

# A renewed trade policy for a stronger Europe – Consultation note

IOSH response to the European Commission consultation on the European Union Trade Policy Review



Submission

15.09.20



## Introduction

The Institution of Occupational Safety and Health (IOSH), the chartered body for occupational safety and health (OSH) professionals and international NGO, has around 47,000 members in 130 countries, including nearly all EU Member States, with around 1,800 members in the Republic of Ireland. We are pleased to also be founding members of the European Network of Safety and Health Professional Organisations (ENSHPO) and a long-time supporter of the European Agency for Safety and Health at Work (EU-OSHA). **The IOSH European Transparency Register number is 913858710558-02.**

IOSH welcomes the opportunity to respond to the important European Commission consultation on the Review of the EU Trade Policy “*A renewed trade policy for a stronger Europe – Consultation note*” (June 2020). Our response contains a summary position and background; the conclusions and recommendations from our United Nations – World Trade Organisation (UN-WTO) Policy Brief *Revitalising 2.0*; answers to the EU Trade Policy Review consultation questions; references; and further information about IOSH.

## Summary IOSH position and background

IOSH advocates OSH as fundamental to trade policy and agreements and that this informs all future general trade and development strategies, including EU trade and investment policy. For safer, healthier and more sustainable trade, IOSH highlights that policymakers, investors and organisations can benefit from the advice of OSH professionals, helping them to manage their OSH risks, identify workable solutions, train their personnel, improve their performance and transparency and build OSH capacity and cooperation for a safe, healthy and successful future.

IOSH was pleased to recently take part in the recent UN-WTO Policy Hackathon on *Model Provisions for Trade in Times of Crisis and Pandemic in Regional and other Trade Agreements*,<sup>1</sup> making the case that all trade policies and agreements should include clear occupational safety and health (OSH) requirements. The IOSH Policy Brief *Revitalising 2.0 building back better and healthier*, has been included as part of UN-WTO online handbook for trade negotiators and policymakers (see [www.unescap.org/resources/online-repository-contributions-policy-hackathon-model-provisions-trade-times-crisis-and#](http://www.unescap.org/resources/online-repository-contributions-policy-hackathon-model-provisions-trade-times-crisis-and#) at C135, under Build back better).

In brief, our submission to UN-WTO provides a draft trade agreement clause for pandemics; overall requirements for trade and investment policy; an annex summarising labour and OSH provisions in selected trade agreements; and supporting references. Our annex includes the EU-Vietnam Free Trade Agreement and EU-Mexico agreement Model Labour Chapter for EU Trade Agreements (Stoll *et al*) and Comprehensive and Economic Trade Agreement (CETA); and the European Generalised Scheme of Preferences (GSP), and other sources which the EC may find of interest for the EU Trade Policy Review.

In the text below, IOSH shares our conclusions and recommendations from our Policy Brief *Revitalising 2.0 building back better and healthier*, before providing answers to the consultation questions.

## Revitalising 2.0: building back better and healthier (conclusions and recommendations)

IOSH believes that in order to protect trade during global crises, national and regional trade policies and agreements must protect the greatest source of value creation – the world's workforce. Ensuring a healthy working environment saves lives and livelihoods and maintains productivity, reliability and flexibility to meet changes in demand. In addition, designing-in health and safety at the concept stage of major infrastructure developments and project investments can lead to many socioeconomic benefits, as typified by the successful London 2012 Olympic Park development, which was built on time, on budget and without fatality,<sup>2</sup> and also provided a lasting legacy. Given their potential impacts on wider society, it is recommended that public investment and national trade and development decisions and policy implementation, involve relevant stakeholder groups, including civil society.

Complementing the humanitarian and legal imperatives, there is also an economic case for effective OSH management. *Occupational health: The global evidence and value*<sup>3</sup> concluded that, despite limitations on available research, the overall health-related impact and return on investment of well-designed occupational health programmes is positive for a wide variety of interventions in different countries. And the study *Calculating the international return on prevention for companies* estimated an average return on prevention of 2.2:1, based on subjective assessments given in interviews with companies in 19 different countries.<sup>4</sup> In terms of workplace mental health interventions, the Stevenson-Farmer review of mental health and employers highlights the return on investment as positive, with an average return of 4.2:1.<sup>5</sup>

As part of 'building back better and healthier' (*Revitalising 2.0*), trade policy and agreements with a focus on sustainable development can raise standards and facilitate responsible trade. ILO Conventions and OSH management principles are important basic requirements for all future trade and investment policy, which needs to support OSH capacity and emergency plans as assurance against supply chain disruption, as well as facilitators of the green economy, modern infrastructure and new health and social care systems.

IOSH therefore recommends that the principles of the ILO guidelines on OSH management systems and the international standard ISO 45001<sup>6</sup> are used by organisations, governments, regions and investors to support responsible and sustainable trade. These include leadership and worker involvement, OSH risk assessment and control, competent OSH assistance, supply chain management and emergency planning. This can all help ensure that trade in essential goods and services can be safely maintained during a crisis (robustness) and also that there is speedy and safe resumption of operations post-disaster (resilience).<sup>7</sup>

In addition, to meet the needs of global value chains (GVCs), we recommend that the principles from the standard on sustainable procurement (ISO 20400)<sup>8</sup> are incorporated too. These include accountability, transparency, respect for human rights and ethical behaviour, advocating decent working conditions for suppliers' employees and purchasing decisions that benefit society as a whole. Elements

of effective supply chain management to facilitate safe and healthy operations and minimise unplanned downtime, include requesting supplier risk assessments for workplaces and living arrangements and working with suppliers to improve protections.

An example of an agreement requiring support for suppliers is the '*Accord on Fire and Building Safety in Bangladesh*', established after the Rana Plaza factory-collapse disaster in 2013. This was a five-year legally binding agreement between global brands and retailers and trade unions, to improve building and fire safety in the Bangladesh readymade garment (RMG) industry. Its requirements included public disclosure of factories, inspection reports and corrective action plans and a commitment by signatory brands to ensure availability of sufficient remediation funds. The 'Accord' was extended in 2018 and has now been replaced by a new Transition Accord Agreement, overseen by the RMG Sustainability Council.<sup>9</sup>

**So, to support socially responsible trade and sustainability, IOSH recommends that general elements of trade agreements include a minimum level of OSH regulations; upward harmonisation of regulatory standards and practice; effective enforcement of regulations; implementation of international standards;<sup>10</sup> provision of OSH assistance, capacity-building and cooperation; and OSH risk management, transparency and civil society involvement.**

This should entail specific emergency and crisis clauses outlining OSH required at corporate, national and regional levels, to prevent illness and minimise problems such as disrupted supply chains and labour shortages (by providing safe travel, transport and transit of people and goods); panic-buying (through good communication and assured safe supplies); and unmet demand-surges (through well-managed stockpiles and surge capacity).

For epidemics and pandemics, we recommend that trade deals cover commitment to early warning and contagion prevention systems (use of test, trace and isolate); supply chain mapping and support for vulnerability to infectious disease; and safe working during pandemic and return to work after lockdowns. We suggest an example of draft text for trade agreements on this could include:

"To minimise trade disruption caused by disease outbreaks, the parties agree to a) implementing the principles of *ILO-OSH 2001: Guidelines on occupational safety and health management systems*; or *ISO 45001: 2018 Occupational health and safety management systems – Requirements with guidance for use*; and *ISO 20400: 2017 Sustainable procurement – Guidance* b) providing disease prevention controls and training, worker consultation processes, case reporting and investigation and effective emergency procedures c) keeping one another informed about potential outbreaks within relevant territories and supply chains that could adversely affect trade d) cooperating with corporate, national and regional plans to support socially responsible trade during the prevention, outbreak and recovery stages of communicable disease."

Operational arrangements need to address potential trade-barriers during disease outbreaks, such as prioritised local needs and risk-control opacity; and also deploy potential trade-facilitators across GVCs, such as investment assurance criteria and transparency on OSH. This will require assurance on key elements, including OSH risk management; resourcing of health and social services; adequacy of infrastructure, logistics and transport; and ability to meet demand-surges.

In conclusion, IOSH emphasises that supporting responsible trade and sustainability during epidemics, pandemics and other crises requires planning and commitment to effective OSH management throughout operations and supply chains worldwide and that this is reflected in trade policy and agreements. When revitalising strategies and operations and planning the way forward, policymakers, investors and organisations can benefit from the advice of OSH professionals, who can help them to manage their OSH risks, identify workable solutions, train their personnel, improve their performance and transparency and build OSH capacity and cooperation for a safe, healthy and successful future.

Overall, IOSH recommends that trade policy and agreements include clear OSH requirements during crisis and that these also inform all future general trade and development strategies worldwide.

## **IOSH responses to questions for EU Trade Policy Review**

### ***Q1) How can trade policy help to improve the EU's resilience and build a model of open strategic autonomy?***

IOSH advocates that the principles of the ILO guidelines on OSH management systems and the international standard ISO 45001<sup>6</sup> are used by organisations, governments, regions and investors to support responsible and sustainable trade. These include leadership and worker involvement, OSH risk assessment and control, competent OSH assistance, supply chain management and emergency planning. This can all help ensure that trade in essential goods and services can be safely maintained during a crisis (robustness) and also that there is speedy and safe resumption of operations post-disaster (resilience).<sup>7</sup>

### ***Q2) What initiatives should the EU take – alone or with other trading partners - to support businesses, including SMEs, to assess risks as well as solidifying and diversifying supply chains?***

IOSH believes that SMEs should be given more government / public support and investment to help them deliver occupational safety and health. We also promote good supply chain management, with organisations at the top of supply chains providing OSH assistance to their suppliers and making sure their business relationships are socially responsible through due diligence and long-term commitment to continual improvement.

### ***Q3) How should the multilateral trade framework (WTO) be strengthened to ensure stability, predictability and a rules-based environment for fair and sustainable trade and investment?***

IOSH proposes a requirement for model provisions for trade in times of crisis covering OSH requirements. We suggest an example of draft text for trade agreements on this could include:

*“To minimise trade disruption caused by disease outbreaks, the parties agree to a) implementing the principles of ILO-OSH 2001: Guidelines on occupational safety and health management systems; or ISO 45001: 2018 Occupational health and safety management systems – Requirements with guidance for use; and ISO 20400: 2017 Sustainable procurement – Guidance b) providing disease prevention controls and training, worker consultation processes, case reporting and investigation and effective emergency procedures c) keeping one another informed about potential outbreaks within relevant territories and supply chains that could adversely affect trade d) cooperating with corporate, national and regional plans to support socially responsible trade during the prevention, outbreak and recovery stages of communicable disease.”*

***Q4) How can we use our broad network of existing FTAs or new FTAs to improve market access for EU exporters and investors, and promote international regulatory cooperation—particularly in relation to digital and green technologies and standards in order to maximise their potential?***

IOSH believes that all trade should be socially responsible and that it benefits from good OSH, creating a race to the top on labour provisions and human rights. Investment that supports OSH capacity and emergency plans can provide assurance against supply chain disruption, as well as facilitating the green economy, modern infrastructure and new health and social care systems, helping to maximise their potential.

***Q5) With which partners and regions should the EU prioritise its engagement? In particular, how can we strengthen our trade and investment relationships with the neighbouring countries and Africa to our mutual benefit?***

IOSH isn't in a position to comment on this question.

***Q6) How can trade policy support the European renewed industrial policy?***

IOSH believes that trade policy that designs-in OSH at the concept stage is more ethical and cost-effective than seeking to remedy deficiencies further down the line. In order to protect trade during global crises, national and regional trade policies and agreements must protect the greatest source of value creation – the world's workforce. Ensuring a healthy working environment saves lives and livelihoods and maintains productivity, reliability and flexibility to meet changes in demand.

In addition, designing-in OSH at the concept stage of major infrastructure developments and project investments can lead to many socioeconomic benefits, as typified by the successful London 2012 Olympic Park development, which was built on time, on budget and without fatality, and has also provided a lasting legacy. Given their potential impacts on wider society, it is recommended that public investment and national trade and development decisions and policy implementation involve relevant stakeholder groups, including civil society. For more examples of the benefits of good OSH management in industrial projects, please see IOSH's joint publication *The business case for engineering in health and safety*.<sup>2</sup>

***Q7) What more can be done to help SMEs benefit from the opportunities of international trade and investment? Where do they have specific needs or particular challenges that could be addressed by trade and investment policy measures and support?***

IOSH has highlighted that SMEs may have limited resources and expertise, as well as challenges due to poor cashflow and late payments made to them. So we have advocated that SMEs are given both state and client support for OSH, which also helps extend the reach of clients' OSH risk management, benefitting both parties. IOSH also offers free resources such as guidance, tools, eLearning and a helpline to assist SMEs and other stakeholders. Providing OSH support to these organisations potentially yields multiple benefits, such as improved workforce health, stronger business continuity and more sustainable economies.

***Q8) How can trade policy facilitate the transition to a greener, fairer and more responsible economy at home and abroad? How can trade policy further promote the UN Sustainable Development Goals (SDGs)? How should implementation and enforcement support these objectives?***

IOSH is calling for countries and regions to revitalise and build back better and healthier. We argue the case that the major and protracted socioeconomic disruption caused by global crises and the imperative to recover and learn from them, underscores the growing impetus to make OSH and the UN's Sustainable Development Goals (SDGs) central to trade policies and recovery plans.

OSH is a vital part of SDGs, directly relating to 41 of the targets in 11 of the 17 Goals and is particularly relevant to Goal 3 (*Ensure healthy lives and promote wellbeing for all at all ages*) and Goal 8 (*Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all*). Work and workplaces worldwide can act as focal points for revitalising and building back better and healthier after disasters, addressing gaps in OSH capacity and emergency planning.

We welcome that recent trade-related activity in the EU requires its trading partners to respect and implement the ILO fundamental conventions on labour and OSH provisions. IOSH believes that initiatives such as the *Trade for Decent Work project* by the ILO and the European Commission (already implemented in countries such as Bangladesh, Myanmar and Vietnam) should be extended to other trading partners to help improve application of the ILO fundamental Conventions and working conditions, contributing to achieving SDG8, through improved OSH and working conditions.



***Q9) How can trade policy help to foster more responsible business conduct? What role should trade policy play in promoting transparent, responsible and sustainable supply chains?***

IOSH believes that to support socially responsible trade and sustainability, general elements of trade agreements should include a minimum level of OSH regulations; upward harmonisation of regulatory standards and practice; effective enforcement of regulations; implementation of international standards;<sup>10</sup> provision of OSH assistance, capacity-building and cooperation; and OSH risk management, transparency and civil society involvement.

We advocate renewed focus on sustainable corporate governance and business human rights covered by due diligence requirements, an increasingly common voluntary feature of the modern trade agenda. IOSH endorses the European Commission commitment to introducing a legislative initiative for 2021 on mandatory due diligence requirements for companies through supply chains and, encouragingly, we note media reports that the EU executive found around 70% of European businesses now support mandatory due diligence standards.<sup>11</sup>

***Q10) How can digital trade rules benefit EU businesses, including SMEs? How could the digital transition, within the EU but also in developing country trade partners, be supported by trade policy, in particular when it comes to key digital technologies and major developments (e.g. block chain, artificial intelligence, big data flows)?***

IOSH recognises the benefits that digitalisation can bring in reducing the spread of infectious disease such as COVID-19, supporting 'contactless' trade that minimises the need for physical interaction between customs and other border officials and traders at borders.

***Q11) What are the biggest barriers and opportunities for European businesses engaging in digital trade in third countries or for consumers when engaging in e-commerce?***

IOSH has highlighted the need for a human-centred and ethical focus for Artificial Intelligence, in order to protect people's personal data and privacy and to avoid issues such as bias and over-surveillance, as outlined in IOSH's response to the EC *Consultation on the White Paper on Artificial Intelligence – A European Approach*, June 2020.

***Q12) In addition to existing instruments, such as trade defence, how should the EU address coercive, distortive and unfair trading practices by third countries? Should existing instruments be further improved or additional instruments be considered?***

IOSH isn't in a position to comment on this question.

***Q13) What other important topics not covered by the questions above should the Trade Policy Review address?***

IOSH suggests that it would be helpful for the EU Trade Policy Review to explore how civil society and global professional bodies, such as IOSH, can help the EU to oversee the delivery of improved OSH, through strengthened due diligence and transparency and socially responsible trade and investment decisions.

IOSH would welcome further opportunities to help ensure that trade and investment policy supports our vision of a safe and healthy world of work.

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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 47,000 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 fund, helping develop the evidence-base for health and safety policy and practice. Summary and full reports are freely accessible from our website. 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 coronavirus resource hub at [www.iosh.com/coronavirus](http://www.iosh.com/coronavirus).

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; logistics and retail; offshore; public services; railway; 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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