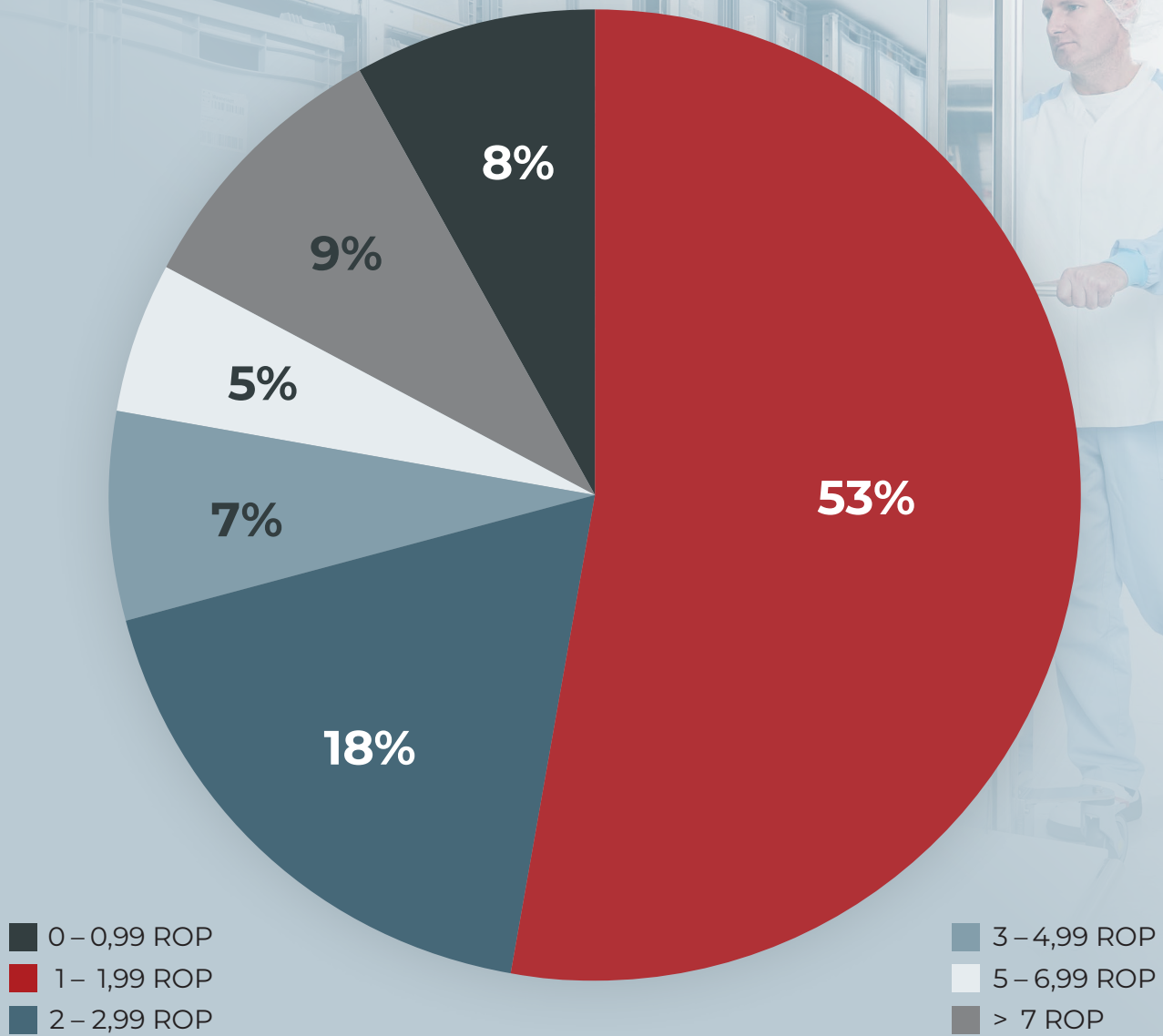


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INTERNATIONAL STUDY

Return on Prevention – Investments in Work Environment and Safety pay off

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Introduction

Of course, you want to provide your employees with the best possible work environment, but it also needs to make sense from a financial perspective.

Calculating the relationship between costs and benefits when investing in workplace safety and health can be quite complex. In fact, it often involves making informed estimates. The impact and value of having healthy, happy, and motivated employees are challenging to measure accurately.

However, in a large international study conducted by the German Social Accident Insurance (DGUV), statistics and qualitative interviews have proven to be valuable tools in examining the relationship between costs and benefits of investing in an improved work environment. The study has yielded exciting results that shed light on this topic.

Based on statistics and interviews with occupational health and safety professionals in 337 companies across Europe, the study has derived an average measure of how many times your investment in improving the work environment and safety pays off. This key figure, referred to as the "Return on Prevention," forms the heart of the report.

In the following sections, we delve into the results of the study, which provide valuable insights to consider when budgeting for your prevention measures. These findings will help inform your decision-making process and guide you towards maximizing the benefits of your investments.

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The Key Benefits Derived from Prevention Measures

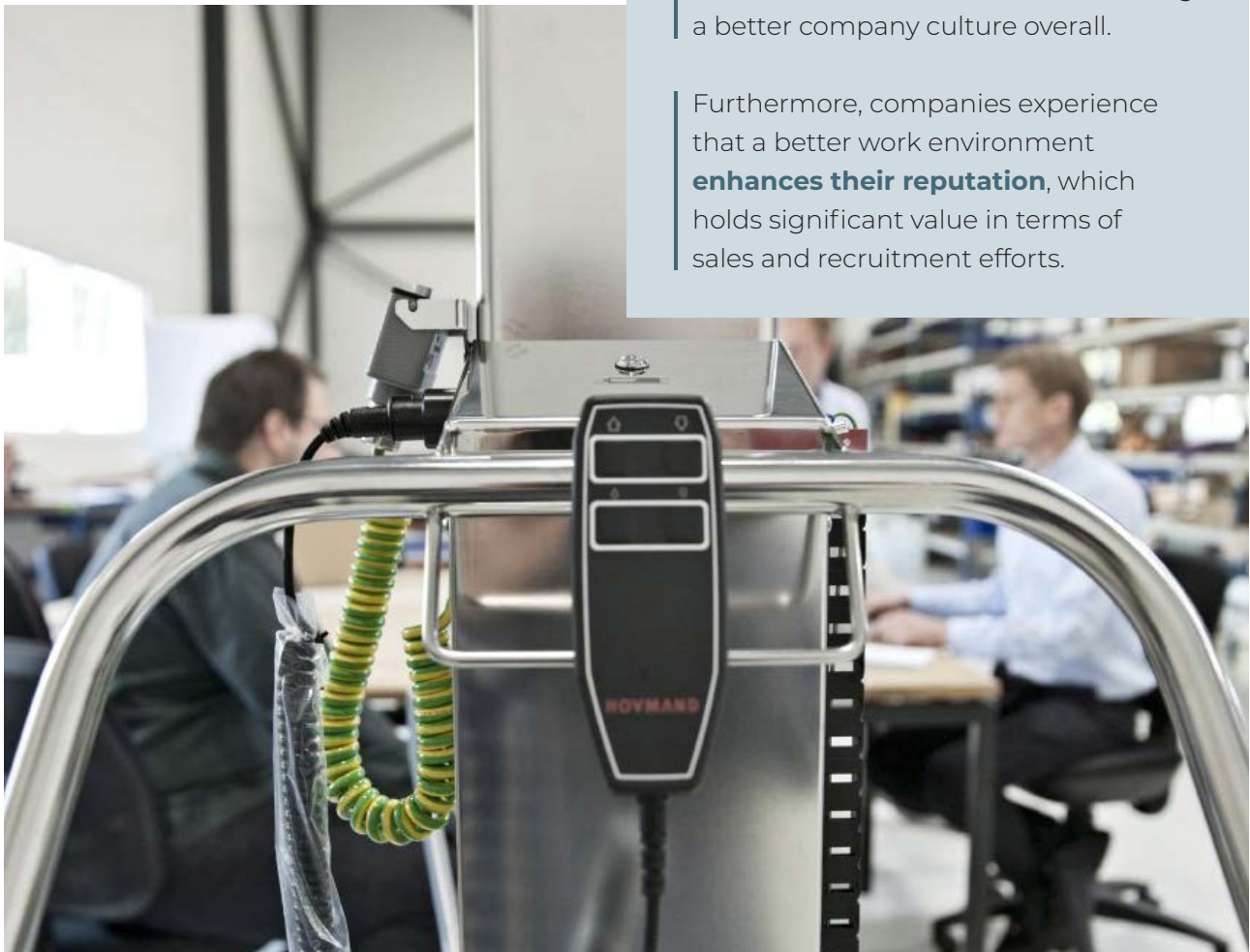
The study concludes that investments in workplace safety and health yield a wide range of positive effects.

The report highlights three primary benefits that consistently emerge across companies and industries. It is in these three areas that participating companies experience cost savings and added value resulting from prevention measures.

One of the most valuable effects of improved prevention in the workplace is a **reduction in work disruptions**. Enhanced safety and health at work lead to fewer interruptions, which is undeniably good for business.

Investments in occupational safety and health not only contribute to increased employee satisfaction but also result in a **more motivated workforce**, creating a better company culture overall.

Furthermore, companies experience that a better work environment **enhances their reputation**, which holds significant value in terms of sales and recruitment efforts.



The Bottom Line Impact

In fact, 75 percent of the participating companies in the study believe that their investments in workplace safety and health are paid back through cost savings and added value. Only 8 percent of the companies do not fully perceive their investments in prevention measures as having directly resulted in reduced costs and improved bottom-line figures.

For the majority, investing in prevention measures proves to be a sound business

decision. The return on investment is evident, with significant benefits in terms of cost reduction and overall financial performance. Simultaneously, investing in workplace safety and health not only proves to be a good business decision but also ensures higher employee satisfaction. This, in turn, leads to more loyal employees who are easier to retain. As a result, you will require fewer resources to recruit new employees.

All in all, there is a lot to gain.

Industries with Significantly High Return on Prevention

Based on a comprehensive analysis of numerous interviews, the study concludes that the highest Return on Prevention is found within the production, transport, and warehouse sectors. These industries involve substantial manual labor and frequent heavy lifting.

Therefore, there is a significant opportunity to achieve substantial gains by ensuring a favorable work environment and implementing proper safety measures, particularly in these sectors.

By prioritising a good work environment and providing the right tools for heavy

lifting, companies can make a substantial impact on both employee well-being and economic returns.

Particularly in these three industries, you can reduce absenteeism and operational disruptions, which can create significant value for both the company and employees.

If you are in one of these industries, it is definitely worth considering whether additional investments in work environment and occupational safety can ensure the well-being of your employees and improve the numbers on the bottom line.

The Multiplier for Your Investments

Within the scope of the study, a key figure called the Return on Prevention was developed. This figure represents the relationship between the economic benefits of prevention and the costs of prevention measures.

On average, the study reveals that companies receive a return of 2.2 times their investment. This means that for every unit of cost incurred, companies can expect to see their investment multiply by 2.2 in economic returns. It's a clear indication of the significant value that investing in prevention measures can bring.

To determine your overall advantage from prevention measures, simply multiply your total costs by the return-on-prevention value of 2.2. This calculation will provide you with an estimation of the economic benefits you can expect to gain.

Clearly, there is a strong financial incentive to prioritise health and safety in the workplace. Investing in the protection of your employees is a smart move that pays off. A positive work environment not only holds ethical value but also provides significant competitive advantages for your entire company.

