March | 2024

Workforce Disclosure Initiative

Workforce Disclosure in 2023
Trends and Insights

Powered by
THOMSON REUTERS FOUNDATION

Contents

Foreword

Since the global adoption of the UN Guiding Principles on Business and Human Rights thirteen years ago, Chief Executive Officers working across different sectors and geographies have been required to change the way they lead, and to assess the bottom line of their businesses more holistically, taking into account the potential impact on people, society, and the environment.

In the past decade, these Principles have had a profound impact on business operations, governance, and asset allocation. C-suite executives have had to navigate the complexity of new legislation and risk factors, deciding whether to stay ahead of the curve in terms of disclosure mechanisms, or whether to comply with standard mandatory requirements. In the meantime, investors have increasingly been searching for data to shape more ethical investment portfolios.

This is where the Workforce Disclosure Initiative comes in. Its power lies in engaging both businesses and investors to promote access to decent work for all, and to protect workers' rights. Its unique framework allows companies to identify gaps in their data and practices, and to benchmark against their peers. In doing so, not only does WDI facilitate transparency, but it also promotes a culture of continuous improvement and the sharing of best practice among companies and investors.

This year's report comes as the WDI finds a new home at the Thomson Reuters Foundation. The Foundation's commitment to free, fair and informed societies is deeply rooted in our work to drive more inclusive and sustainable economies that prioritise the interests of all stakeholders, protect vulnerable populations and leave no one behind. WDI operates at the heart of the social component of ESG frameworks: precisely the focus of the Foundation's inclusive economies work.

I am happy to share some of the highlights from WDI's seventh report:

- We received submissions from 166 companies headquartered in 20 countries
- For the seventh year in a row, we saw all 11 economic sectors report to the WDI
- The responding companies have a combined market capitalisation of US $9.5 trillion
- The data submitted represents the corporate impact on more than 10 million employees in companies' direct operations and many more across the respective supply chains.

This is a challenging time for ESG reporting. The framework is facing increased scepticism that in some cases, has driven a politicised and polarised debate. But despite these recent developments, there is a clear and urgent need for more accurate data that captures the many underreported social components of corporate impact, especially in at a time when the legislative process for mandatory human rights due diligence seems to be stalling. The role of voluntary disclosure is more crucial than ever.

This report is only possible because of the support from a growing number of companies that choose to embrace transparency and to voluntarily disclose data on their operations. It will be used by investors with $9.5 trillion of assets under management to drive tangible business decisions.

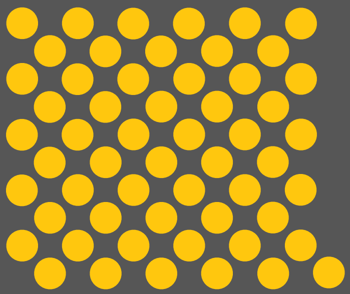
As we welcome the WDI into the Thomson Reuters Foundation, I look forward to building on its success in scaling responsible business practices. As we see in this report, it is only through bringing investors and companies together and working collaboratively, that we can build economies that have a positive impact on people and planet.

Antonio Zappulla, CEO,
Thomson Reuters Foundation

Join the WDI investor signatories

Since its establishment in 2016, the WDI has worked with institutional investors to improve corporate workforce transparency. Investor support has been vital in generating new workforce data, encouraging wider engagement from companies, and promoting a greater understanding of the workforce topics covered in the annual WDI survey.

Investors are integral to the success of the WDI and actively contribute towards many areas of its work:



56 institutions

56 institutions are part of the WDI signatory group

US $9.5 trillion

These institutions have US $9.5 trillion AUM combined.

companies engaged

In 2023, signatories engaged 299 companies, encouraging them to take part in the WDI.

Benefits of WDI membership

In return for a membership fee that is tiered according to the value of investors' assets, investor signatories receive full access to all workforce data submitted by companies, company disclosure scorecards and opportunities for engagement with companies on WDI data and workforce practices. Signatories also receive access to exclusive resources, events and the latest WDI research on workforce topics to help them make the most of the WDI's unique data set.

To support the WDI's work or to find out more about the benefits of membership please contact Samuel Recko, Investor Engagement Manager at samuel.recko@thomsonreuters.com.

Current investor signatories

Our investors all share a desire for better, and more consistent reporting on workforce practices and together they present a formidable coalition. Without their impressive work engaging companies and encouraging them to take part in the survey, this report would not be possible. This year we would like to offer particular credit to **Liontrust Asset Management**, **USS,** and **Amundi**, who engaged the most companies during the disclosure period.

IG4 CAPITAL

INDEPENDENT FRANCHISE PARTNERS™

THE JOSEPH ROWNTREE CHARITABLE TRUST

J.P.Morgan

JUPITER

LA FRANÇAISE investing together

Lankelly Chase

Local Authority Pension Fund Forum

LIONTRUST

LPP Local Pensions Partnership

MEESCHAERT Asset Management

MFS Investment Management

nest

NEUBERGER BERMAN

NorthernLGPS The Collective Asset Pool for Greater Manchester Merseyside and West Yorkshire Pension Funds

NORTHSTAR ASSET MANAGEMENT Progressive Wealth Management Since 1990

PALATINE ASSET MANAGEMENT

PeaceNexus Foundation

PensionBee

pka

POLUNIN CAPITAL PARTNERS

QUANTUM

RPMI RAILPEN

SAUL

Schroders

SCOTTISH WIDOWS

STRATHCLYDE PENSION FUND

SYCOMORE am

UNISON

USS

vision super

For the most up to date list of signatories, please find the full list here.

Luda Svystunova,
Senior ESG Analyst at Amundi Asset Management

Investor commentary

"Effective management of human capital is critically important to corporate growth and performance, particularly in the context of increased competition for talent and trends towards labour organising, which create reputational, operational, and legal risks for businesses. Meanwhile, supply chain social risks are rising to the top of the business agenda in the aftermath of the pandemic and amid the growing push for more regulatory scrutiny. Companies need to proactively anticipate these changes and make use of the social data they already collect to demonstrate their commitment to providing good, safe and fair work.

The Workforce Disclosure Initiative has an important role to play in addressing these concerns. It provides a genuine insight into a company's impact on its workers, both in its direct operations and across the supply chain. In doing so, it serves to showcase the process but also highlights the gaps in corporate data. More robust workforce reporting would help investors to better assess issuer-related social risks – and help companies understand what steps they need to undertake to provide better working conditions and protect their staff.

The ESG reporting landscape remains complex, and companies are facing increasing disclosure expectations from investors and regulators whilst reporting resources often remain constrained due to rising business costs, economic uncertainty and ongoing debates around the nature and value of corporate sustainability. As investors, we also appreciate these ongoing challenges. This is why we see the WDI framework, based on existing best practices and global reporting expectations, as a helpful place to start preparing for mandatory social disclosures. It is especially reassuring that WDI has remained resilient during this period, with its numbers remaining stable since last year. We applaud companies who have managed to complete the WDI survey in 2023, and we hope to see many more commit to greater transparency on social matters."

Introduction to the WDI

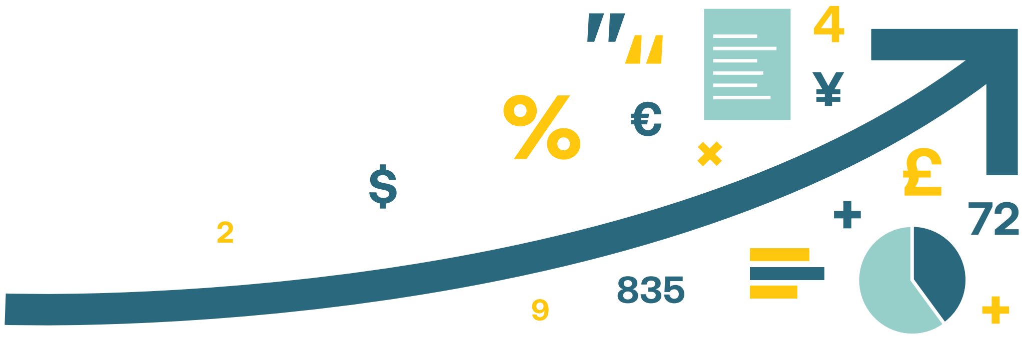
Why safeguarding workforces is important

As businesses are impacted by declining growth, climate change, geopolitical instability and the impacts of Artificial intelligence, workers are increasingly at risk. Many business leaders are responding to economic uncertainty and persistent inflation with plans to cut costs and restructure their workforce, resulting in greater use of contract or hourly workers. AI is also disrupting industries at an unprecedented rate, impacting the global labour market by reshaping job requirements and hiring habits.

Workforce shifts like these affect vulnerable workers – including low-paid, lower-skilled and contingent workers – most. It threatens their access to the job market, fair wages and decent work, pushing many into poverty. In 2023, the numbers of workers living in extreme poverty (earning less than US$2.15 per day per person) grew by about 1 million globally.[1] As global supply chains are becoming more complex and climate change forces millions to migrate in unplanned ways, workers are also becoming increasingly vulnerable to exploitation. As referenced by the latest Global Slavery Index findings in 2023 from WalkFree, the number of victims of modern slavery around the world has increased to approximately 50 million, indicating that companies' due diligence processes are ultimately failing to identify and address the issue.[2]

Amid this environment, companies are facing growing pressure from investors, regulators, and consumers to improve their social impacts, within their workforce and across supply chains. The European Union's upcoming Corporate Sustainability Due Diligence Directive is one of several pieces of legislation which will obligate many companies to report on – and mitigate - their negative impact on human rights. Workers too are making their voice heard, with widespread industrial action across multiple sectors and countries. The US particularly has been affected by strikes from workers seeking better conditions, wages, and job security. Companies require a healthy and engaged workforce to be competitive. Only by understanding - and then improving - working conditions for their employees, can they attract long-term

Why the Workforce Disclosure Initiative is a critical tool



Corporate reporting initiatives have historically failed to generate meaningful and comparable data on workforce issues at scale. The WDI was launched to rectify this through its rigorous and comprehensive survey of companies' workforce practices on a broad range of key issues. Investors need a comprehensive picture of how companies are addressing decent work and human rights in the workplace. To achieve this, the WDI's disclosure framework goes beyond the traditional scope of risks to business and shifts it to risk to people – it has a wider scope that includes the impacts organisations have on their workforce.

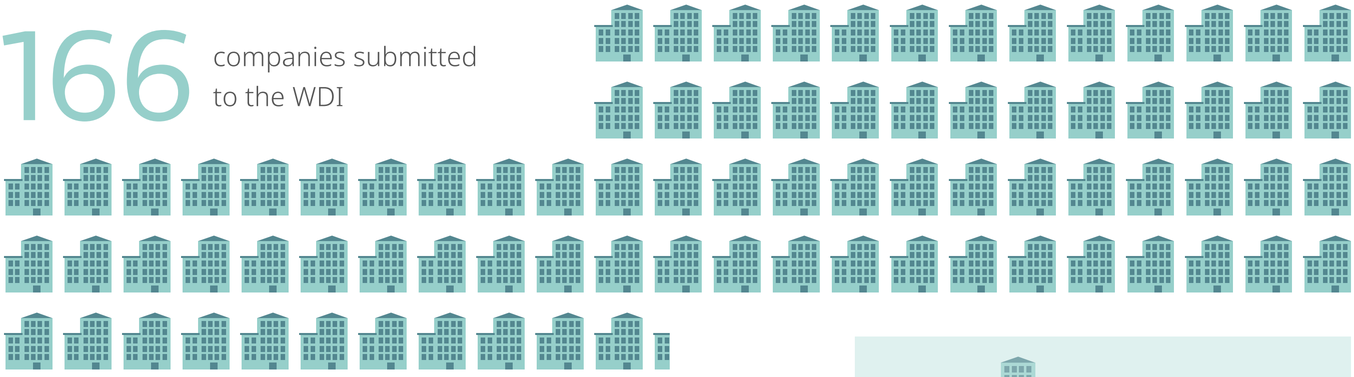
By generating a broader range of high-quality data on companies' workforces from more organisations, the WDI enables its investor signatories to drive improvements in corporate workforce policies and practices. Investors have access to company data across 13 sections of the survey, covering topics such as wage levels, health and safety, workers' rights and training and development. Investor engagement and company participation in the WDI survey promotes better workforce practices in companies' direct operations and supply chains, benefitting workers and leading to better outcomes for companies and investors.

The WDI is the most comprehensive workforce disclosure framework in the world today. The survey promotes more ambitious disclosure standards for companies around the world. It's continuously updated to encourage greater company disclosure around emerging and challenging areas of workforce practices. As environmental, social and governance reporting standards move towards greater levels of convergence, and mandatory reporting increases, the WDI plays an essential role to ensure that workforce issues, and social data more widely, aren't left behind.[3]

Workforce Disclosure Initiative 2023 overview

In 2023:

166 companies submitted to the WDI



= 2 companies

Submissions came from:

20 countries

11 For the seventh year in a row, we saw all 11 economic sectors report to the WDI

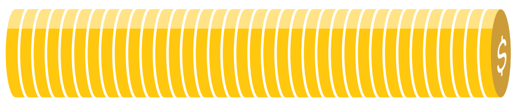
...and covered:

>10,000,000

employees in direct operations, and many more in supply chains

$9.5 trillion

US dollars in combined market capitalisation of responding companies

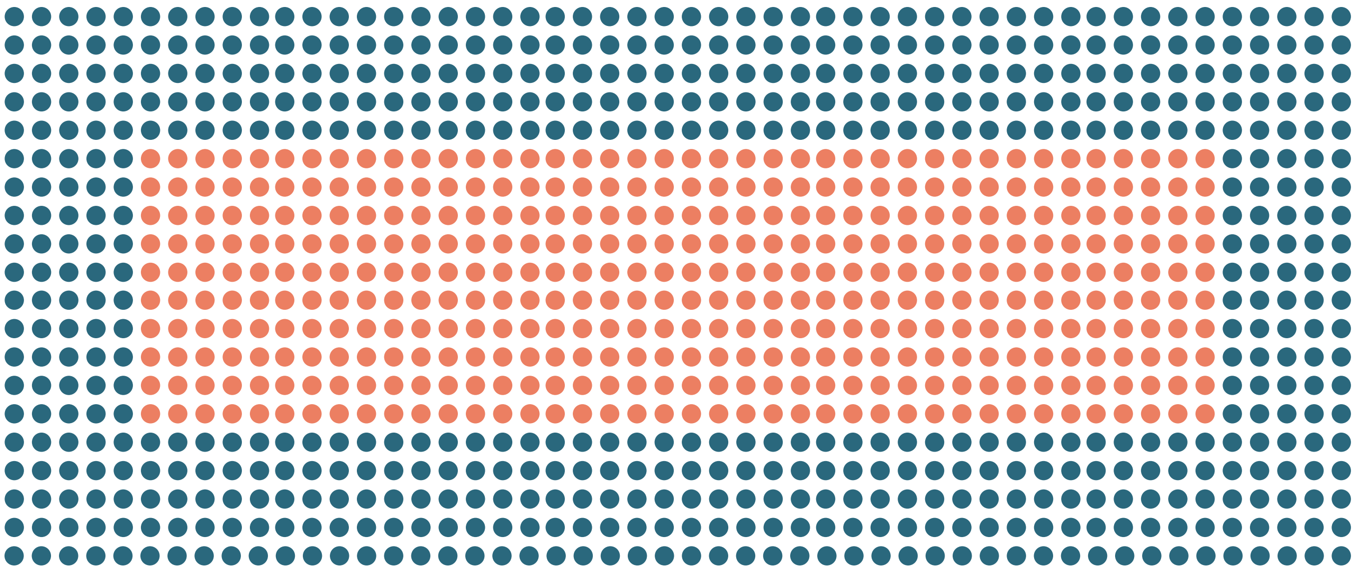


= 80,000 workers

Company selection

- In 2023, WDI investor signatories requested that 1,000 of the largest publicly listed companies from around the world take part in the WDI reporting cycle.

- Of those 1,000, the WDI team selected 400 ‘core’ companies to receive tailored and focused engagement. With the addition of investor engagement, 489 companies had direct contact with the WDI. For the fourth year in a row, Consumer Discretionary was the sector that was the most engaged, receiving 34 tailored engagements. US companies were again the ‘most engaged’ by geography, with 48 investor engagements.



Company selection was based on a combination of:

- Market capitalisation
- Significance of the company (in terms of sector, local market and scale)
- As well as those of that are priorities for the WDI investor group

Workforce data in an evolving landscape

Sustainable Development Goals and the WDI

If we are to meet the ambitious agenda set by the Sustainable Development Goals (SDGs) by 2030, innovative collaboration within the private sector must grow. It's only by harnessing the power of the investment community and corporations that we'll tackle some of the most challenging problems the world faces today. While the WDI's primary focus is on Goal 8 and how we "promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all", good work also supports ending poverty (Goal 1), gender equality (Goal 5), industry, innovation and infrastructure (Goal 9), reduced inequalities (Goal 10) and peace, justice and strong institutions (Goal 16).

Environmental, social and governance principles

Recognition within the investment system of the importance of integrating environmental, social and governance (ESG) factors into investment analysis and stewardship is growing year on year. The value of ESG data is growing too, with the value of environmental, social and governance assets set to reach over US$40 trillion by 2030.[4] As a result, the risks associated with poor workforce management, which falls under both the 'social' and 'governance' aspects of ESG, can no longer be ignored by the investment community or companies themselves.

WDI investor signatories are increasingly aware of the negative impact poor workforce management can have on company performance and recent changes in working patterns have served to focus attention on companies' workforce practices. However, while the 'S' of ESG is gaining growing recognition, this increased momentum must continue to address the pressing challenges we face. Similarly, some companies are aware of the role workers play in contributing to their value, but improvements to policies and practices lag behind.[5]

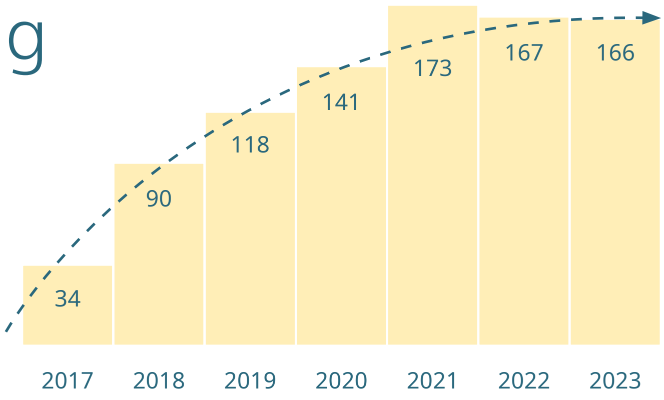
Emerging standards and mandatory reporting

As the focus on sustainability grows, the value of internationally recognised reporting standards is increasingly clear. If formulated effectively, global standards could help to drive progress towards a financial system that better addresses the critical environmental and social challenges the world faces. Progress is being made towards making this a reality through both the European Union's Corporate Sustainability Reporting Directive (CSRD) and the IFRS Foundation's International Sustainability Standards Board (ISSB).

The WDI has a key role to play in driving rigorous mandatory standards and has already supported the international standards development process. This includes participation in the European Financial Reporting Advisory Group's Project Taskforce, helping to develop the technical reporting standards for the CSRD. The WDI also regularly engages with other reporting frameworks and standard setters. This ensures that other initiatives provide investors and other stakeholders with the information they need to understand how companies are treating their workers, and to drive improvements in corporate practice.

This report sets out a summary of the findings from the 2023 WDI reporting cycle, including trends in company reporting by sector and geography, the average level of the survey that was completed and insights from the different sections of the survey. Six thematic findings were identified, covering value chains, fundamental workers' rights, marginalised workers, global transformations, D&I data, and grievance mechanisms.

Number of responding companies in 2023



The WDI has proved its resilience amid a challenging reporting landscape, with the number of companies reporting through the WDI remaining stable since 2022.

The number of responders to the WDI survey in 2023 remained approximately the same as last year marking an era of stabilisation for the initiative since its first reporting cycle in 2017. There were some previous responders who opted not to participate this year. However, the retention rate remained strong in 2023 at 80 per cent, roughly the same as last year's 81 per cent.

The WDI's appeal and resilience shone through this year, attracting 25 new companies. These newcomers represent diverse sectors and geographies, with a notable increase in Asian responders. This is a welcome step as the WDI looks to expand its global presence. Overall, our 2023 global representation was strong, covering 20 different countries and all 11 sectors.

WDI's ability to attract new companies is encouraging amid ongoing shifts and challenges in the corporate reporting landscape. When surveying non-responding companies, the reason for not participating that has really come to the fore in 2023 was the desire to wait for mandatory reporting.

As legislators from the U.S. SEC, the EU and other jurisdictions make strides in developing mandatory sustainability reporting requirements, many businesses are collectively holding their breath to see how they will be affected. This wait-and-see approach continues to hold many businesses back from voluntary reporting.

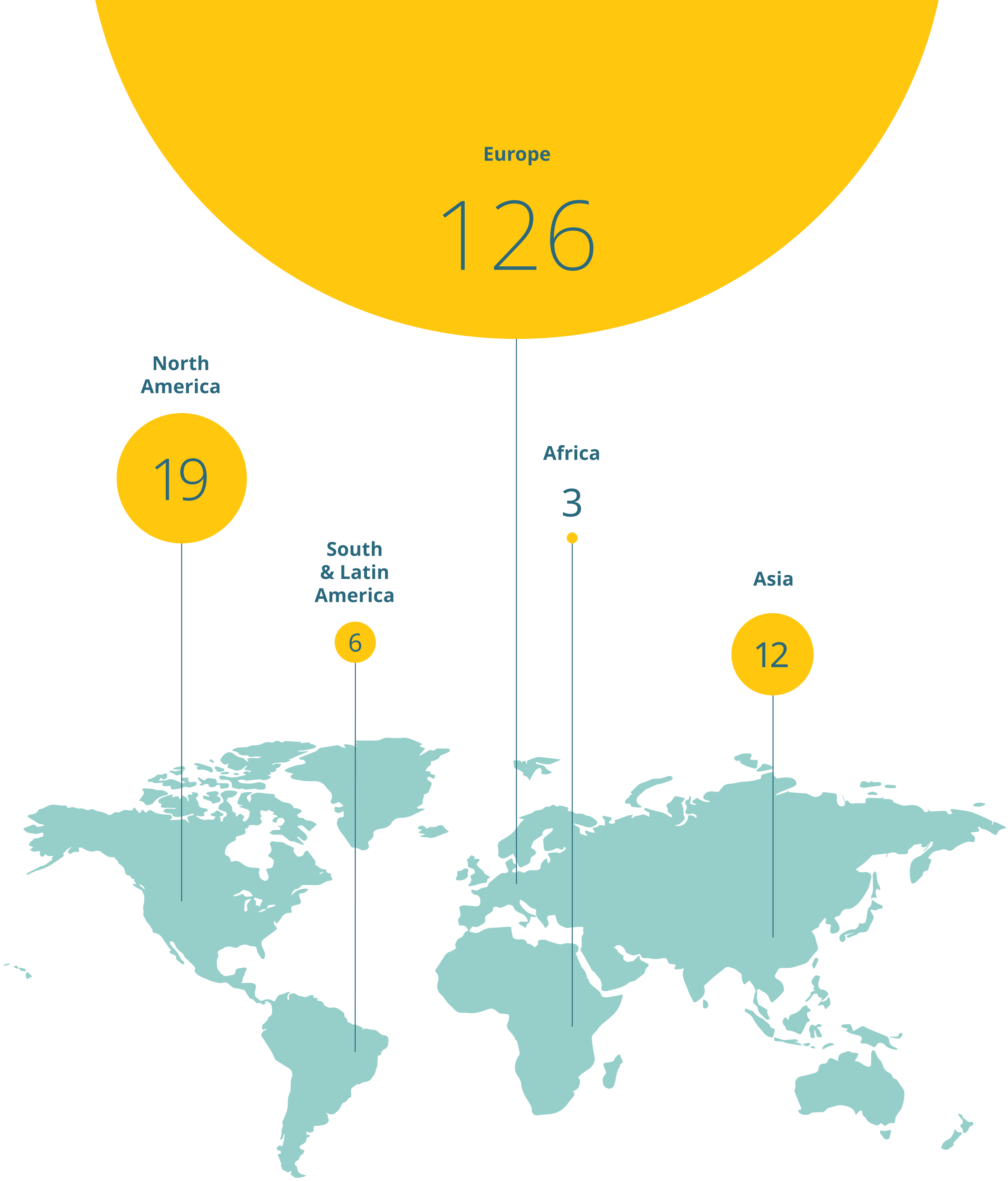
In reality, however, looming mandatory reporting should provide an additional motivation for companies to partake in the WDI. The survey is designed to be complimentary and interoperable with other reporting frameworks, meaning participating companies can use it to refine and improve their workforce reporting ahead of mandatory disclosures.

Equally, this year many planned mandatory reporting standards have been delayed, diluted or modified due to industry pushback. This casts doubt over the potency of future mandatory standards and the social information they'll provide. As the "gold standard" of social reporting, the WDI has fresh appeal for companies genuinely seeking to understand their impact on their workforce. This is signified by a jump in companies returning to the WDI following a hiatus, with seven previous responders submitting again, compared to an average of three.

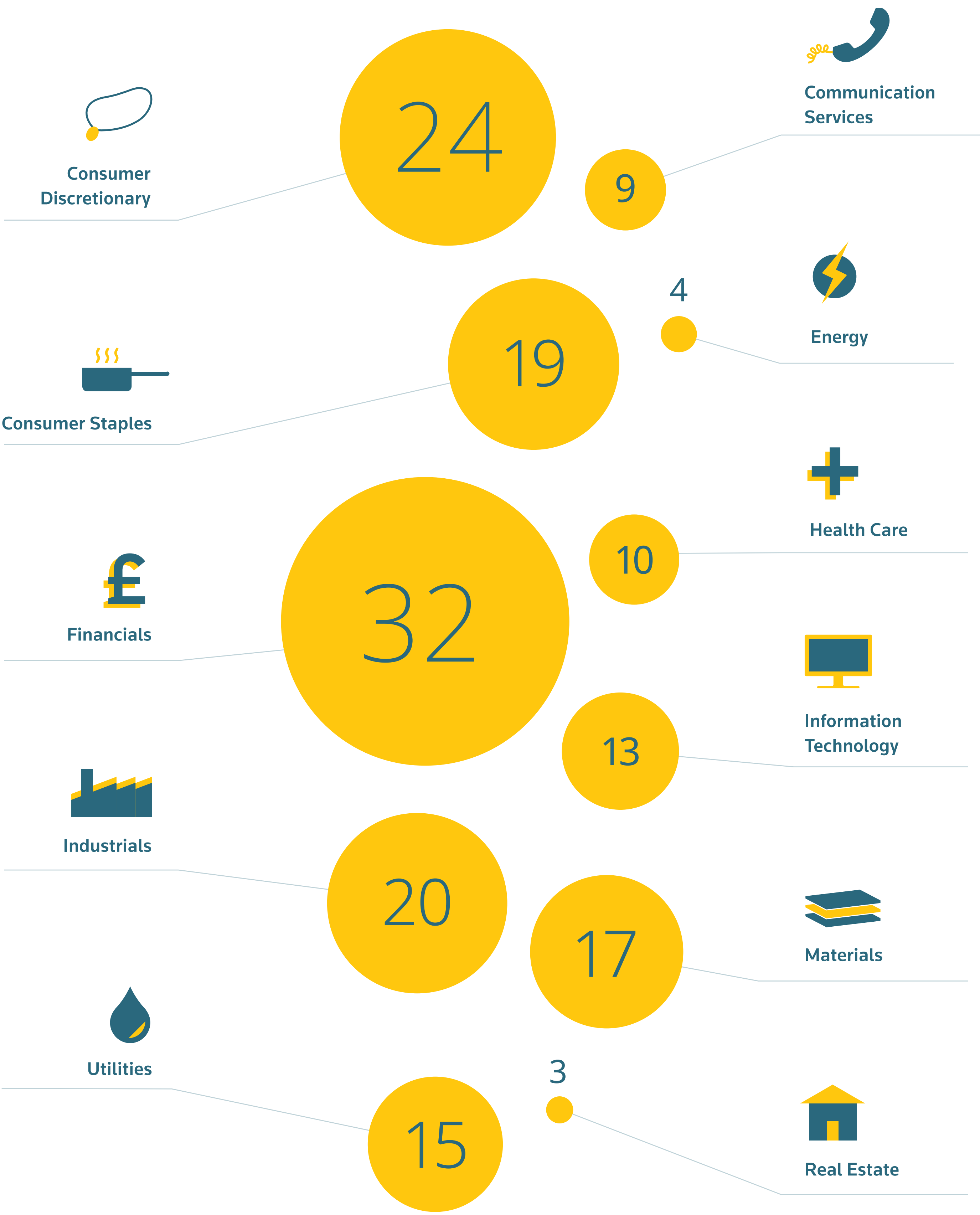
Results show the longer companies take part in the WDI survey, the more data they can provide. Third-time responders provided more than double the data submitted by first-time responders, and more than three times as much information as non-responders are publishing. Meanwhile those who have participated for seven years running provided 74 percent of the data, double first-time responders and nearly three times more than non-responders. Companies responding to the WDI survey for the first time provided on average 36 percent of answers. This is nearly double the data collated from non-responders' reports and websites which resulted in an average completion rate of 20 per cent.

As the financial materiality of a company's social activities becomes increasingly clear, investors are also seeking more in-depth workforce related data to inform investment decisions. To ensure the survey delivers both companies and investors the information they most wish to see, WDI completed a comprehensive consultation (harvesting insights from signatories and participants) in 2023 and incorporated the results in the survey.

Responding companies by geography



Responding companies by sector



Making more workforce data available

WDi

The WDI survey includes:

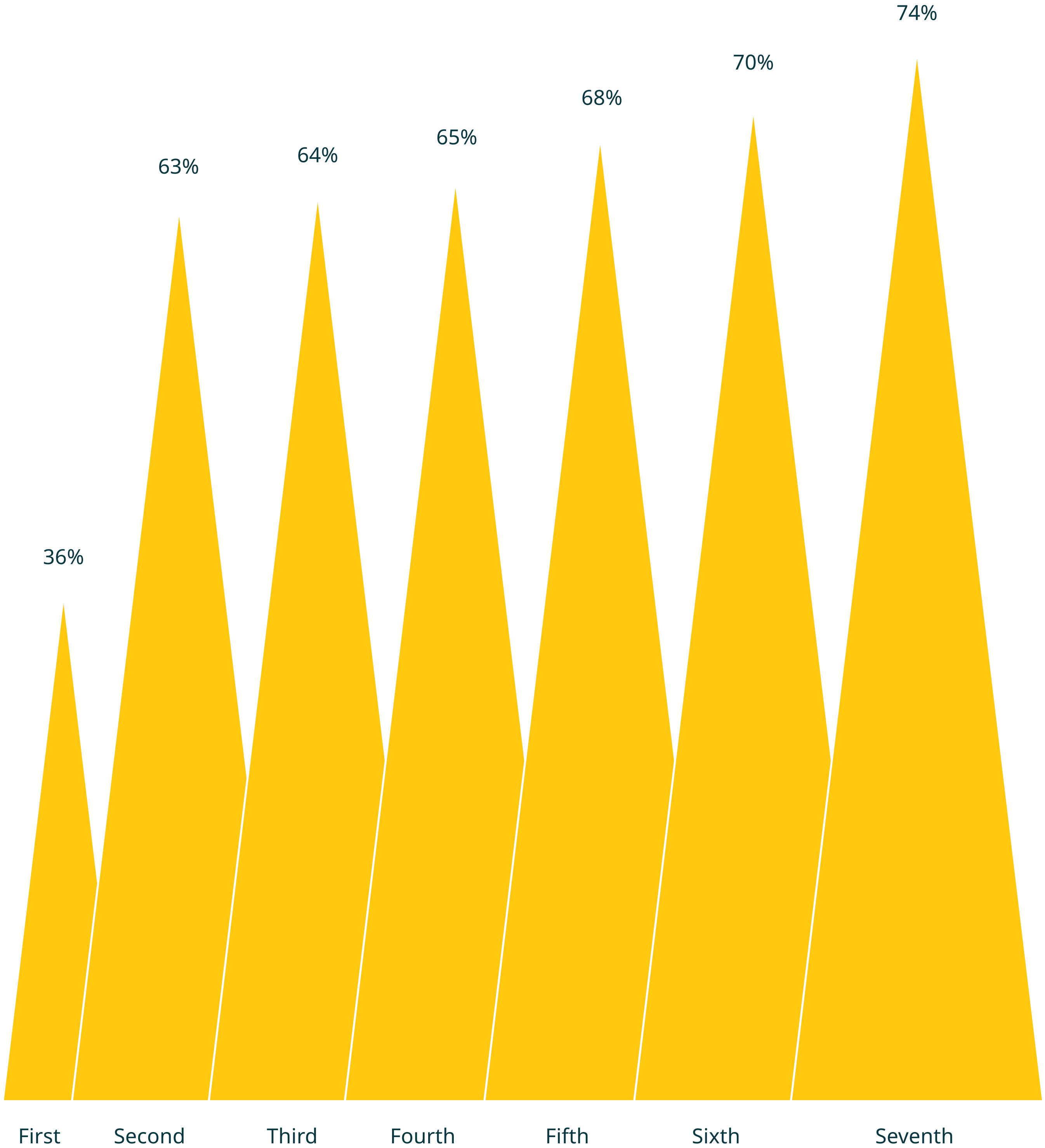
135	240+
questions	data points

across 13 thematic sections

The survey is designed to challenge companies' workforce data collection. As a result, 62 percent of the total survey was completed in 2023 on average. Participation in the survey helps companies to think about the data they collect, how they manage their workforce and how this could be improved in the future.

The longer companies take part in the WDI, the more of the survey they complete

Disclosure score (i.e. how complete the response is) by how many times the company has responded to the WDI



Publishing WDI data

Companies are encouraged to make data submitted through the WDI survey available to the public, to demonstrate their openness on these issues and so that companies can learn from each other on workforce reporting and management. This can, however, act as a barrier to participation, because some organisations are nervous about putting this information into the public domain. To mitigate this, over the last six years, companies have had the option to share some data publicly or to investor signatories only.

Mandatory public data

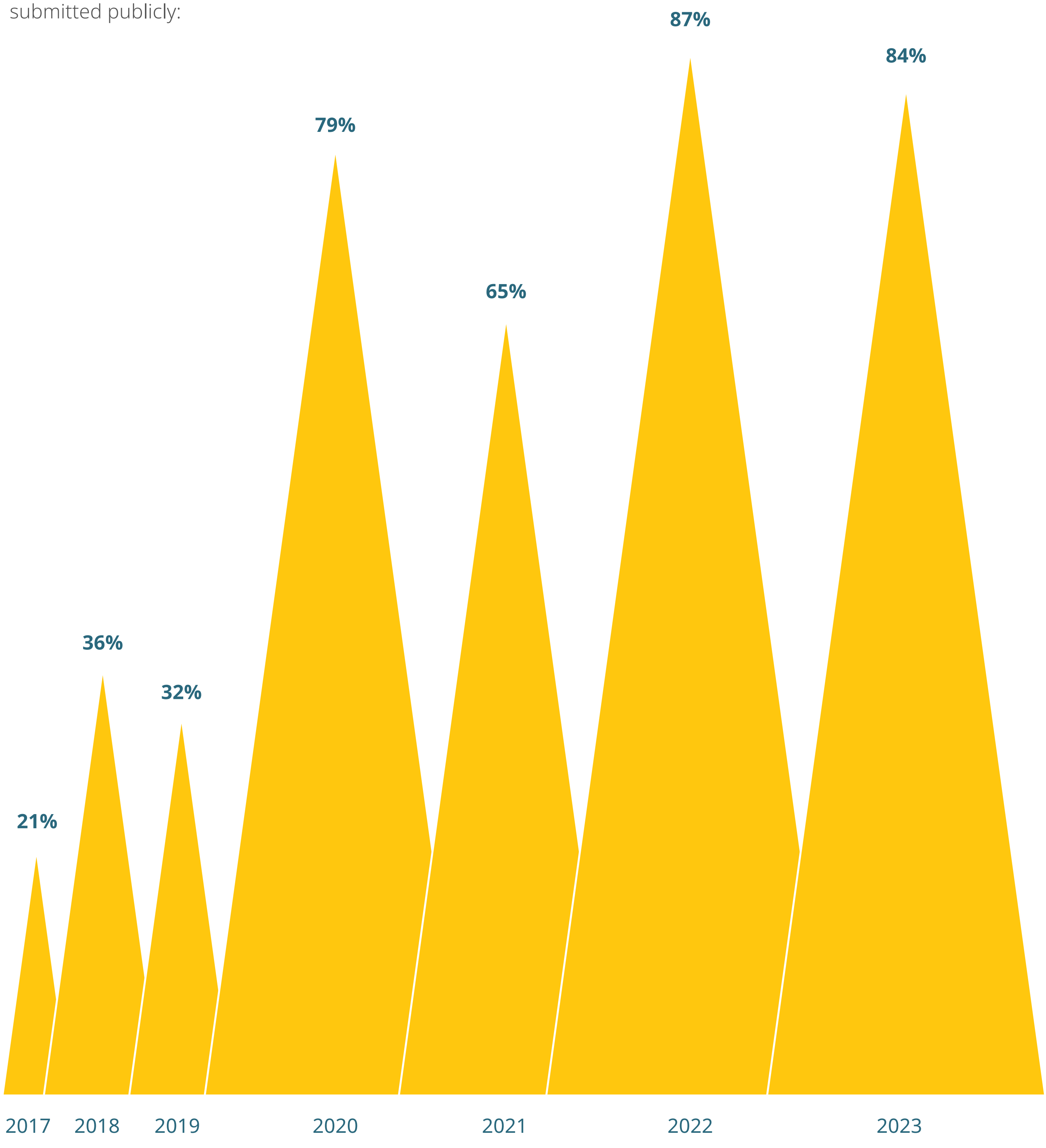
The WDI asks 51 questions where the responses are made available to the public by default through the WDI website. Companies can, however, choose to make more data available publicly. In 2023, 84 per cent of companies' responses were submitted under the "public" option. The WDI continues to increase the number of mandatory public questions to ensure the quantity of publicly available, comparable workforce data increases.

Data available uniquely to investor signatories

For all questions which aren't marked as "mandatory public", companies have the choice to submit their answer publicly or to the signatory investor group only. Data submitted in this way is only available to WDI investor signatories to help focus engagement activities, inform voting policies and decisions, and further support wider research objectives related to investment portfolios. The full data set is also used by the WDI team in its analysis, reports, and research.

Companies continue to make the vast majority of data public[6]

Proportion of the survey submitted publicly:

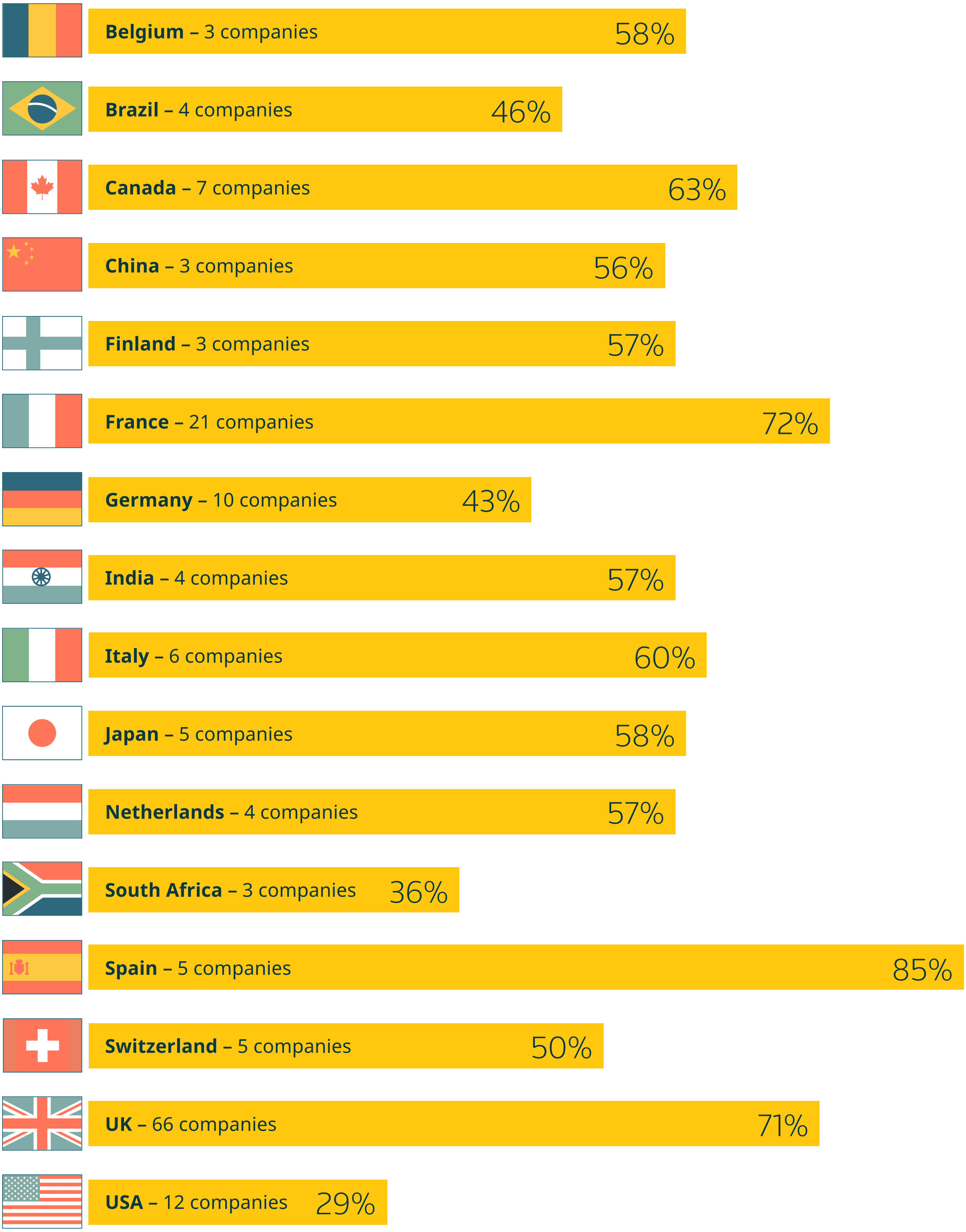


The WDI increases the amount of data available on companies' workforce practices

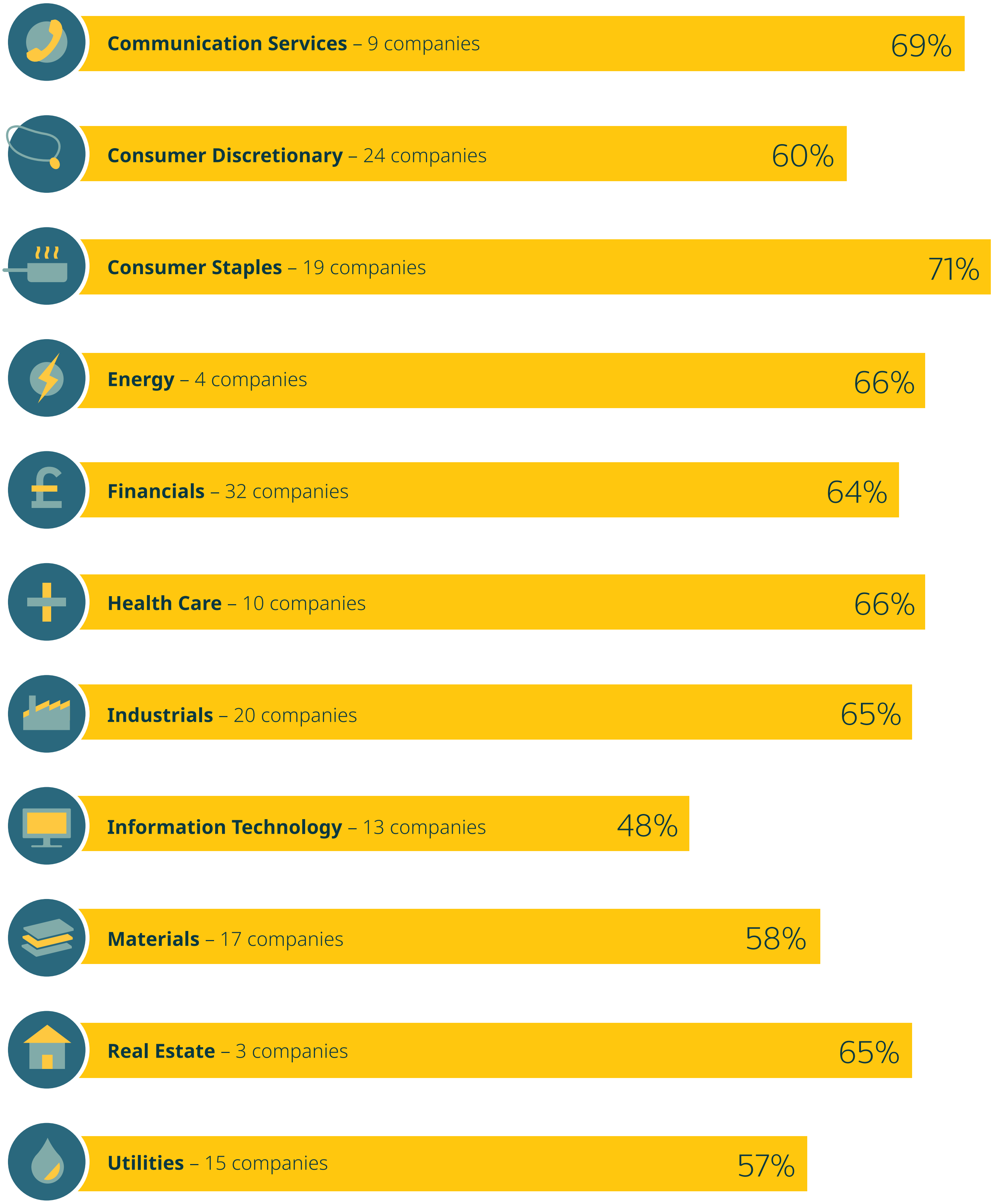
To demonstrate the WDI's commitment to publicly reported workforce data in 2023, we compared how much information was available in the public domain between responding and non-responding companies. Using companies' annual reports, sustainability reports, public policies and 401K disclosures, the WDI survey was completed for a group of 174 non-responding companies. By comparing how complete each section of the survey was for these 174 to the 166 responders, we were able to determine how much more information participating companies were publishing through the WDI than is traditionally made available. This research revealed that ***companies who complete the WDI survey are making three times as much data available than those who don't complete the survey.***

Insights from the WDI

There are notable differences between the levels of data provided by companies based in different markets[7]



Average disclosure scores vary significantly across sectors



Top workforce opportunities and human rights issues reported by companies in 2023

Top workforce opportunities

- Diversity and inclusion
- Attracting and retaining talent
- Health, safety and wellbeing

Top workforce risks

- Health, safety and wellbeing
- Human rights
- Diversity and inclusion

Thematic findings

Overview of findings

The following findings are based on companies' responses to the WDI survey. While they provide an invaluable insight into these organisations' approaches to managing their workforce, they aren't necessarily representative of the practices of all companies, beyond those that took part in the survey.

1

Many companies don't have the data they need to accurately understand their value chains

2

Fundamental workplace rights still lacking in key areas

3

For many key areas, diversity data collection is stagnating or regressing. This is especially the case for data on race and ethnicity

4

Companies are falling short of key human rights commitments, particularly when it comes to grievance mechanisms

5

Companies do not have the necessary information to respond to the global transformations that are currently underway, and this is especially the case for the sectors who will be worst affected

6

Use of contingent workers is increasing, but companies don't have the data they need to protect these more vulnerable workers

Finding 1

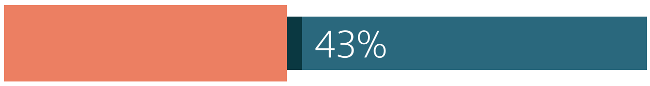
Many companies don’t have the data they need to accurately understand their value chains

Value chain risks are universal, with almost every business likely to feature forced labour, modern slavery, or human trafficking somewhere across its supply chain.[8] As value chains grow in complexity and crises like climate change, Covid-19 and conflict increase, these can force more people into un-planned migration and extreme poverty. Workers must be protected from becoming victims of exploitation. Yet many companies lack the data needed to accurately understand how their value chains work. Without this critical information, they are unable to improve working conditions and put necessary protections in place for upstream and downstream workers.

Companies lack the fundamental value chain data they need to be able to improve value chain working conditions.

Companies are under increasing pressure from investors and other stakeholders to disclose details of their workforce practices across the value chain. Yet WDI data shows companies have limited knowledge of their own value chains and lack the data to understand and mitigate workforce risks.

Almost a fifth (19 per cent) of responding companies failed to explain their value chain and the role it plays in the company's business model.

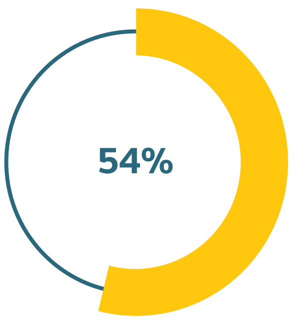


Just under half (43 per cent) of responding companies did not publicly disclose the results of their value chain mapping.

This is fundamental business information, as without an understanding of the value chain, companies are unable to effectively monitor workforce risks and opportunities across it. Value chain mapping is an essential risk management tool. It can identify where the most severe human risks are across a company's value chain, what processes are in place to mitigate that risk, and it helps uncover blind spots where further information gathering is needed.[9]

It is highly recommended that businesses make this information public where possible to build trust with workers, customers and investors.

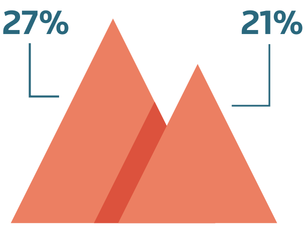
Many companies are unable to provide fundamental data about the structure of their value chains.



Just over half (54 per cent) of responding companies shared any data about the number of first tier suppliers in each of the company's top ten sourcing locations.

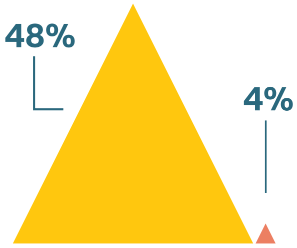
Furthermore, less than half of companies provided the average length of relationship the company has with its direct suppliers. This is a crucial metric for companies and investors alike, as length of supplier relationships often can be a key determinant of the likelihood of poor practices in the value chain.[10]

Companies also demonstrated a lack of knowledge when it came to the workers in their value chain.

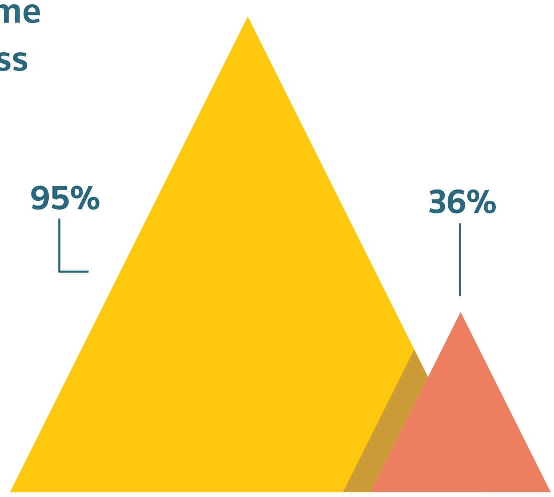


Only 27 per cent of companies were able to provide an estimate for the number of workers in their value chain, while even fewer (21 per cent) reported that they collect data on the gender composition of their value chain workforce. Value chain workers who are not male are at increased risk of specific and severe labour and human rights abuses. Without tracking this data, it is challenging for businesses to implement measures to address these risks.

The difference between first-time and long-time responders was particularly pronounced across value chain reporting.



Seven-time responders were over 10 times more likely to provide the estimated number of workers in the company's value chain than first time responders (48 per cent compared to 4 per cent, respectively).

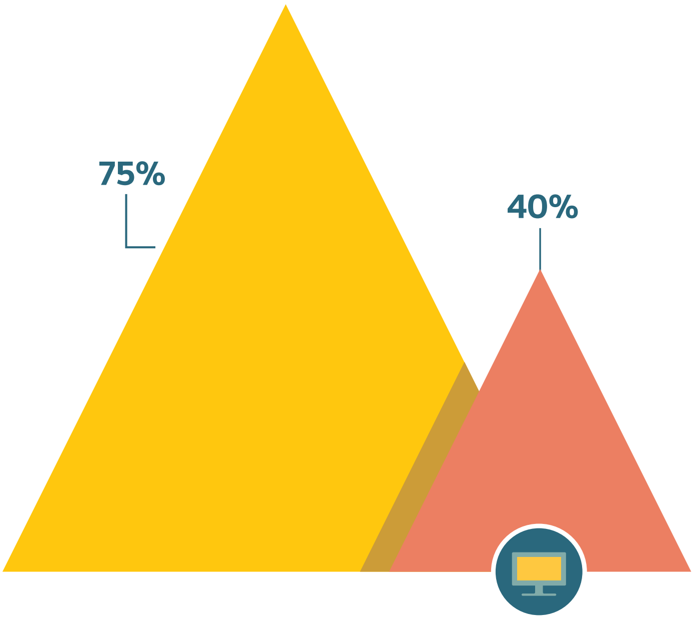


A company's ability and/or willingness to explain its value chain and the role it plays in the company's business model also directly correlated with how long they have been taking part in WDI. Just 36 per cent of first-time responders answered this question, compared to 95 per cent of seventh time responders.

This indicates that - despite the challenges associated with value chain reporting - transparency is possible once the practice of reporting is established.

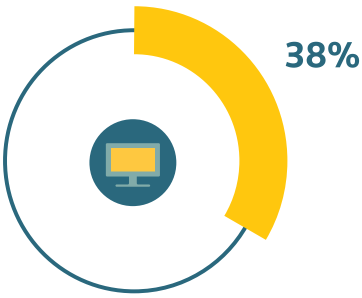
IT and Materials companies displayed data gaps when it came to supplier practices and value chain working conditions.

Value chain reporting levels fluctuated across sectors, with companies from Consumer Staples and Communication Services sharing the most data. IT companies were the least likely of any sector to provide information relating to the structure of – or workers in – their supply chain.



Only 40 per cent of IT companies described the approach for incentivising supplier performance on workers' rights, compared to 75 per cent of companies from all other sectors.

Almost half of IT companies (47 per cent) provided no data on efforts to map their supply chain.

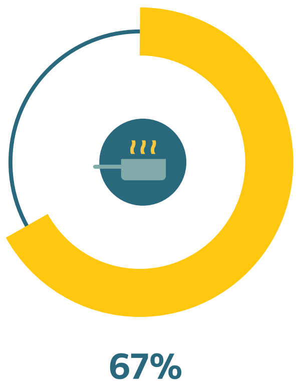


IT and Materials were also the only two sectors where more than half of the businesses provided no data on how they measured whether they are effectively incentivising supplier progress on worker rights and working conditions. Only 38 per cent of IT companies provided information here, significantly the lowest of any other sector.

Consumer Staples demonstrated strong due diligence where it came to identifying cases of modern slavery in the value chain.

67 per cent of Consumer Stapes answered yes when asked if they had identified any instances of forced labour, modern slavery, human trafficking or child labour in its value chain in this reporting period.

Without interrogating this further, this may imply the issue of forced labour is more prevalent in Consumer Staples company supply chains. In reality, however, forced labour remains so ingrained in global supply chains that this higher disclosure rate is more indicative of robust due diligence processes. The sector respondents should be recognised for publicly disclosing the most information related to identifying forced labour in supply chains.



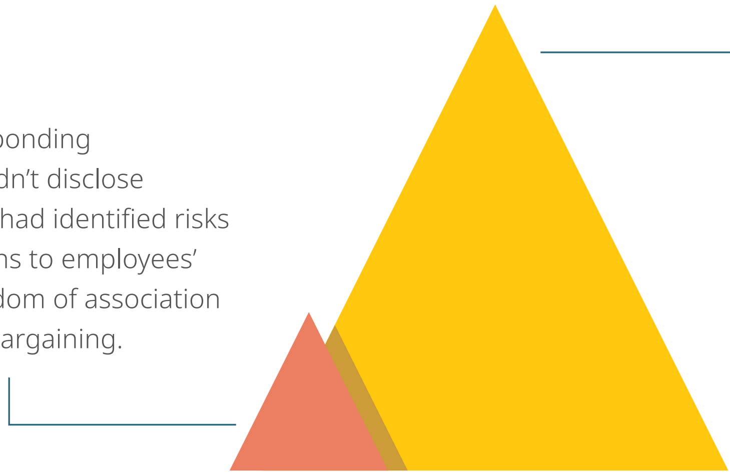
Finding 2

Fundamental workplace rights still lacking in key areas

Freedom of Association (FoA) and Collective Bargaining (CB) are vital labour rights which give workers a voice to address labour issues and facilitate collective solutions that are needs driven. FoA and effective CB are also key in ensuring fair wages – a fundamental workplace right. Amid rising living costs, wage concerns in employees are particularly high and a leading cause of worker dissatisfaction. To address this, businesses need to regularly monitor pay equity within their value chains, and ideally through collective bargaining agreements (where in place) and other relevant worker-led groups, particularly in addressing pay injustices.

FoA and CB are fundamental workplace rights and are a sign of an engaged workforce, yet many companies still have an incomplete understanding of worker voice and its role within their organisation.

A third of responding companies didn't disclose whether they had identified risks and restrictions to employees' rights to freedom of association or collective bargaining.

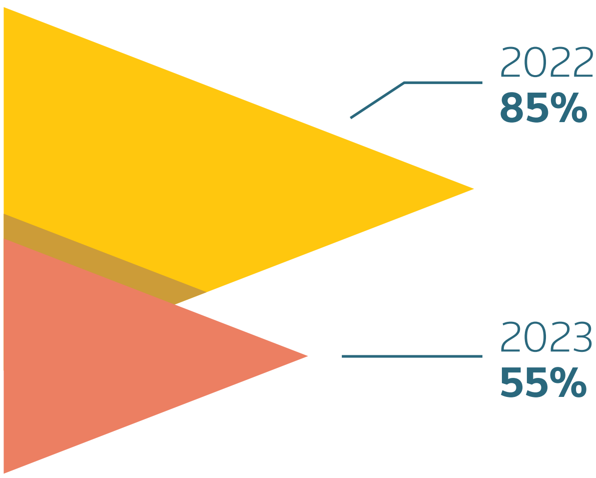


This information should have been gleaned from basic HRDD (which 98 per cent of companies claimed to conduct regularly) so it suggests that some companies' due diligence is not being carried out effectively when it comes to worker voice.

A fifth of companies also didn't explain their process for consulting with workers or their representatives.

Consulting with workers is a critical datapoint in helping companies and key to them delivering good workforce management. It is also notable that the disclosure rate dropped here from 2022, when only ten percent of companies failed to share details on their process for consulting with workers.

Throughout the section on worker voice, there were various areas where the disclosure rate regressed significantly compared to previous years.

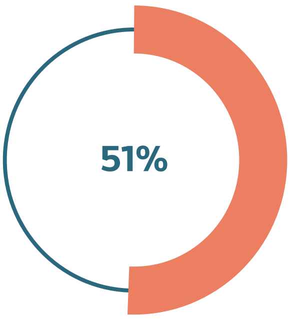


In 2022, 85 per cent of companies described a mechanism for enabling workers' participation in decision making. This year, however, the rate of disclosure dropped to 55 per cent.

This notable decline heightens operational risks for companies, as employee engagement serves as a key predictor of turnover. With the rise in worker strikes, businesses face mounting financial and operational challenges stemming from discontented employees. Involving workers in decision-making and fostering transparency in the process are effective strategies for companies to reduce the likelihood of industrial action and high turnover.

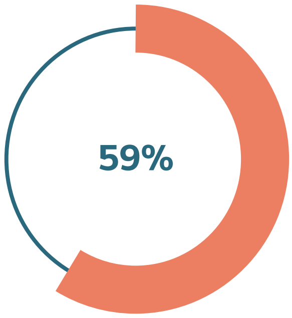
Even where the levels of disclosure were comparatively high, it didn't always translate to good practices when it comes to worker voice.

Most (85 per cent) responding companies provided the percentage of their employees covered by collective bargaining agreements…



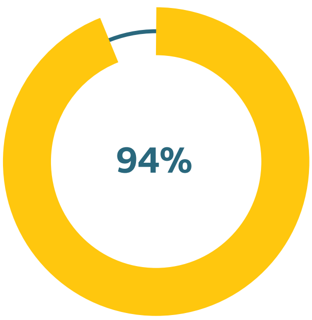
But average coverage rate was itself low, covering 51 per cent of all employees across direct operations.[11]

Industrial companies had the biggest discrepancy between disclosure and performance. 100 per cent of Industrial companies disclosed the percentage of employees covered by collective bargaining agreements…



But only 59 per cent of employees were covered, a comparatively low amount.

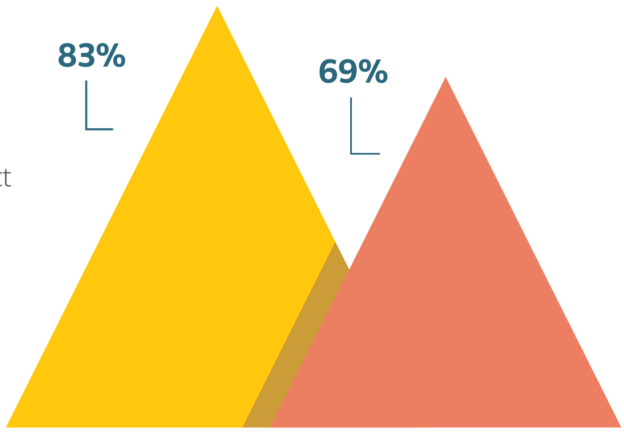
While there were data gaps in companies' understanding of worker voice, there were also examples of excellent practice and areas where progress is clearly being made.



Of the companies that did successfully identify risks or restrictions to freedom of association or collective bargaining, 94 per cent could identify the risk or restriction and provide an example of action taken to address it.

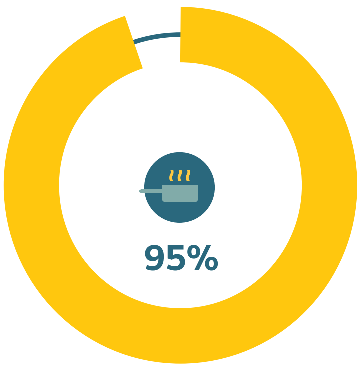
The data also showed that, when worker voice and collective bargaining was leveraged by the workforce in a company's direct operations, it was generally well responded to by leadership.

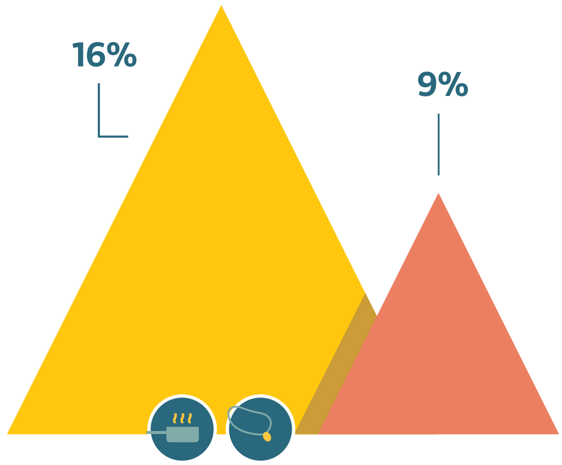
Approximately 80 per cent (83 per cent) of companies provided an example of how workers have influenced a decision of substance. This was significantly higher than in 2022, when only 69 per cent responded to the question.



Certain sectors stood out as best-in-class regarding worker voice, with Consumer Staples leading in many aspects.

Of all responding Consumer Staples companies, 95 per cent described their process for consulting with workers.





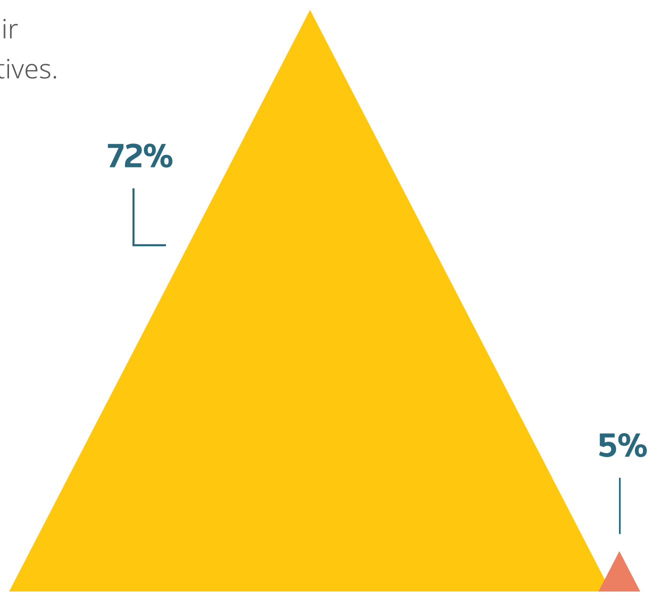
Together with Consumer Discretionary companies, Consumer Staples also identified the most risks or restrictions to employees' right to freedom of association or collective bargaining in its direct operations (16 per cent compared to the average of 9 per cent).

This data point may seem like workers in this sector are most at risk of suffering restrictions to worker voice. However, it is more likely to be that these companies are carrying out more effective due diligence than companies in other sectors. Crucially, of the Consumer Staples companies who identified these risks, all were able to provide an example of action taken to address them.

The disclosure levels of all responder companies were significantly higher than that of non-responding companies, who displayed some concerning data gaps.

Just 17 per cent of non-responders publicly explained their process for consulting with workers and their representatives. The difference was particularly stark when considering workers in the value chain beyond direct operations. When asked how the company is working to ensure that value chain workers can exercise their rights to freedom of association, 72 per cent of responding companies provided information, compared to just 5 per cent of non-responder companies.

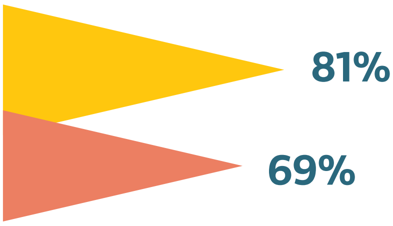
Equally, only one per cent of non-responding companies had any information on how they secure the rights of non-employee direct operations workers to collective bargaining, compared to 72 per cent of responding companies.



All employees have a fundamental right to fair wages and insufficient pay is a leading cause of employee dissatisfaction.

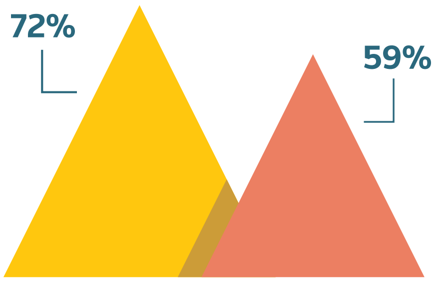
Low wages can result in a disengaged workforce, high turnover rates and strikes, all of which affect a company's productivity. Yet companies lack a sufficiently detailed understanding of the pay across their organisation to effectively tackle pay inequalities.

This is particularly the case when it comes to companies understanding and paying a living wage, the minimum income necessary for a worker to meet the basic needs of themself and their family, including some discretionary income.[12]

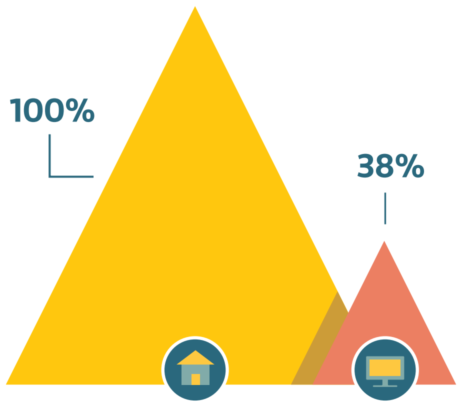


While 81 per cent of companies provided data the extent to which it pays living wage, only 69 per cent provided detail on how they identified living wage levels and how they were planning on improving it.

Low wages and pay gaps entrench global inequalities, with marginalised workers more at risk of financial hardship due to being institutionally shut out of well-paying jobs or paid less than they should be. Reporting on pay gaps is necessary to understand and rectify this imbalance, and significant process was made this year reporting the gender pay gap.



72 per cent of companies reporting their median gender pay gap this year, a promising increase from 59 per cent in 2022.



100 per cent of Real Estate companies reported their gender pay gap, only 38 per cent of IT companies did.

Unlike the gender pay gap, however, reporting on the ethnicity pay gap significantly regressed.

Only 19 per cent of companies reported their ethnicity pay gap this year. This marks a significant regression in a topic which had been building momentum up to this point, with 54 per cent of companies reporting their ethnicity pay gap in 2022.

Energy and Materials companies were least likely to provide their ethnicity pay gap.

Just two per cent of non-responding companies shared their ethnicity gap, and 12 per cent shared their gender pay gap.

Finding 3

For many key areas, diversity data collection is stagnating or regressing. This is especially the case for data on race and ethnicity

Diversity and Inclusion (D&I) performance has been a hot button topic over the last decade, with phenomena like Covid-19 and Black Lives Matter acting as a stark reminder of the inequalities that continue to flourish in workplaces across the world. Within this climate, D&I disclosures have been consistently rising year on year. Yet recent pushback has hindered – and in some cases reversed - progress in many D&I areas and many companies still lack the data needed to develop robust D&I strategies.

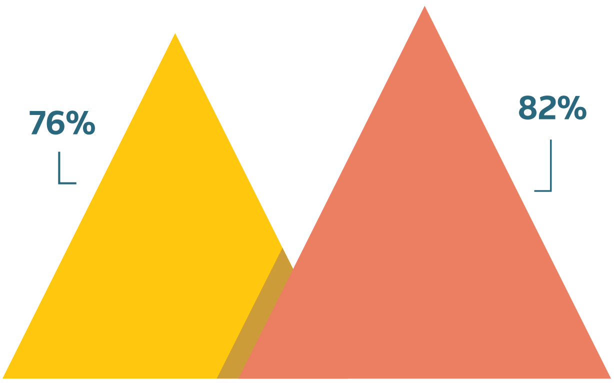
General D&I disclosures are stagnating or getting worse for the first time.

83 per cent of responding companies provided information on what action the company had taken, or intends to take, to improve diversity and inclusion. This marks a significant regression from 2022 where virtually all (99 per cent) responding companies provided this information.

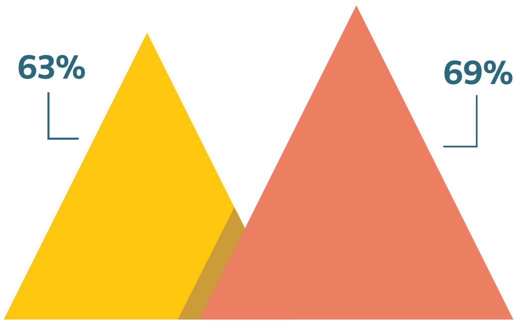
While not legally mandated, a written D&I policy is now the expected norm. It acts as a demonstration a company's commitment to improving D&I at a strategic and board level, irrespective of whether these polices are delivering. The absence of this fundamental data point from 17 per cent of respondents is therefore concerning.

Another area we generally expect high levels of disclosure is on company action to improve diversity in leadership positions, such is the heightened scrutiny of businesses at C-suite level. Back in 2022, 90 per cent of responding companies shared details of action the company has taken, or intends to take, to increase diversity in leadership positions. This year, this slipped to 83 per cent.

There were other areas where the disclosure rate regressed.



76 per cent of responding companies provided the percentage of the company's total direct operations workforce within each age category this year. This is a regression from 2022, where 82 per cent of responding companies provided data.

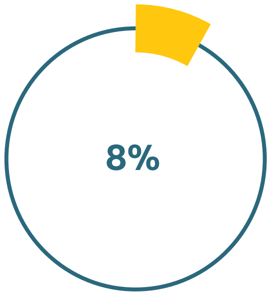


Fewer companies provided a breakdown of their direct workforce by race or ethnicity this year, with a disclosure rate of 63 per cent compared to 69 per cent in 2022.

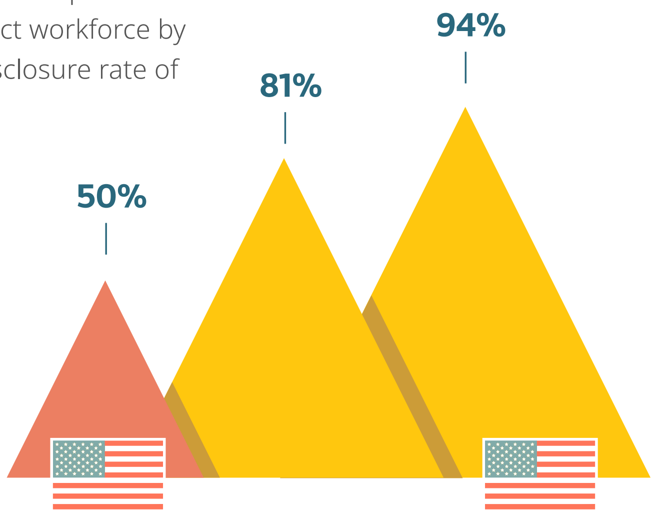
This regression may reflect a recent backlash against diversity efforts. Some companies, deterred by the costs of D&I initiatives, are hesitating to fulfil their commitments to improve equality and representation. In the US, there is a particularly strong opposition from those who argue D&I policies are either ineffective or inadvertently discriminate against white individuals and men.[13]

D&I disclosure across US companies was particularly low.

The data suggests US companies were disproportionally affected by D&I pushback.



Just eight per cent of US companies provided a breakdown the company's direct workforce by age, significantly the lowest disclosure rate of any other country.



Half of US companies also failed to provide a public policy on discrimination and harassment, significantly below the average of 81 per cent. In 2022, 94 per cent of US companies provided this information, marking a significant drop.

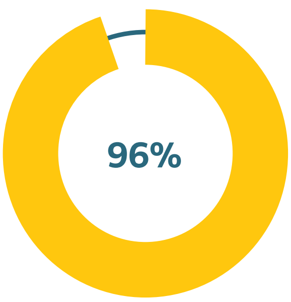
Businesses have a shortfall in D&I data when it comes to the contingent workforce.

67 per cent of companies provided the gender balance of its full-time workforce, but only 17 per cent shared the gender balance of its non-employee direct operations contracts.

Without a more comprehensive grasp of the identities of these workers, instances of under-representation or discrimination against specific social groups within this subset of the workforce could easily evade detection. This fundamentally undermines business-wide D&I initiatives and exposes them to increased operational risk.

Gender disclosure was less affected by stagnation and regression than race & ethnicity.

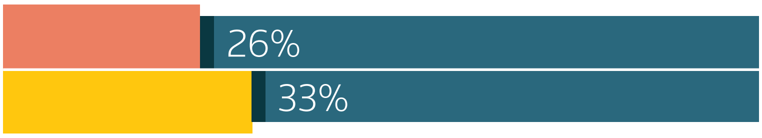
Reporting levels on gender is generally higher than other areas, particularly when it comes to women in leadership.



96 per cent of responding companies provided the percentage of female representation at board level, exactly the same as in 2022.

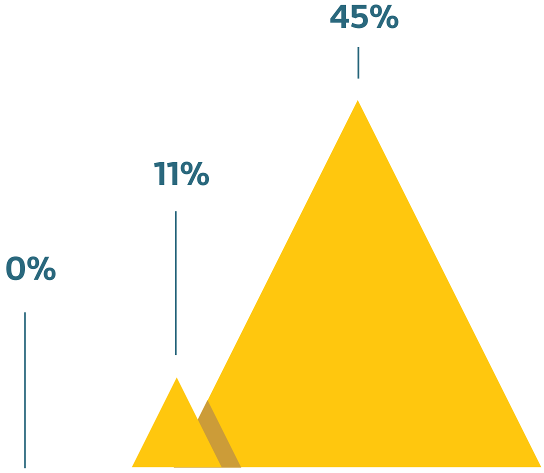
91 per cent of companies provided the percentage of female representation at senior management level, compared to 89 per cent in 2022.

Despite this, gender disclosure this year was low in other vital areas.



Just over a quarter (26 per cent) of responding companies, for example, provided data on the gender composition of their value chain workforce. This is down from 33 per cent in 2022.

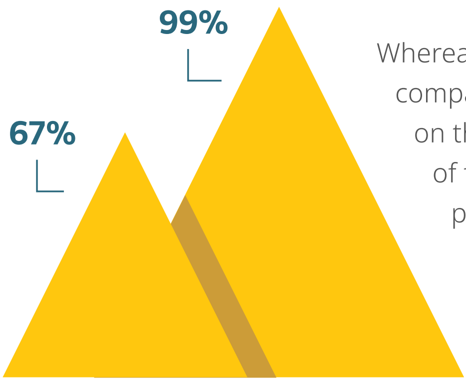
Company disclosure here directly correlates with the number of years they have participated in WDI, with no first-time, 11 per cent of second-time responders and 45 per cent of seven-time responders providing data on the gender composition of their value chain workforce.



As women in the value chain are disproportionally vulnerable to discrimination, harassment, and low pay, companies serious about delivering equality cannot afford blind spots in value chain data.

Race & ethnicity reporting lags behind gender reporting.

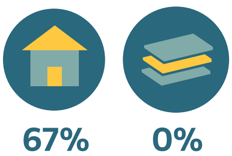
It is common for companies to focus on measuring and addressing gender disparities in the workplace before addressing ethnicity issues, but the difference between the two was particularly stark this year.



Whereas 99 per cent of companies provided data on the gender breakdown of those in leadership positions, only 67 per cent provided the same information by race or ethnicity.

+23%

Companies were also 23 per cent more likely to provide the rate of internal hires by gender than they were by race or ethnicity. Companies should be as transparent as possible on this datapoint, as it is a core indicator that tests whether D&I initiatives are actually working.



Real Estate companies were most likely to share their internal hire rate by race and ethnicity, in part because none were legally prohibited, with 67 per cent disclosing the information. No Materials companies disclosed this data, despite only 6 per cent saying they were legally prohibited.

No non-responding companies shared any data of their internal hire rate by race and ethnicity, and only 2 per cent disclosed the rate by gender.

Finding 4

Companies are falling short of key human rights commitments, particularly when it comes to grievance mechanisms

The UN Guiding Principles decree that all businesses have an independent responsibility to respect human rights, wherever and however they operate. This expectation has growing legal impetus, with mandatory human rights due diligence (mHRDD) legislation proliferating around the globe. Vital to this HRDD is ensuring that all companies have effective grievance mechanisms in place to identify labour rights abuses across the value chain and ensure workers have access to remedy.

Increased scrutiny means that companies are ostensibly making progress on protecting and improving human rights across their operations and value chains.

There is a growing awareness for the responsibility businesses have towards respecting the human rights of their workers, both within their direct operations and across their value chains. Human Rights Due Diligence (HRDD) has become a legal obligation in many jurisdictions, and investors are seeking increased understanding of the impact on people the businesses they invest in are having.

Responder companies showed an appreciation for the importance of HRDD, particularly at a strategic level.

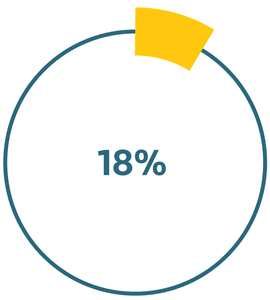
94 per cent of responding companies claimed to conduct regular HRDD to identify, prevent, mitigate, and account for human rights risks and adverse impacts.

Of the responder companies who said they did not conduct regular HRDD (only 4 per cent of total responders), all followed up with a reason as to why.

Most (92 per cent) of responding companies provided additional information on what this HRDD process looked like.

83 per cent had a public commitment to respecting all internationally recognised human rights.

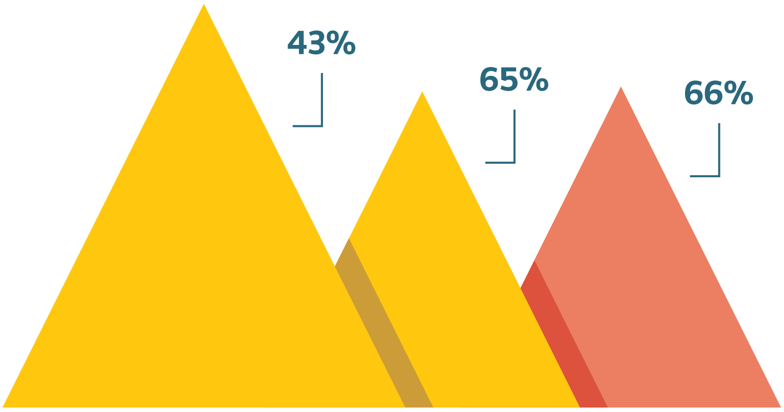
There was a notable drop in the rate of disclosure when companies were asked to provide additional detail on the process and outcomes of their HRDD.



Although almost all responding companies claimed to carry out HRDD, approximately one fifth (18 per cent) were unable to provide any information on their process for identifying and assessing workforce risks and opportunities in its direct operations.

As this is a base level requirement of any due diligence, this is a concerning data gap. It suggests that while companies are making strides in their human rights commitments, in many cases the HRDD processes put in place are failing to deliver genuine clarity on the specific risks and impacts of a company and its value chains.

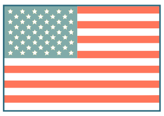
Companies were slightly better at identifying salient human rights issues relating to workers' rights in the company's value chain with 83 per cent able to provide three issues flagged by HRDD.compared to 65 per cent who identified opportunities.



Yet just 66 per cent of responding companies could provide an example of how the company has monitored the effectiveness of actions taken to address negative impacts on the human rights of workers in the reporting period.

Some countries performed significantly better than others when disclosing information on their human rights practices.

Spanish firms performed particularly well, with all Spanish responders providing details on what action company has taken, or intends to take, to prevent and mitigate the salient human rights issues they identified.



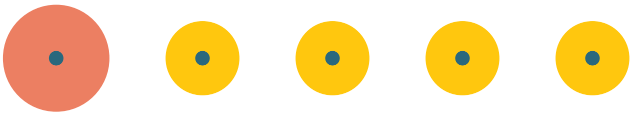
Conversely disclosure in US firms was particularly low compared to other countries.

75 per cent of US companies said that they regularly conduct HRDD checks. This was a decrease from 2022, when US firms had a disclosure rate of 94 per cent.

Just 50 per cent of US companies provided descriptions of how they identified and assessed workforce risks in their direct operations, a drop from 88 per cent in 2022.

There are data gaps when considering worker access to grievance mechanisms.

A critical part of corporate human rights practice is worker access to grievance mechanisms. Monitoring their existence and effectiveness is therefore a vital component of effective due diligence.

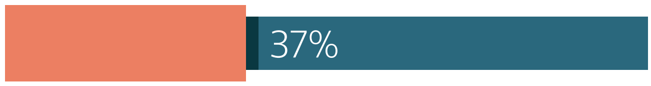


Almost a fifth (17 per cent) of responding companies didn't explain the channels or mechanisms through which employees can raise complaints or concerns.

This is fundamental human rights data and often a legal requirement, so the lack of some companies' oversight here is unexpected.

Company oversight drops again when assessing the effectiveness of grievance mechanisms or providing examples of them in action.

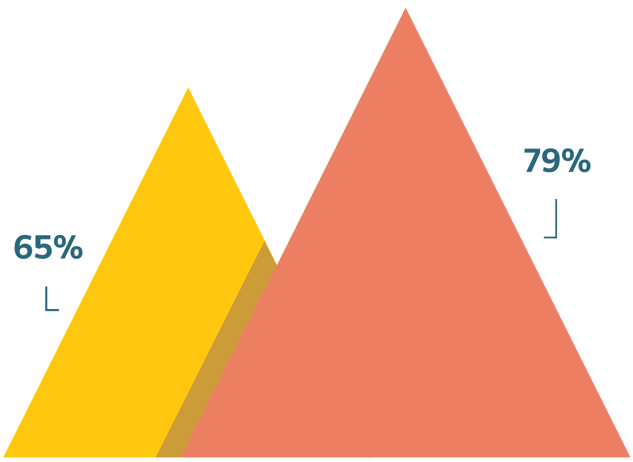
Just over half (57 per cent) responding companies assess the effectiveness of their grievance mechanisms in accordance with the criteria in Principle 31 of the UN Guiding Principles.



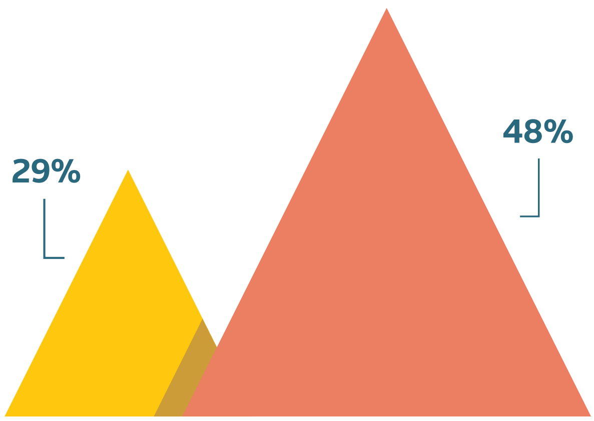
Over a third of companies (37 per cent) were unable to provide a single example of how the company had provided - or contributed towards providing - remedy for a human or labour rights grievance.

This lack of oversight is particularly pronounced in the case of grievance mechanisms relating to marginalised workers across the value chain.

65 per cent of companies claimed that value chain workers could access grievance channels or mechanisms, compared to 79 per cent of direct employees.



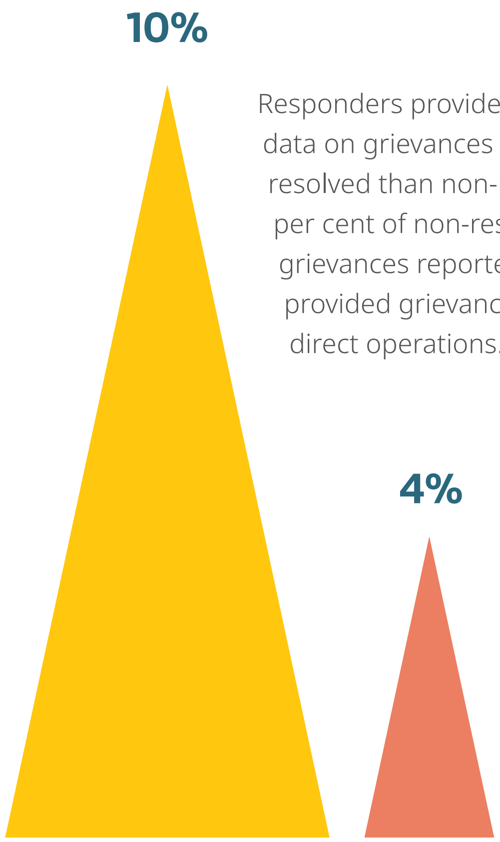
A much lower proportion of companies also provided data on grievances reported and resolved for value chain workers. 36 per cent of companies provided the number of grievances relating to human rights and/or workers' rights reported in the disclosure period, compared to 61 per cent for direct employees.



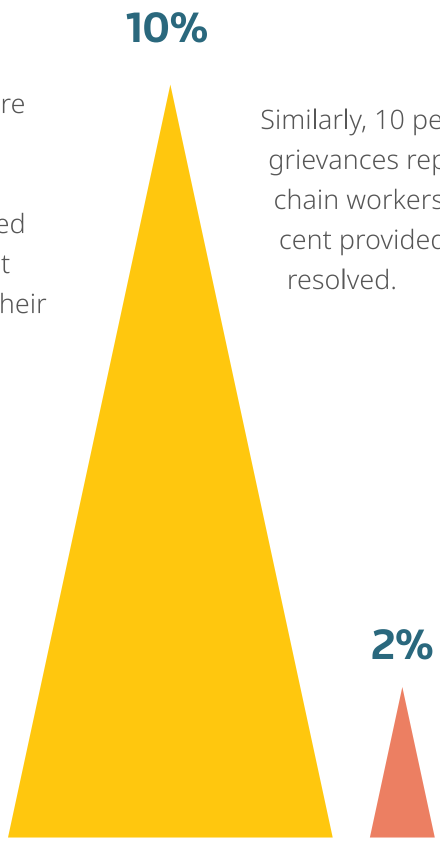
29 per cent of companies provided the number of grievances relating to human rights and/or workers' rights resolved in the disclosure period, compared to 48 per cent for direct employees.

Marginalised workers, such as contingent workers, female workers, or workers in ethnic minority workers, are more likely to be vulnerable to rights abuses and excluded from work-based opportunities. Companies can therefore not understand and improve their human rights practices, or adhere to their commitments, if the marginalised workers in their value chain do not have access to grievance mechanisms, or if these mechanisms are failing to provide effective remedy to human rights abuses.

Despite gaps, responding companies far outperformed non-responding companies when it came to reporting on grievance mechanisms.



Responders provide significantly more data on grievances reported and resolved than non-responders. 10 per cent of non-responders provided grievances reported and 4 per cent provided grievances resolved for their direct operations.



Similarly, 10 per cent provided grievances reported for value chain workers and just 2 per cent provided grievances resolved.

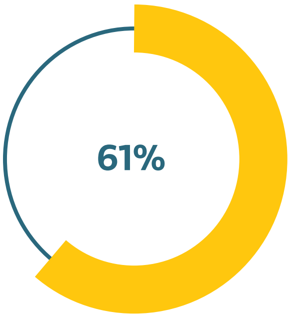
Finding 5

Companies do not have the necessary information to respond to the global transformations that are currently underway, and this is especially the case for the sectors who will be worst affected

Businesses are currently navigating several major transformations, the most pertinent being the transition to a climate neutral economy and the ongoing shift towards automation. These trends are fundamentally reshaping the way businesses operate and are having a vast impact on workforces around the world. Companies are currently lacking the reporting frameworks, guidance and technology to understand how, and where, their workforces are being most affected.

Companies lack data on how business transformations will impact their workforces and are failing to prepare employees.

The rise of artificial Intelligence (AI) and automation has profound implications for workers. AI can create new jobs and make existing jobs more efficient and flexible. If incorrectly managed, it can also displace workers, create a skills gap and exacerbate global inequality.[14] Equally, to achieve their pledges of reaching net-zero emissions by 2050, companies are seeking to reduce emissions across their operations and value chain. These transitions bring inevitable risks and opportunities to workers which companies do not yet have oversight of.



Reassuringly, companies seem to have some strategic awareness of the importance of these transitions, with 61 per cent explaining the action they have taken, or intend to take, to ensure workers are protected against risks and can access opportunities resulting from the transition to a climate-neutral economy.

When it came to measuring the impacts on workers of these transitions, however, disclosure levels dropped significantly.

27 per cent of responding companies provided some data on the number and/or percentage of employees that have been reskilled, redeployed or had their employment ended as a result of the transition to a climate-neutral economy.

25 per cent of responding companies provided some data on the number and/or percentage of employees that have been reskilled, redeployed or had their employment ended because of automation.

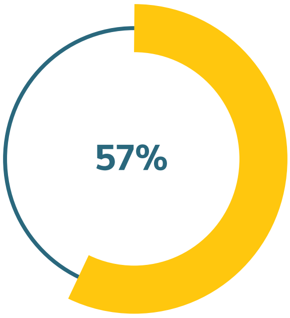
These low disclosure levels are to be expected as this is the first-time companies have been asked to disclose this specific data via the WDI, or by any other disclosure framework.

This demonstrates a basic lack of support or guidance to help companies understand the impact of automation and net-zero transition on workers up to this point and further demonstrates the need for companies to really engage with the WDI survey and engagement process as a way of future-proofing their business.

The low disclosure rate does suggest that companies are currently only collecting limited data on these transitions, resulting in blind spots when it comes to evaluating impacts on workers.

3 For example, three companies identified employees who had their employment ended because of either the net-zero or automation transitions.[17]

Of the 21 per cent of companies who shared the number of employees that have been reskilled because of either the net-zero or automation transitions, none shared any additional detail of what this reskilling looked like or entailed.



Positively, companies demonstrated greater transparency when it came to reporting on AI within workforce management.

Just over half (57 per cent) of companies explained how they use artificial intelligence in workforce management, including in recruitment, performance management and workplace decisions.

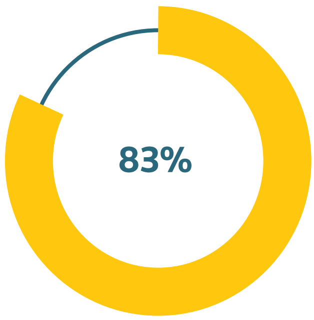
AI within workforce management can have a vast impact on human lives, livelihoods and incomes. AI can, for example, identify underperformance, determine working schedules, even make hiring and firing decisions.[15] Before a company can ensure AI in workforce management is being deployed responsibly, it must first have oversight of how and where it is being utilised. The companies who provided data here should be praised for good practice.

Training is needed to prepare employees for global transformations but is not being prioritised by companies.

Redeployment, reskilling, and upskilling are vital for managing the transition to automation or net-zero without unnecessary or unfair job loss. Without clear and comprehensive data employee training data, companies cannot truly know if they are effectively preparing their workforce.

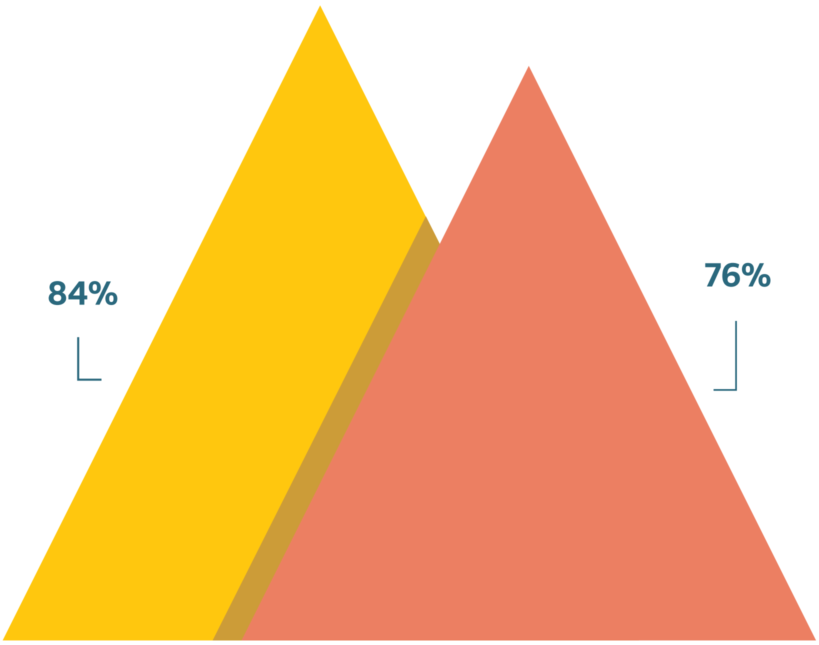
Historically the importance of training has been recognised by businesses and reflected in company strategy. In 2022, almost all responding companies shared their strategy for developing the skills and capabilities of employees.

This year, this disclosure rate dropped, with just 83 per cent sharing their training strategy.



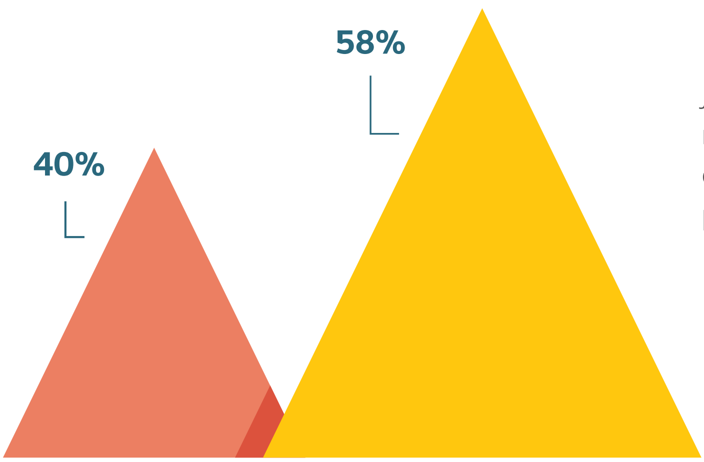
In 2023, the percentage of companies explaining how they measured the impact of their training programmes on business productivity, dropped this year from 84 per cent in 2022 to 76 per cent this year.

Training is the most effective tool companies possess to prepare their workforce for evolving job demands. The decrease in company focus on training at a time when it is most crucial is, therefore, concerning.



Company oversight of training and development in their workforce slips further when it comes to providing evidence of the training. Only half of companies disclosed the average number of hours of training provided to employees by gender.

The gaps in training data were most prominent when it came to the most vulnerable workers, like those on precarious contract types.

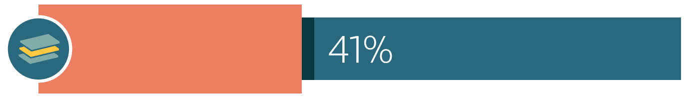


Just 40 per cent of companies shared the average number of hours of training provided to fixed-term contract employees, compared to 58 per cent for permanent employees.

When it comes to impact of transition to net-zero, the most affected sectors appear to be least prepared.

The Materials and Energy sectors are particularly vulnerable in the net-zero transition, as they either directly emit significant quantities of greenhouse gases themselves or sell products which do.[16] This means a greater level of transformation and a higher level of risk for employees. Despite this, these sectors were significantly the worst performers when reporting on net-zero topics, displaying concerning data gaps.

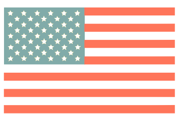
Materials companies were the least likely to explain the risks, impacts and opportunities that may affect the company's workforce because of the transition to a climate-neutral economy, with just 41 per cent of companies doing so.



The Energy sector was the second worst performer here, with only half providing any data, significantly below the average disclosure rate of 61 per cent.

The Consumer Staples sector was the best performer when identifying the risks and opportunities of the net-zero transition, with 74 per cent providing data.

0%



No US companies provided the number of employees that have been reskilled, redeployed or had their employment ended because of the transition to a climate-neutral economy.

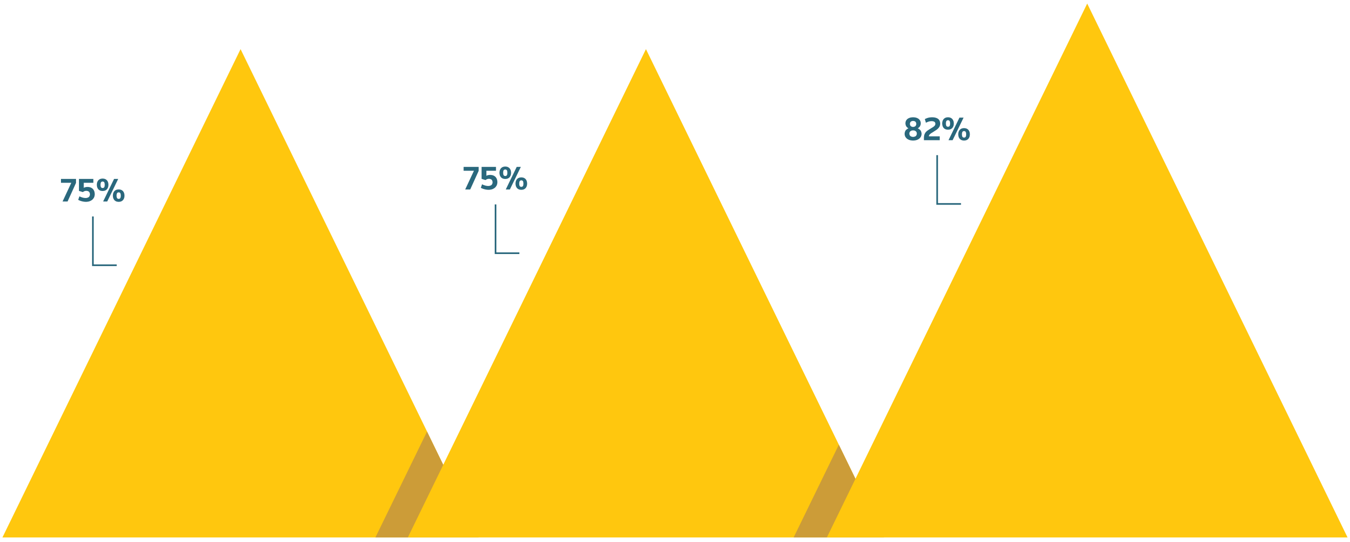
Finding 6

Use of contingent workers is increasing, but companies don't have the data they need to protect these more vulnerable workers[18]

The use of contingent workers is on the rise as businesses look to enhance workforce flexibility and agility, and to address the skills and labour gaps exacerbated by the Covid-19 pandemic. Contingent workers, including those on short or fixed-term contracts, agency workers, consultants, or freelancers, can make up between 30 – 50 per cent of a business's workforce.[19] While contingent workers provide a solution to business leaders, they are also at increased risk of labour violations due to their precarious employment status. Often contingent workers lack job security, have reduced access to benefits and bargaining power, and have fewer legal protections.

Understanding of workforce composition is a high priority for companies, but only for direct employees.

Company data collection on the composition of their direct workforce is generally high compared to other sections, although there was a slight drop in disclosure from 2022.



75 per cent of responding companies provided data on the percentage of employees on each contract type as a proportion of the total direct operations workforce.

75 per cent of responding companies provided the overall gender breakdown of their direct operations workforce.

82 per cent of responding companies provided the percentage of total employees in the company's direct operations per operating location.

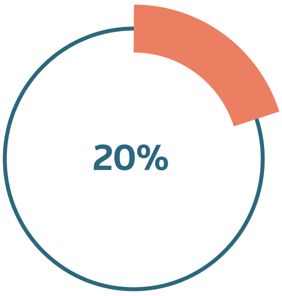
Disclosure was slightly higher for full time employees compared to part time employees, with companies two per cent more likely to share the number or gender percentage of employees on full time contracts than part time contracts.

Significantly, while in 2022 almost all (99 per cent) of responding companies provided the total number of employees in the company's direct operations, this year the number regressed to 84 per cent. This is an essential data point, as without a good understanding of who and where employees are, companies cannot enact effective policies to protect them. It is also comparatively straightforward data to collect, making the failure of 16 per cent of responders to share this data particularly concerning.

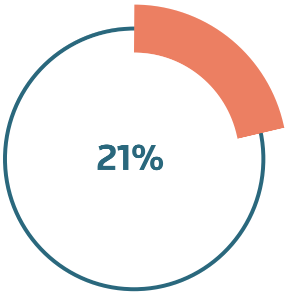
With both responding and non-responding companies, data gaps where particularly stark when it came to workers on contingent contracts.

Almost half (49 per cent) of responding companies provided no data on the total number and/or percentage of the company's non-employee direct operations workers as a proportion of the total direct operations workforce.

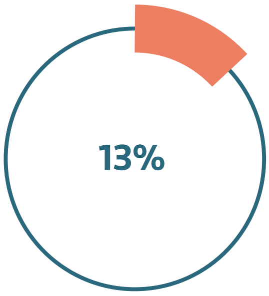
This disclosure rate dropped again when greater levels of disaggregation were required.



Just 20 per cent of companies shared the gender balance of their contractor workers.



Just 21 per cent of companies shared the gender balance of their agency workers.



Just 13 per cent of companies shared the gender balance of their franchisee workers.

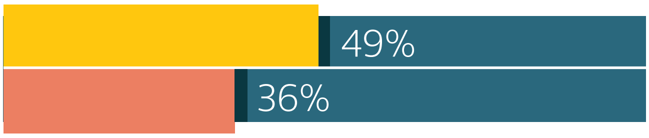
This lack of oversight is problematic as the use of these contingent contracts is on the rise.

Businesses leaders are increasingly turning to contingent workers as a flexible and cost-effective way of tackling workforce challenges, such as rapidly advancing technologies, changing demographics and skill gaps. The pandemic also consolidated the benefit of an agile and flexible workforce, leading to a massive increase in the usage of contingent workers.

23 per cent of responding companies claimed the proportion of workers on contingent contracts had changed substantively over the last reporting period (either substantially increasing or decreasing). While most companies who provided data here expected this number to remain broadly stable going forward, many also said it would depend on labour market dynamics.

Similarly, companies have data gaps on how contingent workers are being treated.

Voluntary and involuntary turnover data is an extremely valuable data point when it comes to judging company culture and assessing employee happiness and security. Yet when it came to contingent workers, turnover reporting rates were disproportionately low.



Responding companies were significantly less likely to provide information on turnover by contract type, with 49 per cent of companies providing the turnover rate for permanent employees, but only 36 per cent for temporary employees.

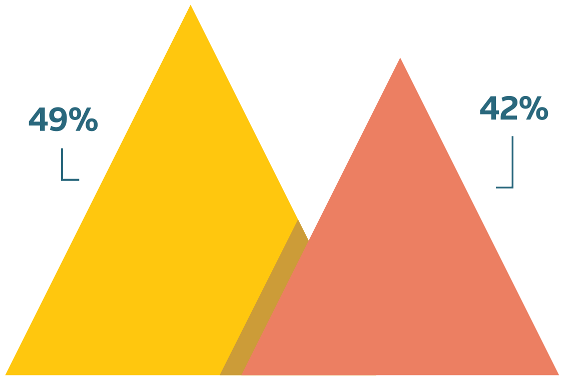
Contingent workers were also less likely to have access to company grievance mechanisms.

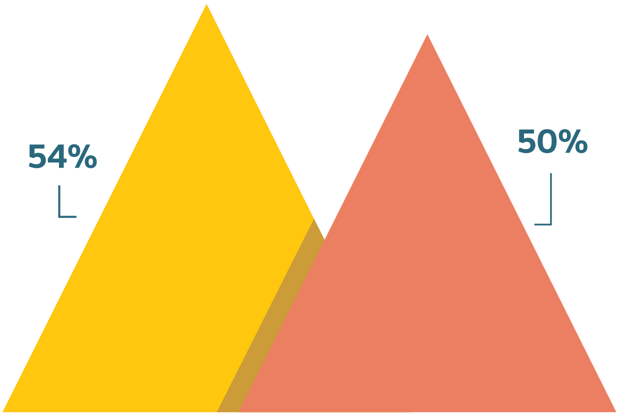
70 per cent of companies' contingent workers had access to formal channels through which to raise complaints or concerns, compared to 79 per cent of direct employees. This marked a regression from 2022, where 80 per cent of contingent workers had access to company grievance mechanisms.

Contingent workers are also less likely to be economically protected should they need to take sick leave, or other necessary leave. 89 per cent of responders ensure their direct employees are covered by sick leave policies, compared to 75 per cent of responders who cover their contingent workers.

There are some areas where data collection is improving for contingent workers.

Generally, companies' disclosure on contingent or indirect employees dropped from 2022. The exception being health and safety data.





49 per cent of companies provided data on the total number of recordable work-related injuries or ill health across each of their significant operating locations for their contingent workforce. This was up from 42 per cent in 2022.

54 per cent of companies also provided the total number of fatalities because of work-related injury across each of their significant operating locations for their contingent workforce. This was up from 50 per cent in 2022.

Energy and Materials companies demonstrated positive oversight of contingent workforce.

Positively, whereas most industries had a significant disclosure drop when reporting on their contingent workers compared to direct employees, Energy and Materials companies demonstrated similar levels of oversight over their contingent and direct workers when it came to reporting crucial health and safety data.

82 per cent of Materials companies provided data on the number of ill health or work-related injuries across their direct employees while 76 per cent provided the same data for contingent workers.

75 per cent of Energy companies provided data on the number of ill health or work-related injuries across their direct employees and the same number provided the same data for contingent workers.

IT companies were the least likely to provide data on ill health or workforce-related injuries or fatalities of contingent workers, with only 23 per cent sharing data.

The performance of responding companies far exceeds that of non-responding companies when it comes to the contingent workforce.

1 Only one non-responding company provided the total number of ill health/work-related injuries or fatalities across their significant operating locations for their contingent workforce.

It is possible companies are collecting the data on these incidents but are choosing not to disclose them for fear of how they are perceived. Disclosing data of this kind is, however, essential for building trust with workers and stakeholders. Full disclosure is a key indicator of a company's commitment to the transparency required to improve working conditions and protect workers.

References

Companies that completed the WDI survey in 2023 and their responses in 2022, 2021, 2020, 2019, 2018 and 2017

R = Responded   D = Declined   ? = No answer   / = Not requested

Companies highlighted in yellow provided the most data to the WDI survey (or came in the top ten per cent in terms of the completeness of their response)

Company name	2022	2021	2020	2019	2018	2017	Country	Sector
Adani Energy Solutions Limited (AESL)	/	/	/	/	/	/	India	Energy
Adani Power	/	/	/	/	/	/	India	Utilities
Adidas	R	R	R	R	R	/	Germany	Consumer Discretionary
Agnico Eagle Mines	R	?	?	?	/	/	Canada	Materials
Air Liquide	R	R	?	?	R	/	France	Materials
Alibaba Group	D	?	?	?	?	/	China	Consumer Discretionary
Analog Devices	R	R	/	/	/	/	USA	Information Technology
Assa Abloy	R	R	R	R	/	/	Sweden	Industrials
Associated British Foods (ABF)	R	R	R	R	R	R	UK	Consumer Staples
Assura plc	/	/	/	/	/	/	UK	Real Estate
AstraZeneca	R	R	R	R	R	R	UK	Health Care
AT&T	R	R	R	R	R	/	USA	Communication Services
Atos	R	R	R	R	R	/	France	Information Technology
BAE Systems	R	R	R	R	R	?	UK	Industrials
Ball Corporation	R	R	?	D	/	/	USA	Materials

Bayer	R	R	R	R	D	/	Germany	Health Care
BBVA	R	R	R	R	/	/	Spain	Financials
BCE	R	R	R	R	R	R	Canada	Communication Services
Beazley	R	R	R	?	?	/	UK	Financials
Berkeley Group	R	R	R	R	D	/	UK	Consumer Discretionary
BNP Paribas	R	R	R	R	R	/	France	Financials
Bouygues	?	R	D	D	D	/	France	Industrials
British American Tobacco (BAT)	R	R	R	R	R	R	UK	Consumer Staples
Burberry	R	R	R	R	R	R	UK	Consumer Discretionary
Canadian National Railway (CN)	R	R	R	R	R	R	Canada	Industrials
Candriam	R	/	/	/	/	/	Luxembourg	Financials
Capgemini	R	R	R	R	?	/	France	Information Technology
Carlsberg	R	R	D	D	D	/	Denmark	Consumer Staples
Carrefour	R	?	?	?	?	?	France	Consumer Staples
Cellnex Telecom	R	R	?	/	/	/	Spain	Communication Services
Centrica	R	R	R	R	R	R	UK	Utilities
CNH Industrial	R	R	R	R	D	/	UK	Industrials
Columbia Threadneedle Investments	R	R	R	/	/	/	UK	Financials
Compass Group	R	R	R	R	R	R	UK	Consumer Discretionary
Continental	R	?	D	?	?	/	Germany	Consumer Discretionary
ConvaTec	R	R	R	R	R	/	UK	Health Care
Cosco Shipping Ports	/	/	/	/	/	/	Hong Kong	Industrials

CPFL Energia	R	?	/	/	/	/	Brazil	Utilities
Cranswick	R	?	R	R	R	/	UK	Consumer Staples
Crédit Agricole	R	R	R	?	?	/	France	Financials
Croda International	R	R	R	R	?	/	UK	Materials
CSN	?	?	/	/	/	/	Brazil	Materials
Danone	R	?	D	D	D	/	France	Consumer Staples
Deutsche Lufthansa	R	?	?	D	?	/	Germany	Industrials
DFS Furniture	R	R	?	/	/	/	UK	Consumer Discretionary
Diageo	R	R	R	D	D	R	UK	Consumer Staples
Direct Line	R	R	R	R	R	/	UK	Financials
E.ON	R	R	?	D	?	/	Germany	Utilities
Enel	R	R	R	R	R	/	Italy	Utilities
Engie	R	R	R	?	R	/	France	Utilities
Eni	R	R	R	R	?	/	Italy	Energy
Fast Retailing	R	R	R	?	/	/	Japan	Consumer Discretionary
Federated Hermes	?	/	/	/	/	/	UK	Financials
Fresenius SE & Co. KGaA	R	R	R	/	/	/	Germany	Health Care
Fresnillo	R	R	R	?	?	?	Mexico	Materials
Fujitsu	R	R	R	R	?	/	Japan	Information Technology
Gentera	?	/	/	/	/	/	Mexico	Financials
GlaxoSmithKline (GSK)	R	R	R	R	R	R	UK	Health Care
Grainger	R	R	R	?	/	/	UK	Real Estate
Greggs	R	?	D	R	D	/	UK	Consumer Discretionary
Hargreaves Lansdown	R	R	R	R	R	/	UK	Financials
Helios Towers	R	R	?	/	/	/	UK	Communication Services

HSBC	R	?	R	R	R	R	UK	Financials
Iberdrola	R	R	R	R	/	/	Spain	Utilities
IHG (InterContinental Hotels Group)	R	R	R	R	R	D	UK	Consumer Discretionary
Imperial Brands	R	R	R	R	D	D	UK	Consumer Staples
Inditex	R	R	R	R	R	R	Spain	Consumer Discretionary
Infineon Technologies	?	?	?	?	?	/	Germany	Information Technology
Intel	R	R	R	R	R	/	USA	Information Technology
International Consolidated Airlines Group	R	R	R	R	R	R	UK	Industrials
Intuit	R	R	R	?	?	/	USA	Information Technology
Investec	?	?	?	?	?	/	South Africa	Financials
Johnson Matthey	D	R	D	D	?	/	UK	Materials
Julius Baer	R	?	D	D	R	/	Switzerland	Financials
Jupiter Fund Management	R	R	R	R	/	/	UK	Financials
KBC	R	D	?	?	?	/	Belgium	Financials
Kering	R	R	R	R	R	/	France	Consumer Discretionary
Kingfisher	R	R	R	R	D	/	UK	Consumer Discretionary
KPN	R	R	R	R	/	/	Netherlands	Communication Services
Lanxess	R	R	/	/	/	/	Germany	Materials
Lloyds Banking Group	R	R	R	R	R	?	UK	Financials
Loblaw Companies	R	D	/	/	/	/	Canada	Consumer Staples
Logitech	?	?	/	/	/	/	Switzerland	Information Technology
London Stock Exchange Group	R	R	R	?	?	/	UK	Financials

LVMH	R	R	R	R	R	/	France	Consumer Discretionary
Mahindra & Mahindra	R	R	?	D	D	/	India	Consumer Discretionary
Marks & Spencer (M&S)	R	R	D	?	D	D	UK	Consumer Staples
Marshalls Group	R	R	?	/	/	/	UK	Materials
Marston's	D	D	R	D	?	/	UK	Consumer Discretionary
Meiji Holdings	?	/	/	/	/	/	Japan	Consumer Staples
Merck Group	D	D	D	?	/	/	Germany	Health Care
MFS Investment Management	R	/	/	/	/	/	USA	Financials
Microsoft	R	R	R	R	R	R	USA	Information Technology
Mobico	R	R	?	?	?	/	UK	Industrials
Mondi	R	R	R	R	R	R	UK	Materials
MTN Group	R	R	R	R	?	/	South Africa	Communication Services
National Grid	R	R	R	R	D	D	UK	Utilities
NatWest Group	R	R	R	R	R	R	UK	Financials
Nedbank	?	?	/	/	/	/	South Africa	Financials
Nestlé	R	R	R	R	R	R	Switzerland	Consumer Staples
Nike	R	R	R	?	D	?	USA	Consumer Discretionary
Nokia	R	R	R	R	R	/	Finland	Information Technology
NVIDIA	R	R	/	/	/	/	USA	Information Technology
PayPal Holdings	R	R	R	?	?	/	USA	Financials
Pearson	R	R	R	R	R	/	UK	Consumer Discretionary
PensionBee	R	R	/	/	/	/	UK	Financials
Persimmon	R	R	R	R	R	/	UK	Consumer Discretionary

Petrobras	D	?	?	D	/	/	Brazil	Energy
Poste Italiane	?	/	/	/	/	/	Italy	Financials
PostNL	R	R	R	/	/	/	Netherlands	Industrials
PPHE Hotel Group	R	?	?	/	/	/	Netherlands	Consumer Discretionary
Prudential	R	R	R	R	R	/	UK	Financials
Prysmian	?	?	?	?	?	/	Italy	Industrials
Publicis Groupe	R	D	D	D	?	/	France	Communication Services
Quantum Advisors	R	R	/	/	/	/	India	Financials
Reckitt	R	R	R	R	R	?	UK	Consumer Staples
RELX	R	R	R	R	R	R	UK	Industrials
Rio Tinto	R	R	R	R	D	D	UK	Materials
Royal Mail	R	D	?	?	?	/	UK	Industrials
RWE	D	D	R	R	?	/	Germany	Utilities
Sainsbury's	R	R	R	R	R	R	UK	Consumer Staples
Saint-Gobain	R	R	R	R	R	R	France	Industrials
Sampo OYJ	R	?	?	?	?	/	Finland	Financials
Sanofi	D	R	R	R	R	/	France	Health Care
Sartorius Stedim Biotech	R	/	/	/	/	/	France	Health Care
Schneider Electric	R	R	R	R	R	/	France	Industrials
Schroders	R	/	/	/	/	/	UK	Financials
SEGRO	R	R	R	R	R	/	UK	Real Estate
Serco Group	?	?	?	?	?	/	UK	Industrials
Seven & i Holdings	R	R	?	?	?	/	Japan	Consumer Staples
Severn Trent	?	?	?	?	?	/	UK	Utilities
Sika	D	?	D	D	?	/	Switzerland	Materials

Smart Metering Systems	/	/	/	/	/	/	UK	Industrials
Snam	?	/	/	/	/	/	Italy	Utilities
Societe Generale	R	R	?	?	?	/	France	Financials
Sodexo	R	R	R	R	R	/	France	Consumer Discretionary
Softcat	R	R	?	/	/	/	UK	Information Technology
Spirax-Sarco Engineering	R	R	R	/	/	/	UK	Industrials
SSE	R	R	R	R	R	R	UK	Utilities
St. James's Place	R	R	R	R	?	/	UK	Financials
Standard Chartered	R	R	R	R	R	R	UK	Financials
STMicroelectronics	D	?	?	?	?	/	Netherlands	Information Technology
Sun Art Retail Group	R	/	/	/	/	/	China	Consumer Staples
Taylor Wimpey	D	R	D	R	R	/	UK	Consumer Discretionary
Tecan	R	/	/	/	/	/	Switzerland	Health Care
Teck	R	R	R	D	/	/	Canada	Materials
Telecom Plus	/	/	/	/	/	/	UK	Utilities
Telefónica	R	R	R	?	?	/	Spain	Communication Services
Tesco	R	R	R	R	D	D	UK	Consumer Staples
TotalEnergies	R	R	R	?	?	/	France	Energy
Toyota Motor	R	R	R	R	R	/	Japan	Consumer Discretionary
Tyson Foods	R	R	R	R	?	/	USA	Consumer Staples
UCB	R	R	R	D	?	/	Belgium	Health Care
Umicore	R	R	R	D	/	/	Belgium	Materials
UniCredit	R	R	R	?	/	/	Italy	Financials
Unilever	R	R	R	R	R	R	UK	Consumer Staples

United Utilities	R	R	R	R	R	/	UK	Utilities
UPM-Kymmene	R	R	R	R	?	/	Finland	Materials
Vale	D	R	D	R	/	/	Brazil	Materials
Veolia	R	R	R	R	R	/	France	Utilities
Vinci	R	R	R	R	?	R	France	Industrials
Visa	R	R	R	?	?	/	USA	Financials
Vodafone	R	R	R	?	D	D	UK	Communication Services
Waste Connections	R	R	R	?	/	/	Canada	Industrials
Wheaton Precious Metals	R	R	?	?	/	/	Canada	Materials
XP Power	/	/	/	/	/	/	UK	Consumer Discretionary

Endnotes

1 International Labour Organization Team. (2024). "World Employment and Social Outlook," p.2, International Labour Organization. Available online at https://www.ilo.org/wcmsp5/groups/public/---dgreports/---inst/documents/publication/wcms_908143.pdf [Accessed 21 Febuary 2024]

2 Walk Free. (2023). "The Global Slavery Index 2023," p.2, Minderoo Foundation. Available online at https://www.walkfree.org/global-slavery-index/ [Accessed 22 February 2024]

3 For example, the EU's Corporate Sustainability Reporting Directive, which requires require large companies and listed companies to publish regular reports on the social and environmental risks they face, and on how their activities impact people and the environment. Directorate-General for Financial Stability, Financial Services and Capital Markets Union (ND). "Corporate sustainability reporting," European Commission. Available online at: https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en [Accessed 22 February 2024]

4 Wainwright, S. (2023). "Global ESG assets predicted to hit $40 trillion by 2030, despite challenging environment, forecasts Bloomberg Intelligence," Bloomberg. Available online at: https://www.bloomberg.com/company/press/global-esg-assets-predicted-to-hit-40-trillion-by-2030-despite-challenging-environment-forecasts-bloomberg-intelligence/#:~:text=ESG%20assets%20are%20set%20to,planning%20to%20boost%20ESG%20AUM. [accessed 21 February 2024]

5 For example, SSE's 'human capital' report, which measured the economic value of the skills and capabilities of the people it employs at £3.4 billion. SSE (2015). "Valuable people: Understanding SSE's Human Capital." SSE. Available online at: https://www.sse.com/media/hk2bqevk/sse-human-capital_final_for-web.pdf [accessed 23 February 2023]

6 Since its inception, the WDI survey has gone through a period of review and revision each year, meaning questions have been introduced or removed. These figures only include data companies have provided for comparable questions. The methodology available to companies when opting to make their responses public or private has also changed. In 2017, companies could choose to make their entire response public or private. In 2018, companies could choose to make their response public for each section of the survey. From 2019 onwards, companies could choose to make individuals questions public or private, with some variation around individual question settings across years.

7 To keep companies' individual scores confidential, this table only includes the average scores for countries where three or more companies took part in the WDI. Companies based in Australia, Brazil, China, Denmark, India, Kenya, Luxembourg, Mexico, Norway, Singapore, South Africa and Sweden also took part in the WDI survey in 2022.

8 CCLA (2020). Engagement expectations: Find It, Fix It, Prevent It - An investor project to tackle modern slavery, p4. Available online at: https://www.ccla.co.uk/documents/modern-slaveryengagement-expectations/download?inline=true [accessed 21 February 2024]

9 Vermijs, D. (2019). "How Value Chain Mapping is Helping Companies Respect Human Rights," Shift. Available online at https://shiftproject.org/how-value-chain-mapping-is-helping-companies-respect-human-rights/#:~:text=The%20process%20maps%20each%20step,with%20particular%20human%20rights%20risks. [accessed 22 February 2024]

10 The low disclosure rate on relationship length it is part due to the question is new to the survey. As this data point directly correlates with the likelihood of poor practices in the value chain, however, it is highly valuable. We recommend reporting supplier contract length become commonplace for all companies.

11 Grievance mechanism coverage differs significantly sector to sector ***so this average should be taken as a representation***. WDI would expect sectors like energy and materials, which by their nature have a large physical impact ***and traditionally have been more unionised***, to have a greater level of coverage than sectors such as real estate or ***financials***.

12 Shift (2023). "Accounting for a Living Wage: a collaboration between Shift and the Capitals Coalition to help companies leverage the power of accounting to tackle wage,", Shift. Available online at https://shiftproject.org/accounting-for-a-living-wage/#:~:text=a%20living%20wage%3F-,A%20living%20wage%20is%20the%20minimum%20income%20necessary%20for%20a,family%2C%20including%20some%20discretionary%20income [accessed 22 February 2024]

13 Hamilton, D. (2022). "The Diversity backlash is underway. Here's how to resist it,", World Economic Forum. Available online at The diversity backlash is underway. Here's how to resist it | World Economic Forum (weforum.org) [accessed 23 February 2024]

14 Cazzaniga, M. (2024). "Gen-AI: Artificial Intelligence and the Future of Work,", International Monetary Fund. Available online at https://www.imf.org/en/Publications/Staff-Discussion-Notes/Issues/2024/01/14/Gen-AI-Artificial-Intelligence-and-the-Future-of-Work-542379 [accessed 23 February 2024]

15 Mohdzaini, H. (2023). "Using AI responsibly in people management,", CIPD. Available online at https://www.cipd.org/uk/views-and-insights/thought-leadership/insight/ai-people-management/ [accessed 24 February 2024]

16 Krishnan, M. (2022). "The net-zero transition: What it would cost, what it could bring,"p.5, McKinsey. Available online at https://www.mckinsey.com/~/media/mckinsey/business%20functions/sustainability/our%20insights/the%20net%20zero%20transition%20what%20it%20would%20cost%20what%20it%20could%20bring/the-net-zero-transition-what-it-would-cost-and-what-it-could-bring-final.pdf [accessed 24 February 2024]

17 Although 23 per cent and 22 per cent of companies did provide the number of employees whose employment had ended as a result of the net-zero and automation transition respectively, all of them answered zero.

18 Contingent workers are those not on a permanent contract i.e. those who are hired on a per-project or fixed-term basis. Contingent workers include fixed, term/temporary workers, non-guaranteed hours employees, contractors, agency workers and any third party on site workers, not on a fixed-term contract.

19 Altman, E. (2023). "Bridging the management gap: The case for integrating management of contingent workers,", Deloitte Insights. Available online at Managing contingent workers | Deloitte Insights [accessed 23 Febuary 2024]

WDI@thomsonreuters.com • workforcedisclosureinitiative.org • @WDIwork

Design and illustration: designbymaia.com

Publication date: March 2024

Powered by
THOMSON REUTERS FOUNDATION