

# Proposed revision to the UK Stewardship Code

IOSH response to the Financial Reporting Council consultation



Submission

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## Introduction

The Institution of Occupational Safety and Health (IOSH), the Chartered body for health and safety professionals, with around 48,000 members worldwide, welcomes the opportunity to comment on the important *Proposed Revision to the UK Stewardship Code* by the Financial Reporting Council (FRC).<sup>1</sup>

In our response, we focus on occupational safety and health (OSH) and provide background; a summary IOSH position; IOSH recommendations; and close with references and further information about IOSH.

## Background

IOSH believes competent leadership, good governance and meaningful corporate reporting are fundamental to help ensure safe, healthy and sustainable working environments across all sectors.

IOSH provides free OSH resources<sup>2</sup> and supports OSH competence development through our training and online tools. We also work to improve transparency as a driver to improved performance. We were pleased to make the case for OSH as 'material' to business in 2003 and have worked as co-founders of Center for Safety and Health Sustainability to help standardise and provide guidance on OSH performance metrics.<sup>3</sup> We have also contributed to the new international standards *BS ISO 45001:2018 Occupational health and safety management systems – Requirements with guidance for use* and *GRI 403: Occupational Health and Safety 2018* on sustainability reporting.<sup>4 and 5</sup>

We support greater emphasis on Environmental, Social and Governance (ESG) issues in narrative reporting; the UK's Modern Slavery Act supply-chain transparency requirements; and the *Corporate Human Rights Benchmark*.<sup>6</sup> We also welcome the Government's support for the Sustainable Development Goals and its guidance on the *UN Guiding Principles on Business and Human Rights*,<sup>7</sup> together with the reforms to the *UK Corporate Governance Code* and the new code for Large Private Companies.<sup>8 and 9</sup>

## Summary IOSH position

IOSH believes that socially responsible investment has a key role in encouraging occupational safety and health (OSH) improvements, which support sustainable businesses, communities and societies.

We welcome FRC's proposed focus on the impacts of corporate activity on societies and communities and the need for increased transparency and quality of public reporting regarding stewardship.

And we support FRC on its explicit reference to Environmental, Social and Governance (ESG) factors in the code, which is particularly important for OSH; on the need to address short-termism and take a longer-term view; and on the requirement to report on stewardship activities and outcomes, as well as policies.

## IOSH recommendations

In addition to the positive changes to the UK Stewardship Code proposed by the FRC, IOSH calls for:

1. The competence and OSH awareness of those in stewardship roles to be developed, to ensure that they appreciate the need for effective OSH risk management and suitable performance indicators related to the prevention of injury and illness at work, including protecting workers' mental and physical health and preventing long-latency diseases, such as occupational cancers.
2. Good stewardship practice that requires the demonstration of due diligence on preventing exploitation and OSH risks to vulnerable workers across organisations and supply chains, so that modern slavery and human trafficking are tackled, and injury and ill health are prevented.
3. Meaningful and comparable public reporting on OSH performance using appropriate leading and lagging indicators, such as to standards like *GRI 403: Occupational Health and Safety 2018*, which can be used to provide corporate information for decision-makers, trustees, asset owners / managers, service providers and investors.

## References

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## About IOSH

Founded in 1945, the Institution of Occupational Safety and Health (IOSH) is the largest body for health and safety professionals in the world, with around 48,000 members in over 130 countries, including over 13,000 Chartered Safety and Health Practitioners. Incorporated by Royal Charter, IOSH is a registered charity, and an ILO international NGO. The IOSH vision is

**“A safe and healthy world of work”**

The Institution steers the profession, providing impartial, authoritative, free guidance. Regularly consulted by Government and other bodies, IOSH is the founding member to UK, European and International professional body networks. IOSH has an active research and development fund and programme, helping develop the evidence-base for health and safety policy and practice. Summary and full reports are freely accessible from our website. IOSH publishes an international peer-reviewed journal of academic papers twice a year titled *Policy and practice in health and safety*. We have also developed a unique UK resource providing free access to a health and safety research database, as well other free on-line tools and guides, including resources for business start-ups; an occupational health toolkit; and a risk management tool for small firms.

IOSH has 41 Branches worldwide, including the Caribbean, Hong Kong, Isle of Man, Oman, Qatar, the Republic of Ireland, Singapore and UAE, 18 special interest groups covering aviation and aerospace; broadcasting and telecommunications; construction; consultancy; education; environment and waste management; financial services; fire risk management; food and drink industries; hazardous industries; health and social care; offshore; public services; railway; retail and distribution; rural industries; sports grounds and events; and theatre.

IOSH members work at both strategic and operational levels across all employment sectors. IOSH accredited trainers deliver health and safety awareness training to all levels of the workforce from shop floor to managers and directors, through a professional training network of over 2,000 organisations. We issue around 180,000 certificates per year.

For more about IOSH, our members and our work please visit our website at [www.iosh.com](http://www.iosh.com). Our five-year strategy WORK 2022 can be viewed at [www.ioshwork2022.com](http://www.ioshwork2022.com) and our resources specifically tailored for business can be found here [www.iosh.co.uk/ioshmeansbusiness](http://www.iosh.co.uk/ioshmeansbusiness).

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