes (Required by law)	No (Voluntary)
Reporting Framework	ESRS (European Standards)	Varies (GRI, SASB, TCFD, etc.)
Materiality Focus	Double materiality (Company impact + Financial risk)	Financial materiality (Company risk only)
Verification	Mandatory third-party assurance	Optional assurance
Audience	Regulators, policymakers, investors	Investors, rating agencies, stakeholders

Legal Frameworks – EU & Malta

-  Key Regulations Governing Sustainability & OHS:
-  Corporate Sustainability Reporting Directive (CSRD) – Expands sustainability disclosures for companies.
 -  Maltese OHS Laws (Cap. 646) – Aligns with EU directives on worker protection.
 -  ISO 45001 & ISO 26000 – International standards for integrating sustainability into workplace safety.

-  Why Compliance Matters:
-  Avoids legal penalties for non-compliance.
 -  Improves company reputation and worker satisfaction.
 -  Ensures long-term financial stability through risk management.

 Discussion: Should all businesses, regardless of size, be required to follow reporting?

CSR and the Triple Bottom Line in OHS

 Corporate Social Responsibility (CSR) and OHS
CSR refers to companies going beyond legal requirements to improve safety, worker well-being, and environmental impact.

 The Triple Bottom Line (3Ps):

- ✓ People – Safe working conditions and ethical labour policies.
- ✓ Planet – Reducing workplace emissions and waste.
- ✓ Profit – Preventing accidents and reducing costs associated with lost work time.

Challenges in Integrating Sustainability into OHS

Common Challenges:

-  High compliance costs for sustainability projects.
-  Resistance from employees and management.
-  Difficulty measuring long-term benefits of sustainable OHS policies.

Solutions:

-  Gradual implementation of sustainability initiatives.
-  Training employees on ESG and OHS alignment.
-  Using data analytics to track ESG progress.

 Discussion: What are the biggest obstacles in your industry when adopting ESG-driven OHS policies?

6S – Sustainable Workplace Organisation

- 6S Lean: 5S + Safety
- 6S (otherwise known as 5S + Safety) is a system that aims to promote and sustain a high level of productivity and safety throughout a workspace. While adhering to the 5S principle of Sort, Set in order, Shine, Standardize, and Sustain, the 6S method adds the concept of Safety. 6 S lean not only helps organizations promote efficient working environments but also establishes a sustainable culture of safety.

Step	Meaning	OHS Benefit
Sort	Remove unnecessary items	Reduces hazards
Set in Order	Organise workplace	Improves ergonomics
Shine	Clean regularly	Detect hazards early
Standardise	Create procedures	Consistent safety practices
Sustain	Maintain discipline	Safety culture
Safety	Integrate hazard control	Prevent injuries

6S links operational efficiency, sustainability and workplace safety,
making it a practical ESG tool within organisations.



What is 6S Lean?

- 1. Sort (Seiri)
 - Sorting, the first step in the 6s methodology, aims to reduce clutter and make it easier for essential work items to be easily located for improved efficiency. “Red tagging” is often done to mark unnecessary items for immediate disposal, while “yellow tagging” can be applied for those items that can be temporarily kept off-site for future use.
- 2. Set in order (Seiton)
 - In this stage of the 6 S system, items, equipment, and work materials tagged as essential in the first stage should be placed in an organized manner in the most logical locations. The objective of ‘Set in Order’ (or ‘Straighten’) is to establish a systematic way of storing and retrieving items, thus helping maximize accessibility and space.



What is 6S Lean?....

- 3. Shine (Seiso)
 - After non-essential items have been removed and essential items have been organized, the next step is cleansing. The third stage of the 6s lean system, also known as 'Shine', includes activities, such as cleaning the workplace, maintaining its pleasant appearance, and using preventive steps to keep workspaces tidy and clean. The objective is to create an environment that prevents injuries and products from being stained due to uncleanliness.
- 4. Standardize (Seiketsu)
 - 'Standardize' is the fourth 6s method stage that aims to establish a new workplace norm by identifying best practices and creating consistent procedures for the first three stages. It aims to help people have the same work routines in their processes and develop more efficient habits. This can be done by providing visual reminders, setting expectations of workers' responsibility, and conducting routine inspections and regular site checks.



What is 6S Lean?....

- 5. Sustain (Shitsuke)
 - This is the most challenging step of the 6S method as the goal is to ensure that standardized procedures are applied continually over a long period of time until it becomes second nature in day-to-day work.
- 6. Safety
 - Lastly, 6S lean features Safety as the final step added to the standard 5S methodology many have been used to. This essential step of 6 S focuses on identifying hazards and setting preventive controls to keep workers safe during work operations and ensure that the work environment meets required safety standards.



Case Studies

- The Coca Cola Company:
 - <https://www.coca-colacompany.com/sustainability/product-quality-safety>
 - <https://www.coca-colacompany.com/sustainability>
- Pepsico: [Sustainability & ESG | PepsiCo](https://www.pepsico.com/esg-topics/environment-health-and-safety#approach)
 - <https://www.pepsico.com/esg-topics/environment-health-and-safety#approach>
- Amazon: <https://sustainability.aboutamazon.com/>
- Toyota: <https://www.toyota-europe.com/sustainability>
 - [Toyota's Safety Culture | Toyota Europe](#)

Case Study – Carlsberg



Watch this video:



[Why ESG and Sustainability Matter for Businesses](#)



After watching, reflect on:

1. Why do companies invest in sustainability reporting?
2. How does workplace safety fit into ESG?
3. What are the key drivers for regulatory compliance (e.g., CSRD)?

Reviewing the Carlsberg Group 2024 Annual Report

 Download Report: [Carlsberg 2024 Annual Report](#)

Objective:

- Examine how a multinational company integrates sustainability reporting.
- Identify workplace safety, environmental, and governance commitments.

Instruction:

Navigate to the following key pages for ESG and sustainability reporting.

Key Pages to Review in Carlsberg's Report



Focus Pages for Analysis:

- Page 39: Corporate governance and compliance.
- Page 40-41: Board diversity and sustainability governance.
- Page 45: SpeakUp framework – Whistleblowing and accountability.
- Page 64-73: Carbon footprint, emissions reductions, and transition plans.
- Page 78-80: Water and marine resource management.
- Page 88-92: Workplace safety, employee well-being, and diversity policies.
- Page 95: Grievance mechanisms for worker concerns and human rights.



Guiding Questions:

- *How does Carlsberg demonstrate commitment to ESG principles?*
- *What OHS initiatives are highlighted in their sustainability strategy?*
- *Do they meet CSRD and regulatory reporting expectations?*

Breakout Room Activity

◆ Breakout Room Instructions:

Each group will review key sections of the Carlsberg Annual Report and discuss:

Step 1 – Analysis

- ✓ Social (S) & OHS focus – How does Carlsberg report on workplace safety, employee well-being, and safety culture?
- ✓ Environmental (E) factors – How do sustainability initiatives indirectly affect worker health & safety?
- ✓ Governance (G) & Compliance – How does Carlsberg ensure accountability in its ESG commitments?

Breakout Room Activity

Step 2 – Evaluation

- ✓ Is Carlsberg's ESG reporting sufficient to improve OHS?
- ✓ Does their reporting focus on real safety improvements or just compliance?
- ✓ Would stronger ESG transparency improve safety culture in organisations?

Step 3 – Workplace Reflection

- ✓ Would your workplace benefit from CSRD-style ESG reporting?
- ✓ How would structured sustainability reporting impact your organisation's OHS culture?
- ✓ What challenges might arise in adopting similar reporting standards?

 Be ready to present key findings after the breakout session!



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