Introduction

The Workforce Disclosure Initiative (WDI) is an investor collaborative designed to help companies improve the standard of reporting on workforce metrics. It was created in response to investor concerns that companies’ public reports do not yet provide the meaningful and comparable information on workforce issues that investors seek.

The WDI provides companies with a comprehensive online reporting tool to disclose data on the workforce policies and practices underpinning the management of their employees and wider workforce. The WDI survey is designed to capture information that companies already collect and disclose as part of their ongoing due diligence and social reporting processes as well as new information of importance to investors.

The long-term goal of the WDI is to improve the quality of jobs in the direct operations and supply chains of listed companies around the world. As such, the WDI adopts a holistic view of a company’s workforce, encompassing the employees and contingent workers in a company’s direct operations as well as workers in its supply chain.

As of June 2019 the WDI has 127 investor signatories with over $14 trillion in AUM from 14 countries.

Companies that disclose through the WDI will have the opportunity to show, to a significant group of investors, that they are prioritising workforce issues and taking their responsibilities as employers and businesses seriously. Participation also indicates that companies are demonstrating leadership by being prepared to work collaboratively towards the goal of greater transparency and ultimately towards better outcomes for their business and their workers.

Governance of the WDI

The WDI is coordinated by ShareAction, a registered charity with a mission to transform capital markets into a force for public good. Our vision is of a responsible investment system that truly serves savers, communities, and protects our environment for the long term. We are based in the UK but seek to partner with international allies to efficiently influence global stakeholders.

To deliver the WDI, ShareAction is partnering with RIAA (the Responsible Investment Association Australasia) and SHARE (the Shareholder Association for Research and Education; Canada), with input from a range of allies. The WDI is funded by UK aid from the UK government as part of its drive to promote responsible and transparent enterprise. A WDI steering group governs the programme, which includes members from CDP, SHARE, RIAA, UK Department for International Development, and ShareAction’s senior team.

A wider WDI Advisory Group is made up experts from a cross-section of representatives from the investment community, academic institutions, and civil society including trade unions. This group’s involvement is designed to challenge the WDI team with the sometimes opposing views of the various constituents of the project. The Advisory Group consists of Anna Triponel (Independent, Shift), Alison Tate/Janet Williamson (ITUC/TUC), Bettina Reinboth (UNPRI), Dieter Waizenegger (CTW Investment Group), James Gomme (WBCSD), Sumi Dhanarajan (Forum for the Future), Will Pomroy (Hermes Investment).

Guidance document

This guidance document provides reporting companies with information on how to complete the WDI survey. The document follows the structure of the survey and sets out why disclosure in each area is important, followed by guidance where required on how to respond to a WDI question. Guidance notes are also embedded next to each question in the WDI survey platform. Companies are encouraged to read the guidance alongside each question as this
will help ensure they provide the information that is being sought, which can help make the process a more efficient one for the reporting company and the WDI team.

If you have any questions about completing the survey please contact: wdi@shareaction.org

For company-focussed WDI resources visit: https://shareaction.org/wdi-companyresources/
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The Business Case: Why Take Part?

In an increasingly competitive and challenging global labour market, the way a company treats and manages its workforce has never been more important to the long term success of a company.\textsuperscript{i}

The workforce is frequently described as a company’s greatest asset and an important source of value for the company. And yet, few companies disclose sufficient information to substantiate this claim nor how they plan on ensuring they continue to attract and retain the workforce of the future.\textsuperscript{ii} If the workforce generates value for the company then, as with any other asset, it must be nurtured in a way that protects and maximises its ability to generate long-term value and benefits for the business. The materiality of the workforce continues to be demonstrated by a growing body of research. Sound management of the workforce can yield positive outcomes for the company including increased labour productivity workforce stability and engagement.\textsuperscript{iii} While poor workforce management including human and labour rights abuses can lead to operational, reputational and even litigation risks.\textsuperscript{iv}

There has been greater public scrutiny from consumers and wider society about company’s business practices and the treatment of workers from those employed directly by the company to those employed through third party providers, and even further down the supply chain.\textsuperscript{v} Indeed, companies are facing increasing regulatory requirements to disclose non-financial information with respect to their employees and their supply chains.\textsuperscript{vi} There are also growing calls from stock exchanges around the world for companies to improve the consistency and depth of their corporate reporting.\textsuperscript{vii} The ripple effect created by the UK’s Modern Slavery Act and the French Due Diligence Law\textsuperscript{viii} mean that companies that are already scrutinising their workforce footprint and implementing the United Nations Guiding Principles on Business and Human Rights (UNGPs) are well positioned to anticipate future regulatory developments.

At the global level, investors and companies play a critical role in the delivery of the Sustainable Development Goals (SDGs) and the Paris Agreement, global roadmaps for addressing the prevailing crises of inequality and climate change, both of which pose significant risks to workers, business and their shareholders.\textsuperscript{ix} Increasing disclosure on the workforce is a prerequisite for understanding how companies are helping to both deliver the goals of Decent Work\textsuperscript{x} while also ensuring that the transition to a low carbon economy is both just and socially inclusive, with proper consideration to the impacts on workers and recognition of their role in directly delivering the transition.\textsuperscript{xi}

This drive to promote corporate transparency is an opportunity for companies both to harness the data to improve practices, but also to draw on the insights from the data they collect to differentiate themselves from peers. Leading companies recognise the value of improving workforce management and are starting to map and monitor their global workforce as part of their business strategy using the WDI as a tool. This is allowing them to instigate new conversations and improve existing structures and processes within the company.

Information captured through the WDI disclosure is designed to help investors understand a company’s approach to its workforce, its employment and supply chain practices and the extent to which it is managing related risks and opportunities. The WDI has helped spark conversations between investors and companies about the company’s workforce, the processes in place to identify and manage workforce risks and opportunities and the need for better quality data on how the company is ensuring improved outcomes for both workers and business.
WDI Survey Methodology

The WDI survey has been revised and refined in order to meet the needs of investor signatories and elicit the most meaningful workforce data from globally listed companies. The WDI deliberately follows an iterative process, each year, to ensure the survey provides a robust and comprehensive framework for assessing companies on their workforce management, and that it reflects a rapidly evolving corporate reporting landscape which bring about complex reporting challenges for companies.

We are grateful to all stakeholders who have contributed time and constructive feedback to the process since the first survey was sent out during out pilot year in 2016. Further information on those involved is included below.

Significant changes from 2018

Survey questions

The WDI survey comprises 10 sections – two overarching sections on Governance and Risk Assessment; five sections on the Direct Operations (Composition and Compensation, Stability, Development, Occupational Health and Safety, and Workers’ Rights) and three sections on the Supply Chain (Structure, Sourcing Strategy and Workers’ Rights). Questions have been designed to be relevant to all business models and sectors.

Questions in the direct operations are grouped between employees and contingent workers (as in 2018).

Questions in the supply chain are grouped into two categorisations (first tier, and second tier and below), a change to 2018. This is to reflect the challenges of collecting data at lower levels of the supply chain. While all companies should be actively working to understand their entire supply chain, it is recognised that a logical starting point should be the first tier where companies are likely to have direct relationships with suppliers.

The WDI survey includes a number of different question types that are intended to reflect different phases of an impact pathway namely, inputs, activities, outputs, outcomes and impacts. An impact pathway can be a useful tool for companies looking to better measure how the company’s activities are contributing to social impacts.1 The survey aims to capture information on some of these stages for each survey topic. In time and as workforce reporting and management evolves, the survey will aim to capture more information on the later stages of the impact pathway.

Disclosure levels

The WDI is a time and resource intensive process for those at the very start of their reporting journey where the systems and processes for collecting and reporting data have not yet been established. In recognition of this, the WDI introduced Disclosure levels to help companies new to this area of reporting prioritise their reporting efforts. A summary of these levels is provided below. Companies are encouraged to prioritise Foundation level questions in their first year of reporting to the WDI, gradually working up to Intermediate and ultimately Comprehensive levels. While many companies may find that they have data to report and gaps to fill across all levels, the Disclosure levels are a useful lens for those companies in need of a more structured approach in the early days of workforce reporting.

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1 For more information about impact pathways, companies are directed to p.16 of ‘Building the Social Capital Protocol’ available at WBCSD_Building_SCP_Employment_Skills_Safety_2016.pdf
**Foundation**: questions that ask for information on the governance of the workforce, policy commitments and risk assessment processes across the workforce; commonly reported human capital metrics in the direct operations such as the number of employees, turnover, and training and development; and basic information on the structure and composition of the first tier supply chain and the company’s sourcing and purchasing practices.

**Intermediate**: questions that go beyond commonly reported metrics to provide additional insights into the risks and opportunities in the direct operations such as pay ratios, disaggregated demographic data and by contract type, the effectiveness of training programmes and wellbeing efforts, and company engagement with unions. In the supply chain, questions ask for information on the size and location of the first tier workforce and the risks to workers’ rights, the number of suppliers in the second tier and below, and incentive structures in place for company sourcing and procurement.

**Comprehensive**: questions that reflect the challenges of collecting and reporting information on aspects which are often overlooked such as the contingent workforce in the direct operations; the nature of longstanding grievance complaints; and in the supply chain the effectiveness of actions taken to address salient human rights issues in the supply chain.

**Mandatory public disclosure**

In 2018, 36% of data disclosed by companies to the WDI was disclosed publicly. The remaining data was disclosed privately to the investor signatories and therefore not published via the WDI’s online platform. In 2019 in order to increase public disclosure of workforce data, the WDI has selected a small number of (primarily Foundation level) questions for public disclosure only. This means companies disclosing these data points will not be given the option to disclose the data privately. Companies can still select public or private disclosure for each of the remaining questions in the survey. The questions that are mandatory public disclosure are available to view here and were selected in consultation with the WDI Advisory Committee, which include investor representation, and other stakeholders including companies. They reflect regulatory and reporting trends for corporate disclosure and represent an instructive cross-section of the WDI indicator set both in terms of topics and question type.

**Scope of disclosure**

It is recognised that few companies are able to report workforce data across their entire business. However, it is not always clear from the data that is reported which aspects of the business the data relates to. As such, in an effort to continuously improve the comparability of the data companies report the WDI is evolving its approach to understand the ‘scope’ or boundary for reporting. In 2019 companies have been asked to select from a pre-defined set of scope of disclosure options. The options refer to the percentage of the workforce covered by the data in the direct operations, and the percentage of suppliers covered by the data in the supply chain. There are options available for the direct operations, and in the supply chain there are two sets of options, one for the first tier and another for the second tier and below. It is hoped that this data will enable investors and others to make a much clearer assessment of how complete the data being reported is. Given the complexity of providing clear reporting boundary, companies will still be able to explain or clarify the scope of disclosure option they have selected.²

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² In the space provided under ‘Additional scope of disclosure information’
Alignment

The reporting landscape on human and labour rights is complex, however on closer inspection there are many important convergence points that help reinforce our mutual objectives of bringing greater transparency to a long neglected aspect of corporate business.

The WDI has always tried to reflect the existing universe of workforce indicators and organisations by referencing them throughout the WDI survey were there is obvious overlap in the data being requested. This cross-referencing provides both an insight into how different but complimentary reporting requests integrate with each other and also provides companies with a signpost to data that they may have used to report elsewhere. A list of frameworks referenced in the survey is included in the Glossary.

The reporting process

Companies have until 21 October 2019 to submit their workforce disclosure via the online survey tool. Any companies not already in receipt of a web link should make contact with the WDI team to request one: wdi@shareaction.org

The WDI team is available throughout the reporting period to support companies individually or via group webinars. Companies are encouraged to contact the team as early as possible over the reporting period. We recognise that companies are at different stages of workforce data collection and reporting and that establishing new data collection systems takes time. We invite all companies to be open about gaps in their current data, and the challenges in collecting and reporting the requested information. We also encourage companies to provide feedback on the reporting process which is crucial to helping develop a more robust survey for future years.

All the information disclosed via the WDI – whether public or private – will be made available to the WDI investor signatories. Investors will be able to use this information to inform their direct engagements with companies and to integrate into their financial assessments of companies. The WDI will also make available to investors the reasons companies give for not disclosing or for keeping disclosures private.

After the disclosing period ends, companies will receive a short document outlining their disclosure relative to other disclosing companies. The WDI team will facilitate dialogue between investors and companies on the disclosure and topics covered in the survey.

After the reporting period ends, disclosures marked as public will be made available on a publicly accessible web link associated with the WDI. Private disclosures will only be published in aggregate reporting and any examples of good practice will not be attributable to the company.

In early 2020, the WDI team will publish a public report on the results of the disclosures in 2019, with an emphasis on the progress being made in workforce reporting and transparency, sharing examples of good practice from disclosing companies and providing guidance on ways to further improve workforce disclosure. This report will contain a list of all disclosing and non-disclosing companies.

WDI survey consultees: numerous stakeholders each with specific expertise and insight have provided critique and comment on the WDI survey since its launch in 2016. These include: participating and non-participating companies, investor signatories, civil society, reporting frameworks and standards, trade unions, social auditors, academics and a mixed group of external topic experts in areas such as gender equality, human resources, and responsible sourcing. In 2019 we are especially grateful to our project partners SHARE and
RIAA and the following for their advice and feedback: Alison Tate (International Trade Union Confederation), Anna Triponel (SHIFT/Independent Consultant), Ed Houghton (Chartered Institute of Personnel and Development), Lisa Nathan (UNI Global Union), Luke Hildyard (High Pay Centre), Rachel Wilshaw (Oxfam), Rob Nash (Oxfam/Independent Consultant), Stephanie Casey (Transparency International), Will Irwin (Grantham Research Institute, London School of Economics) and individual companies and investors. The comments provide an ongoing source of learning and debate, feeding into the ongoing evolution of the project.
1. Governance and oversight of the workforce

Why this section is important

Information on the governance structure for a company’s workforce issues is essential for investors to understand how workforce risks and opportunities are identified and managed. It also provides investors with a proxy for understanding the wider governance structures, culture and values of the company.

A company’s commitment to the effective management of its workforce can be evidenced by the role of the Board, the regularity with which Board members receive updates on progress towards established workforce objectives, and the processes in place to ensure those responsible for workforce matters are incentivised or held accountable.

Oversight of the workforce – Direct operations

1.1 Please name the highest governance individual or body (including committees) with ultimate responsibility for workforce matters in the direct operations.

1.2 Please state which workforce areas or themes they are responsible for.

Aligned with UNGP 16(a); UNGPRF A2, A2.1, A2.2; GRI 102-18 a-b, 102-20 a; CHRB A.2.1, B.1.1; ETI RF B1.3 Governance

Why this is important

Effective management of workforce risks and opportunities requires leadership from the highest levels of authority in the company. Identifying the most senior level of responsibility for workforce issues can help investors understand who is ultimately accountable for workforce risks and opportunities, where there are gaps in the governance structure, and indicates the degree to which a company prioritises workforce matters at the most senior levels of the organisation.

Question guidance

1.1 Companies are asked to identify with respect to their direct operations:

- the individual or body who is ultimately responsible for workforce matters (this may or may not include members of the Board),
- If different individuals or bodies are responsible for different workforce matters, companies should identify each individual or body and the respective workforce-related mandate.

1.2 Companies should specify:

- what workforce matters this individual/body is ultimately responsible for e.g. human rights, diversity and inclusion, training and development, wellbeing.

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1.3 How is responsibility for direct operations workforce issues cascaded from the highest individual or body to other members of the organisation, such as senior executives and employees?

Aligned with UNGPRF A2.3; GRI 102-19 a; CHRB B.1.1
1.4 How and when is information about the workforce fed back to the individual or body identified in 1.1?

**Why this is important**

While it is important to identify those ultimately responsible for the company’s approach to workforce management, it is also important to understand the day-to-day management of workforce matters i.e. the process for disseminating responsibilities through senior management and beyond and back to the highest governance level. A clear process is required if policies and practices are to align with the company’s overall commitments and objectives.

**Question guidance**

1.3 Companies are asked to explain:

- the process for delegating authority for workforce matters from the highest governance individual or body to senior executives and employees,

- who is involved in this process and their specific role and responsibilities.

1.4 Companies are asked to explain:

- how information is shared with those ultimately responsible and identified in 1.1,

- the frequency of each individual/body’s involvement in the areas identified in 1.2.

1.5 Please give details on how the performance of those identified in 1.1 is evaluated, for example by the use of Key Performance Indicators or other means of performance measurement.

**Why this is important**

The use of performance indicators can indicate how committed the company is to improving workforce management. When linked to the performance of those identified in question 1.1 they can be used to measure the performance of and hold to account those at the highest level of the company.

**Question guidance**

Companies are asked to provide examples of performance measures for those identified in 1.1 that are explicitly related to workforce commitments and targets in the direct operations.

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**Oversight of the workforce - Supply chain**

1.6 Please name the highest governance individual or body (including committees) with ultimate responsibility for workforce matters in the supply chain.

1.7 Please state which workforce areas or themes they are responsible for.
Aligned with UNGP 16(a); UNGPRF A2, A2.1, A2.2; GRI 102-18 a-b, 102-20 a; CHRB A.2.1, B.1.1; ETI RF B1.3 Governance

Why this is important
Effective management of workforce risks and opportunities requires leadership from the highest levels of authority in the company.

Identifying the most senior level of responsibility for workforce issues can help investors understand who is ultimately accountable for workforce risks and opportunities, where there are gaps in the governance structure, and indicates the degree to which a company prioritises workforce matters at the most senior levels of the business.

This is as relevant for the supply chain as for direct operations given the operational and reputational risks and impacts associated with poor supplier labour practices.

Question guidance
1.6 Companies are asked to identify with respect to their supply chain:
   - who is ultimately responsible for workforce matters (this may or may not include members of the Board),
   - if different individuals or bodies are responsible for different workforce matters, companies should identify each individual or body and their respective workforce-related mandate.

1.7 Companies are asked to disclose:
   - what workforce matters this individual/body is ultimately responsible for such as human rights or responsible sourcing.

1.8 How is responsibility for supply chain workforce issues cascaded from the highest individual or body to other members of the organisation, such as senior executives and employees?

1.9 How and when is information about the workforce fed back to the individual or body identified in 1.6?

Why this is important
While it is important to identify those ultimately responsible for the company’s approach to workforce management, it is also important to understand the day-to-day management of workforce matters i.e. the process for disseminating responsibilities through senior management and beyond and back to the highest governance level. A clear process is required if policies and practices are to align with the company’s overall commitments and objectives.

Question guidance
1.8 Companies are asked to explain:
• the process for delegating authority for supply chain workforce issues from the
  highest governance body to senior executive and employees (this does not include
  the role of suppliers in overseeing their workforce),
• who is involved and their specific roles and responsibilities.

1.9 Companies are asked to explain:

• how information is shared with those ultimately responsible and identified in 1.6 and;
• the frequency of each individual/body’s involvement in the areas identified in 1.7.

1.10 Please give details on how the performance of those identified in 1.6 is evaluated, for
  example by the use of Key Performance Indicators or other means of performance
  measurement.

Aligned with UNGPRF A.2, A2.3; GRI 102-28 a-c, 103-3 a; ETI B1.5 Internal buy-in

Why this is important
The use of performance indicators can indicate how committed the company is to improving
workforce management. When linked to the performance of those identified in question 1.6
they can be used to measure the performance of and hold to account those at the highest
level of the company.

Question guidance
Companies are asked to provide examples of performance measures for those identified in
1.6 that are explicitly related to workforce commitments and targets.
2. Risk Assessment

Why this section is important
Investors are interested to understand how robust a company's process is for identifying and prioritising workforce-related risks and opportunities. This can help indicate how well positioned a company is to anticipate and respond to potential negative impacts while also proactively seeking to generate benefits for its workforce and business.

Workforce risk assessment is significant for all companies particularly as they transition and business activities to align with a low carbon economy. In order to ensure the transition is both just and socially inclusive, companies must give due consideration to the relationship between workforce and climate related risks and opportunities.¹

A human rights due diligence process is the starting point for any meaningful identification of workforce-related risks. Under the United Nations Guiding Principles on Business and Human Rights, all companies have a responsibility to identify and manage their salient human rights issues, that is, rights that are at risk of the most severe negative impacts either through the company's business activities or relationships, and which represent risks to the business. A human rights due diligence process must be an ongoing process and applies to all workers - in the direct operations and supply chain. Human rights due diligence must inform a company’s wider workforce risk assessment process. Companies should be able to set out how this wider process is identifying and prioritising workforce-related risks and opportunities, as well as how the company is acting on and tracking progress on these issues.

Effective management of workforce related issues requires embedding the workforce risk assessment process into the company's overall risk management framework and business strategy.

**Human rights and due diligence**

<table>
<thead>
<tr>
<th>2.1 Does the company have a policy commitment on human rights?</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2 Please provide a link to a publicly available document</td>
</tr>
<tr>
<td>Aligned with UNGP 15 (a), 16(a); UNGPRF A.1, A1.2; GRI 106-16 a; DJSI 5.2.1 Human Rights – Commitment; CHRB A.1.1, A.1.2; KTC 1.2 Supply Chain Standards; CWC 1.2, 1.2.1, 4.2; ETI RF B1.1 Policy commitment, D Salient labour rights issues</td>
</tr>
</tbody>
</table>

**Why this is important**
A company should have a public commitment to respect human rights approved at the most senior level of responsibility in the company. A policy commitment on human rights represents an important public document that communicates a company’s values and principles in this area. It is a first step in setting out how a company will take action and influence decision-making within the business to ensure the commitment is made in practice. A company’s human rights policy should commit to respecting the human rights of workers and of other individuals or communities as relevant to the industry.

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Question guidance

2.1: Companies should select yes or no.

2.2: If yes, companies should provide a link to public documentation to support their response [indicating the relevant page/s if incorporated in another company document].

Companies are directed to Principle 12 in the UNGPs for detail on relevant human rights instruments and to Principle 16 for information on what this policy commitment should contain.

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2.3 Does the company have a human rights due diligence process in place?

2.4 Please provide a link to a relevant publicly available document.

2.5 If yes, please provide one example of a human rights due diligence process the company has carried out.

Aligned with UNGPs 17-21; UNGPRF B2; DSJI 5.2.2 Human Rights – Due Diligence Process, 5.2.4 Human Rights – Disclosure; CHRB B.2.1-B.2.5; CWC 4.5, 4.7; ETI RF B2.1 Risk Assessment

Why this is important

Investors want to understand how companies are managing their salient (i.e. most severe) human rights issues. In order to identify and manage these issues, companies should carry out human rights due diligence. In line with the UNGPs, “Human rights due diligence can be included within broader enterprise risk management systems, provided that it goes beyond simply identifying and managing material risks to the company itself, to include risks to rights-holders.”

Question guidance

2.3 Companies should select yes or no.

2.4 If yes, companies should provide a link to public documentation to support their response.

Companies are directed to principle 17 to 21 in the UNGPs and related Commentary for details on how to conduct a human rights due diligence process.

2.5 Companies are asked to outline one example where a human rights due diligence process has been carried out. Companies are asked to address the core components set out in the United Nations Guiding Principles on Business and Human Rights. Companies are encouraged to address each of the five areas in bullet points and support each point with page references to an external publication.

- the business activities covered by this process whether in their own direct operations, or in the supply chain,
- the process for identifying and assessing actual or potential human rights impacts, including any stakeholders involved and the impacts themselves,
- how the impacts have been integrated into internal decision making, and what action has been taken as a result,

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4 UN Guiding Principles on Business and Human Rights, Commentary to Principle 17 available at https://www.ohchr.org/documents/publications/GuidingprinciplesBusinesshr_eN.pdf (English)
- whether the company has verified the effectiveness of these actions,
- how the company is communicating the actions it is taking to external parties.

**Risks and opportunities: direct operations**

**2.6** Please describe the company's process for identifying workforce risks and opportunities in the company's direct operations.

Aligned with UNGPs 17-18; UNGPRF B 2, UNGPRF B3; GRI 102-29 a; CHRB B.2.1, B.2.2; ETI RF B2.1 Risk Assessment

**Why this is important**

Workforce risks and opportunities refer to the potential impact of workforce matters on a company's workforce and business.

Investors are interested to understand if a company has a distinct risk assessment process in relation to the direct operations workforce; how this relates to other processes such as ongoing human rights due diligence and wider enterprise risk management; and how robust this process is.

Companies should take a broad view of the internal and external factors that are likely to impact their company and workforce. This might include external or regulatory changes, changes to the business structure operations, and existing internal workforce practices.

**Question guidance**

Companies are encouraged to address as many of the points below as possible:

- who is involved and/or consulted in the process (internal and external stakeholders);
- how often the process is reviewed;
- the systems in place to collect relevant data;
- how results are reported and communicated;
- how a human rights due diligence informs this process;
- how the workforce risk assessment forms part of the enterprise risk management framework.

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**2.7** Please identify the top three workforce risks and opportunities relating to direct operations, in the table provided.

**2.8** Please give details on why they were selected and prioritised and their potential impact, in the table provided.

Aligned with CHRB B.2.1, B.2.2; GRI 102-15 a

**2.9** Please explain how the company is addressing these risks and opportunities.

Aligned with UNGPRF B.2.3, C4.3, C5.1, C6.5

**Why this is important**

Workforce risks and opportunities refer to the potential impact of workforce-related factors matters to a company's workforce and business. It is crucial all companies prioritise those workforce risks with the potential to have the most severe impacts to workers (see human rights due diligence above).
Companies should take a board view of the internal and external factors that are likely to impact workforce risks and opportunities. This might include external or regulatory changes, changes to the business structure and operations, and existing internal workforce practices.

Companies should have a clear rationale for the selection and prioritisation of risks and opportunities, which takes into account the potential impact to the company’s workers and its business activities. This demonstrates that the company is taking a stakeholder approach to managing its risks and opportunities and developing its business model.

Prioritisation is essential in the context of limited internal resource and time and to ensure workforce risks and opportunities are effectively managed over time. Investors are interested in how companies are responding to priority issues by reviewing workforce management practices and integrating learnings into decision making processes. Companies should be able to demonstrate how they are taking appropriate actions to mitigate risks and take advantage of new opportunities related to the workforce.

**Question guidance**

2.7 Companies are asked to provide:
- a brief title or summary to describe the top risks and opportunities,

2.8 Companies are asked to provide:
- a brief description of why this risk or opportunity has been prioritised, including the potential impact to the workforce (for example on worker compensation or contracts, development opportunities or wellbeing) and the business (for example on business operations, revenue and expenditure or reputation),
- where relevant, reference to the individual direct operations and geographies most impacted by the risk or opportunity.

2.9 Companies are asked to provide:
- a brief description of how the company is responding to the identified risks and opportunities,
- companies are encouraged to refer to data reported in the rest of the WDI disclosure, for example if the company has identified diversity and inclusion as a workforce risk and is working to improve the diversity of its workforce, it may want to refer to diversity data reported in Section 3 and/or turnover data reported in Section 4,
- any challenges experienced in managing risks and opportunities,
- how, if at all, these risks and opportunities have influenced the broader business operations and strategy.

**Risks and opportunities: supply chain**

2.10 Please describe the company’s process for identifying workforce risks and opportunities in the company’s supply chain.

*Aligned with UNGPs 17-18; UNGPRF B.2.1, B.2.2; GRI 102-29 a; KTC 2.2; ETI RF B2.1 Risk Assessment*

*Why this is important*
Workforce risks and opportunities refer to the potential impact of workforce matters on a company’s workforce and business.

Investors are interested to understand if a company has a distinct risk assessment process in relation to the direct operations workforce; how this relates to other processes such as ongoing human rights due diligence and wider enterprise risk management; and how robust this process is.

Companies should take a broad view of the internal and external factors that are likely to impact their company and workforce. This might include external or regulatory changes, changes to the business structure operations, and existing internal workforce practices.

**Question guidance**

Companies are encouraged to address as many of the points below as possible:

- who is involved and/or consulted in the process (internal and external stakeholders);
- how often the process is reviewed;
- the systems in place to collect relevant data;
- how results are reported and communicated;
- how a human rights due diligence informs this process;
- how the workforce risk assessment forms part of the enterprise risk management framework.

---------------------------------------

2.11 Please identify the top three workforce risks and opportunities relating to supply chain, in the table provided.

2.12 Please give details on why they were selected and prioritised and their potential impact, in the table provided.

*Aligned with UNGPRF B.2.1, B.2.2; GRI 102-15 a.*

2.13 Please explain how the company is addressing these risks and opportunities.

*Aligned with UNGPRF B.2.3, C4.3, C5.1, C6.5*

**Why this is important**

Workforce risks and opportunities refer to the potential impact of workforce-related factors matters to a company’s workforce and business. It is crucial all companies prioritise those workforce risks with the potential to have the most severe impacts to workers (see human rights due diligence above).

Companies should take a board view of the internal and external factors that are likely to impact workforce risks and opportunities. This might include external or regulatory changes, changes to the business structure operations, and existing internal workforce practices.

Companies should have a clear rationale for the selection and prioritisation of risks and opportunities, which takes into account the potential impact to the company’s workers and its business activities. This demonstrates that the company is taking a stakeholder approach to managing its risks and opportunities and developing its business model.

Prioritisation is essential in the context of limited internal resource and time and to ensure workforce risks and opportunities are effectively managed over time. Investors are interested in how companies are responding to priority issues by reviewing workforce management practices and integrating learnings into decision making processes. Companies should be
able to demonstrate how they are taking appropriate actions to mitigate risks and take advantage of new opportunities related to the workforce.

Question guidance

2.11 Companies are asked to provide:

- a brief title or summary to describe their top risks and opportunities,

2.12 Companies are asked to provide:

- a brief description of why this risk or opportunity has been prioritised, including the potential impact to the workforce (for example on worker wages, health and safety or access to remedy) and the business (for example on business operations, revenue and expenditure or reputation),
- where relevant, reference to the specific parts of the supply chain and geographies most impacted by the risk or opportunity.

2.13 Companies are asked to provide:

- a brief description of how the company is responding to the identified risks and opportunities,
- companies are encouraged to refer to data reported in the rest of the WDI disclosure, for example if the company has identified a risk to the right to freedom of association in the supply chain, the company may wish to refer to their response in Section 10,
- any challenges experienced in managing risks and opportunities,
- how, if at all, these risks and opportunities have influenced the broader sourcing and purchasing strategy.
3. Composition and Compensation - Direct Operations

Why this section is important

The composition of the company’s workforce, the terms of workers’ employment and compensation levels provide an insight into the scale and diversity of the company’s workforce, as well as the type of employment model used.

When managed well, these areas can drive positive impacts for workers, increased productivity and operational benefits for the company. Conversely, a lack of diversity, over-reliance on temporary staff and poor distribution of pay can negatively impact worker job satisfaction and wellbeing, with potential reputational and even legal risks for the company.

Major shifts in the global labour market have increased public and regulatory scrutiny of imbalances in the workforce and working conditions. This has led to calls for greater transparency on issues such as diversity, contingent workers and wage levels.

Investors are interested to know both that companies are responding to these shifts and recognising the benefits of preparing for anticipated regulatory requirements.

Scope of disclosure: Companies should specify their scope of disclosure from the drop-down box options.

Additional scope of disclosure information: If relevant, companies can enter any additional contextual information to clarify their scope of disclosure.

### Structure and location of direct operations

| 3.1 | Please provide the total number of employees in the company’s direct operations. |
| 3.2 | Please provide the number of employees by location where the company has direct operations. |

[3.3 Scope of disclosure / 3.4 Additional scope of disclosure information]

Aligned with GRI 102-7 a; CWC 1.1

Why this is important

This question helps investors assess the overall volume of workers delivering core services on behalf of the company.

Questions 3.1 and 3.2 also provide the scale and context for the information disclosed on the direct operations in the rest of the company’s disclosure.

Question guidance

Companies are asked to provide:

3.1 the total number of employees in their direct operations,

3.2: the total number of employees in their direct operations for up to 100 direct operations locations.

Contract types

| 3.5 | Please provide the percentage (%) of the total direct operations workforce for each contract type, in the table provided. |
3.6 Please provide a gender breakdown by each contract type, in the table provided.

3.7 Please briefly describe the type of work performed by workers on each contract type, in the table provided.

3.8 Scope of disclosure / 3.9 Additional scope of disclosure information

Aligned with GRI 102-8 a-d; CWC 1.1

3.10 Have contingent worker contracts increased as a percentage of the total direct operations workforce, since the last reporting period?

3.11 If yes, please give details.

Aligned with GRI 102-8 e-f

Why this is important

A breakdown of contract types gives insight into the different types of labour used by the company to realise its business objectives.

Investors are increasingly interested in this topic given changes to the employment environment in recent years as contracts have become more flexible and companies have increased their use of non-permanent contract types.

A high dependency on temporary or non-guaranteed/short-hours contracts can indicate an insecure workforce who receive fewer employment benefits compared to permanently contracted employees (benefits such as holiday leave, adequate pay and training and development opportunities).

In addition, companies that depend to a large extent on workers recruited through third-party contracts and organisations (particularly when located in high risk geographies and where the company has no oversight over employment practices, or that employ a high proportion of vulnerable workers such as women) potentially expose workers to labour rights risks and are themselves more exposed to the legal, financial and reputational risks associated with precarious and exploitative labour practices.

Question guidance

3.10 Companies should select yes or no.

3.11 Companies are asked to provide the following:

- which areas of the business have seen an increase – whether at a company level or otherwise,
- the percentage increase in contingent worker contracts, including any decrease in permanent contracts as a result,
- the types of contracts that have seen an increase and the nature of the work performed by these workers.

Diversity

3.12 Does the company have a policy commitment relating to diversity for the direct operations?

3.13 Please provide a link to a publicly available document
Aligned with ILO No. 111 (Discrimination (Employment and Occupation)), ILO Declaration on Fundamental Principles and Rights at Work; UNGPF C.1; GRI 103-2 c, GRI 405; CWC 9 – Workplace Diversity

Why this is important

There is increasing evidence of a link between diversity and company performance. A policy commitment on diversity represents an important public document that communicates the company’s values and principles in this area. It is a first step in setting out how the company will take action and influence decision-making within the business to ensure the commitment is made in practice.

Question guidance

3.12 Companies should select yes or no.

3.13 If yes, companies should provide a link to public documentation to support their response [indicating the relevant page/s if incorporated in another company document].

3.14 Please provide the percentage (%) of total employees by gender at each level of seniority in the organisation, in the table provided.

3.15 Scope of disclosure / 3.16 Additional scope of disclosure information

Aligned with GRI 102-24; 405-1 b; DJSI 5.1.1 Diversity

Supports realisation of SDG 5.1 (particularly 5.1.1) and SDG 5.5 (particularly 5.5.2)

Why this is important

Gender composition by seniority helps investors understand the gender representation at different levels of responsibility and the company’s ability to attract and retain a diverse talent pool across the employee base.

Question guidance

3.14 Companies are asked to provide

- the gender composition of their workforce by **seniority level**.

3.17 Please provide diversity composition data by Age Group and/or Ethnicity for the company's employees, in the table provided.

3.20 Please provide diversity composition data for the contingent workforce by Age and/or Ethnicity, in the table provided.

3.18 / 21 Scope of disclosure / 3.19 / 3.22 Additional scope of disclosure information

[3.23 If the company is unable to provide diversity data in the format requested above, please provide a link to a relevant public document where this information is reported. Note - this information will not be scored. Companies are encouraged to report the data in the format requested by the WDI survey. However, in instances where a company's current reporting practices does not collect and report data in the format requested, we ask companies to provide a link to their]
current public reporting. Companies should note that any information included in this way will not be scored or included in the WDI team's analysis.]

**Aligned with GRI 405-1 b**

**Why this is important**

In addition to collecting and disclosing data on gender diversity, companies should seek to collect employee composition data by other demographic groups. Disaggregated data allows investors and other stakeholders to understand the diversity of the workforce and how effectively the company is creating an inclusive working environment for all.

This information, in addition to the data reported on contract types by gender (question 3.6), is useful to understand the make-up of the contingent workforce and to identify vulnerable groups such as women, young or migrant workers.

**Question guidance**

3.17 / 3.20 Companies are asked to provide data in the tables provided.

Companies are asked to apply their own classifications for Age Group and Ethnicity to align with their own internal data collection systems. Companies are asked to include the source if it is an external classification or provide details if it is an internal classification.

**Pay ratios and pay gaps**

3.24 Please provide the CEO-median worker **pay ratio** (that is, the annual total compensation for the highest paid individual to the median annual total compensation for all employees). Companies are asked to report by one or more of the following in the table provided: HQ, Global or individual country level.

**Aligned with GRI 102-38 a; CWC 6.3**

3.25 Please provide the company's median **gender pay gap**. Companies are asked to report by one or more of the following in the table provided: HQ, Global or individual country level.

**Aligned with GRI 405-2 a**

Supports progress towards SDG 5.1 (particularly 5.1.1), SDG 5.5 (particularly 5.2.2), SDG 8.5 (particularly 8.5.1)

3.26 Please provide the company's median ethnicity pay gap. Companies are asked to report by one or more of the following in the table provided: HQ, Global or individual country level.

3.27 Please give details on how the company is working to address any of the above pay gaps.

[3.28 If the company is unable to provide pay gap data in the format requested above, please provide a link to a relevant public document where this information is reported. Note - this information will not be scored.

Companies are encouraged to report the data in the format requested by the WDI survey. However, in instances where a company's current reporting practices does not collect and report data in the format requested, we ask companies to provide a link to their
Companies should note that any information included in this way will not be scored or included in the WDI team's analysis.

Why this is important

Disclosing the pay ratio between the highest and lowest employee can help to improve transparency and build trust between the executive level and rest of the workforce. The company’s pay ratio, when considered alongside other workforce information, can help investors understand the company’s approach to distributing its returns across the organisation. High levels of pay disparity can impact employee morale. This information is also particularly insightful when considered in relation to other sector peers.

Gender pay gap reporting is already a legal requirement for large companies in some countries. It is designed to improve transparency on gender pay differences and to drive action to reduce pay inequality. Gender pay gap data can be used to assess levels of equality in the workplace and how effectively the company is maximising talent. Gender diversity has been found to be a competitive differentiator and companies in the top quartile for gender or racial and ethnic diversity are more likely to generate financial returns above their national industry means.

There has been significant support for companies publishing their pay ratios, gender and other pay gaps such as ethnicity and disability from regulators in the US and the UK. It will be useful for investors and companies to be ahead of the curve on this disclosure.

Question guidance

3.24 Companies are asked to report:

- as a ratio, the annual total compensation for the highest paid individual to the median annual total compensation for all employees,
- a ratio for one or more of the following: the HQ or main operating country only, their global operations or any other operating context at individual country level.

Companies are encouraged to follow a local methodology if there is one or apply a methodology from elsewhere such as US Securities and Exchange Commission (SEC)\(^5\) or GRI Disclosure 102-38 ‘Annual total compensation ratio’.

3.25 / 3.26 Companies should report:

- the gender pay gap using data reported to the UK Government for gender pay gap reporting; or data collected using local reporting methodology, if there is one; or data collected using methodology from elsewhere e.g. UK Gender Pay Gap,\(^6\)
- The company’s gender pay gap for one or more of the following: the HQ or main operating country only, their global operations or any other operating context at individual country level,
- The company’s ethnicity pay gap for one or more of the following: the HQ or main operating country only, their global operations or any other operating context at individual country level.

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Companies are asked to provide information on specific actions the company is taking to address the CEO to median worker pay ratio, or gender and ethnicity pay gaps in its direct workforce.

### Wage levels

**3.29** Does the company have a policy commitment relating to wage levels for the direct operations?

**3.30** Please provide a link to a publicly available document

*Aligned with ILO No. 100 (Equal Remuneration); UNGPRF C.1; GRI 103-2 c, 401 – Employment; CWC 1 – Workforce Composition, 6 – Pay levels*

**Why this is important**

A policy commitment on wage levels represents an important public document that communicates the company’s values and principles in this area. It is a first step in setting out how the company will take action and influence decision-making within the business to ensure the commitment is made in practice.

Wage levels for employees give an insight into how the company values and compensates its employees. Companies with fair wage levels are likely to have employees that are more productive and engaged with the company’s objectives, while those with a high proportion of employees on low wages and excessive pay gaps are likely to experience higher absentee rates, turnover and lower staff engagement.

**Question guidance**

**3.29** Companies should select yes or no.

**3.30** If yes, companies should provide a link to public documentation to support their response [indicating the relevant page/s if incorporated in another company document].

**3.31** Does the company pay a Living Wage in any of its direct operations?

**3.32** Companies are encouraged to provide details, particularly if the company does not pay a Living Wage, only pays a Living Wage in 1 or more location or is working towards paying a Living Wage in any of its direct operations.

*Aligned with CHRB D 1.1, D. 2.1, D. 3.1; CWC 6.1*

**Why this is important**

A Living Wage is defined as a wage sufficient to meet the basic standards of living, which will vary by country and local living standards and need. The concept of a Living Wage has gained significant support from government, civil society and industry in many parts of the world, including the UK. There is evidence that paying a Living Wage reduces staff turnover, leads to reputational benefits and improves workforce engagement. The last few years have seen substantial progress made towards identifying Living Wage levels in many countries where companies have large workforce footprints.

**Question guidance**

**3.31** Companies should select one option from the drop-down list:
Not in any direct operations;
UK only;
More than 1 location (in the direct operations);
All global operations;
Working towards paying a Living Wage.

3.32 Companies are encouraged to provide details, particularly if the company does not pay a Living Wage, only pays a Living Wage in 1 or more location or is working towards paying a Living Wage in any of its direct operations.

3.33 This question has been removed.

3.34 Please provide the gender balance (that is, the percentage of female and male employees) in the bottom, lower middle, upper middle, and top quartile of earners in your organisations, in the table provided.

[3.35 Scope of disclosure / 3.36 Additional scope of disclosure information]

Supports progress towards of SDG 5.1 (particularly 5.1.1) and SDG 5.5

3.37 Please provide the percentage (%) of employees in the bottom quartile whose basic salary is equal to the local minimum wage.

3.38 Please provide the gender balance – that is, the percentage of female and male employees – whose basic salary is equal to the local minimum wage, in the table provided.

Aligned with GRI 202-1

[3.39 Scope of disclosure / 3.40 Additional scope of disclosure information]

[3.41 If the company is unable to provide wage level data in the format requested above, please provide a link to a relevant public document where this information is reported. Note - this information will not be scored.
Companies are encouraged to report the data in the format requested by the WDI survey. However, in instances where a company’s current reporting practices does not collect and report data in the format requested, we ask companies to provide a link to their current public reporting. Companies should note that any information included in this way will not be scored or included in the WDI team's analysis.]

Why this is important

The minimum wage refers to the minimum compensation allowed under local legal requirements. The proportion of employees on the minimum wage provides an insight into how the company values and compensates its employees. It is presumed that employees on the minimum wage represent the lowest paid portion of the total employee base.

Question guidance

3.34 Companies are asked to provide,

- the percentage of each quartile that is male and female
3.37 Companies are asked to provide,
- the percentage of the total number of employees whose basic salary is the local minimum wage,
Companies that operate in countries without a defined national minimum wage are encouraged to enter information in the additional information column.
3.38 Companies are asked to provide,
- the gender breakdown of those employees whose basic salary is the local minimum wage, as a percentage.

3.42 Does the company collect or monitor data on wages and benefits for contingent workers?
3.43 If yes, please give details / 3.44 If no, please explain your response.
3.45 How is the company working to improve wage conditions if it is not already paying a Living Wage to contingent workers?

Alignment with GRI 202-1, 401-2; CWC 1.4

Why this is important

There is a growing trend for companies to use contingent workers over permanent contracts and related rise in levels of job insecurity for those on temporary contracts.

Investors are increasingly interested in how companies are avoiding exacerbating the global phenomenon of precarious work and managing their responsibilities as an employer seriously. It is important for companies to carry out due diligence to ensure workers employed on temporary contracts, either directly by the company itself or indirectly through third-party suppliers, are paid at a decent wage and not at a disadvantage relative to their permanently employed counterparts. Failure to do so risks creating a two tier workforce and resulting deficits in workforce morale, engagement and productivity. It also presents legal and reputational risks.

Question guidance

3.42: Companies should select yes or no.
3.43 Companies are encouraged to provide information on:
- any information they monitor on the pay and benefits received by workers on different contracts,
- whether the pay and benefits received by permanent employees differs to those on contingent contracts.
3.44 If the company has not engaged with labour providers on wages, please provide reasons for this.
3.45 Companies are asked to describe specific instances (geography and operations) where the company has identified a need to increase worker wages for contingent workers. Companies are asked to describe their efforts in this area, for example, entering negotiations with unions or engaging and working with third party contractors. Companies are asked to explain and any resulting or expected outcomes.
4. Stability - Direct Operations

Why this section is important

Turnover data provides insights into how effective the company is at retaining workers. It can be a litmus test for workforce satisfaction and creating an inclusive working environment. In the direct operations, turnover rates are useful when considered alongside other workforce data. Investors will be interested to understand turnover data in the wider context of structural changes to the organisation, the employment model and use of different labour contracts, the composition of the workforce and efforts to create an inclusive workplace, workforce development opportunities and worker engagement.

Scope of disclosure: Companies should specify their scope of disclosure from the drop-down box options.

Additional scope of disclosure information: If relevant, companies can enter any additional contextual information to clarify their scope of disclosure.

<table>
<thead>
<tr>
<th>Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 Please provide overall turnover rates for the company.</td>
</tr>
<tr>
<td>4.2 Please provide turnover rates for employees, by Seniority Level, Gender, Age Group, and Contract type, in the table provided.</td>
</tr>
<tr>
<td>[4.3 Scope of disclosure / 4.4 Additional scope of disclosure information]</td>
</tr>
<tr>
<td>Aligned with GRI 401-1 b; CWC 1.5, 1.6; DJSI 5.4.3 Employee turnover rate</td>
</tr>
<tr>
<td>4.5 Please provide turnover rates for contingent workers, by Seniority Level, Gender and Age Group, in the table provided.</td>
</tr>
<tr>
<td>[4.6 Scope of disclosure / 4.7 Additional scope of disclosure information]</td>
</tr>
<tr>
<td>Aligned with GRI 401-1 b; CWC 1.5, 1.6; DJSI 5.4.3 Employee turnover rate</td>
</tr>
<tr>
<td>4.8 Please describe and explain any changes to these figures since the last reporting period.</td>
</tr>
<tr>
<td>4.9 Does the company anticipate any changes to turnover rates in the next 12-24 months?</td>
</tr>
<tr>
<td>4.10 Please give details.</td>
</tr>
<tr>
<td>Aligned with DJSI 5.4.3 Employee turnover rate</td>
</tr>
<tr>
<td>[4.11 Scope of disclosure / 4.12 Additional scope of disclosure information]</td>
</tr>
<tr>
<td>[4.13 If the company is unable to provide turnover data in the format requested above, please provide a link to a relevant public document where this information is reported. Note - this information will not be scored. Companies are encouraged to report the data in the format requested by the WDI survey. However, in instances where a company's current reporting practices does not collect and report data in the format requested, we ask companies to provide a link to their current public reporting. Companies should note that any information included in this way will not be scored or included in the WDI team's analysis.]</td>
</tr>
</tbody>
</table>
Why this is important

Turnover rates provide a snapshot of stability of the workforce during the reporting period. They can indicate the degree to which the company is able to retain talent and hint at the financial costs of re-skilling and recruiting workers - both of which can impact the productivity and the stability of the company.

Disaggregated turnover data by seniority level, gender, age or contract type can also indicate the level of certainty and satisfaction among different groups in the workforce. It can also highlight where there may be challenges in retaining certain types of workers and what further work is required to develop a diverse and stable workforce.

Contingent workers are increasingly common in companies’ workforces. High turnover rates are an indicator of precarious work in the contingent workforce. It is important for companies to make progress towards ensuring the data collected on turnover rates also expands to cover contingent workers.

It is also important that companies demonstrate they have processes to regularly monitor and anticipate changes in staff turnover, and that they are well positioned to address the underlying causes of turnover rates if they present risks to the business or to workers.

Question guidance

4.1 Companies are asked to provide the overall turnover rate at the company level.

4.2 / 4.5 Companies are asked to provide turnover rates, voluntary and involuntary turnover at the company level for one or more of the categories provided.

4.8 Companies are asked to explain:

- any reasons for changes to turnover – for employees and/or contingent workers - since the last reporting period, including any geographic or business specific trends,
- any attempts by the company to address the changes,
- comparisons with internal targets and/or sector/industry averages.

4.9 / 4.10 Companies are asked to describe any projections to changes in the business that may lead to changes in turnover rates – for employees and/or contingent workers.
5. Training and Development - Direct Operations

Why this section is important

This section provides an insight into the company’s commitment to training and developing the people working in its direct operations. Workforce development is vital to ensure that the skills of the workforce meet the strategic objectives of the company and that workers are provided with opportunities to grow and flourish in their working environments. Together with other workforce data such as diversity and turnover data, this information can help investors understand how the company is investing in and building a workforce for the future.

Investors want to better understand how companies are investing in their workforce to ensure both the successful delivery of the company’s future strategy, and to prepare workers to adapt to future changes in the world of work.

Early investment is critical to ensuring the workforce is equipped to support the company transition its business activities to align with a low carbon economy future and to meet wider sectoral challenges. Failure to do so risks not only the disruption to business activities, but also job losses and uncertainty for workers, and lack of consumer confidence with potential financial and reputational risks. Companies that proactively seek to meet the training needs of their business and their workers are likely to gain a significant advantage over their peers, and benefit from the associated benefits of increased workforce engagement, lower turnover, higher staff morale and innovation as workers are more likely to want to help the business succeed.

Scope of disclosure: Companies should specify their scope of disclosure from the drop-down box options.

Additional scope of disclosure information: If relevant, companies can enter any additional contextual information to clarify their scope of disclosure.

<table>
<thead>
<tr>
<th>Training and skills development</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1 Does the company have policy commitments on training and skills development relating to the direct operations?</td>
</tr>
<tr>
<td>5.2 Please provide a link to a publicly available document</td>
</tr>
</tbody>
</table>

Aligned with GRI 103-2 c, 404 – Training and Education; CWC – Training and Development

Why this is important

A policy commitment on training and skills development represents an important public document that communicates the company’s values and principles in this area. It is a first step in setting out how the company will take action and influence decision-making within the business to ensure the commitment is made in practice.

Question guidance

5.1 Companies should select yes or no.

5.2 If yes, companies should provide a link to public documentation to support their response [indicating the relevant page/s if incorporated in another company document].

5.3 How does the company identify and address skills gaps and training needs?
Why this is important

Investors want to better understand how companies identify and address skills gaps and training needs in order to ensure both the successful delivery of the company’s future strategy, and so that workers are equipped to adapt to future changes in the world of work.

Early identification and investment is also critical to ensuring the workforce is prepared and able to support the company transition its business activities to align with a low carbon economy future and to meet wider sectoral challenges. Failure to do so risks not least the disruption to business activities, but also job losses and uncertainty for workers, and lack of consumer confidence with potential financial and reputational risks. Companies that proactively seek to meet the training needs of their business and their workers are likely to gain a significant advantage over their peers, and benefit from the associated benefits of increased workforce engagement, lower turnover, higher staff morale and innovation as workers are more likely to want to help the business succeed.

Question guidance

Companies are asked to provide the following information in their response:

- their process to determine the skills and training required to fulfil the company’s strategic objectives,
- who is involved in identifying skills gaps and training needs,
- how gaps are typically filled,
- examples of needs that have been identified including reference to specific geographies, business functions or otherwise.

5.4 Please provide details on the provision of training and development for employees, by each level of seniority (as identified in Q3.14 - gender by seniority level), training type and gender - in the table provided.

Aligned with GRI 404-1, 404-2; DJSI 5.3.1 Training and development inputs, 5.3.2 Employee development programs; CWC 8.1

Why this is important

Disclosure on training programmes provided and the average number of hours training gives investors an insight into the scale and ambition of the company’s commitment to investing in its workforce. Disaggregated data by gender, seniority and contract type can provide additional insights as to how equally distributed training and development opportunities are across the workforce. Equal development opportunities across the direct operations workforce are associated with high employee satisfaction and improved performance.

Question guidance

5.4 Companies are asked to report:

- a summary of the training programme provided, the training type category best matched to the programme (see drop-box list: Technical/skills training, Quality training, Professional/legal training, Leadership/Managerial training, Safety training)

For each training programme entry, companies should specify:
• The **seniority level** receiving the training programme (as identified in question 3.14 – gender by seniority level), where the programme is not offered to all staff;
• the **average number of hours** received per **FTE**;
• the average number of hours received per FTE by gender.

**Categorisation of training programme**

Technical/Skills training – training on skills required to enable workers to perform their jobs. Most of the time, skills training is given in-house and can include the use of a mentor. For example, an administrative assistant might be trained in how to answer the phone, while a salesperson might be trained in assessment of customer needs and on how to offer the customer information to make a buying decision.

Quality Training – familiarizing workers with the means of preventing, detecting, and eliminating non-quality items, usually in an organisation that produces a product. Numerous organizations, such as the International Organization for Standardization (ISO), measure quality based on a number of metrics.

Professional Training and Legal Training – in some jobs, professional training must be done on an ongoing basis. Professional training is a type of training required to be up to date in one’s own professional field. For example lawyers or accountants remaining up to date with the current laws and regulations.

Leadership / Managerial Training – after someone has spent time with an organization, they might be identified as a candidate for promotion. When this occurs, managerial training often occurs. Topics might include soft skills, such as how to motivate and delegate.

Safety Training – safety training is a type of training that occurs to ensure employees are protected from injuries caused by work-related accidents.

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**5.5 How do you measure the effectiveness of the training and development programmes your company provides?**

**[5.6 Scope of disclosure / 5.7 Additional scope of disclosure information]**

*Aligned with DJSI 5.3.4 Return on employee development investment*

**Why this is important**

Investors are increasingly interested to see how companies monitor and assess the effectiveness of training programmes, to determine how proactively a company is adapting its programmes to suit the company strategy and skills needs of the workforce, and ensuring investments lead to positive impacts for the company and employees. Leading companies measure the effectiveness of training and development efforts.

**Question guidance**

Companies are encouraged to provide any quantitative or qualitative measures of the impact of training and development on the business and its workforce. For example, this could be through increased revenue, productivity gains, employee engagement and/or internal hire rates (see question 5.12) or return on investment (ROI).

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**5.8 Please provide details on the provision of training and development by contract type, in the table provided.**
5.9 Please provide details on the provision of training and development for contingent workers, by seniority level, training type and gender.

Aligned with GRI 404-1, 404-2; CWC 8.1, 8.2

Why this is important
Disclosure on training programmes provided and the average number of hours training gives investors an insight into the scale and ambition of the company’s commitment to investing in its workforce. Disaggregated data by gender, seniority and contract type can provide additional insights as to how equally distributed training and development opportunities are across the workforce. Equal development opportunities across the direct operations workforce are associated with high employee satisfaction and improved performance.

An increase in the number of non-permanent contracts is a growing global trend. Often this can mean many workers miss out on the opportunities traditionally provided to permanent staff such as training and career development. This can be disadvantageous to their personal and career development which can potentially stunt their long-term career prospects. It is vital that companies who use employ contingent workers, either directly or indirectly through third party labour providers, are at the very least monitoring the training and development provision available, and additionally supporting these workers access opportunities that may enable them to find more permanent work.

Question guidance
5.8 Companies are asked to provide the average number of hours of training, per FTE, for each contract type.

5.9 Companies are asked to report:

- a summary of the training programme provided, the training type category best matched to the programme (see drop-box list: Technical/skills training, Quality training, Professional/legal training, Leadership/Managerial training, Safety training);

For each training programme entry, companies should specify:

- The seniority level receiving the training programme where the programme is not offered to all staff;
- the average number of hours received per FTE;
- the average number of hours received per FTE by gender.

5.10 Scope of disclosure / 5.11 Additional scope of disclosure information

5.12 Please provide the proportion of internal hires at each level of seniority, by gender, in the table provided.

5.13 Scope of disclosure / 5.14 Additional scope of disclosure information

Aligned with DJSI 5.3.1 Training and development inputs

Supports progress towards SDG 5.1 (particularly 5.1.1) and SDG 5.5

Why this is important
Internal hire rates can indicate the effectiveness of training and development programmes and the company’s approach to providing the workforce with new opportunities for growth and development, an important factor in retention of key talent.

Disaggregated by different groups, the data can also demonstrate how equally opportunities to progress in the company are distributed and who benefits from them.

**Question guidance**

5.12: Companies are asked to provide, if collected:

- **proportion of internal hires** at the company level by each **level of seniority** identified in question 3.14 (gender by seniority level), proportion of internal hires by gender.
6. Occupational Health and Safety and Wellbeing - Direct Operations

Why this section is important

A safe and healthy working environment is fundamental to ensuring workers are able to carry out their duties in the workplace. Strong company performance on health and safety requires policy commitments, controls and systems to track and improve progress over time. Failure to do this can expose the company to legal risks and operational disruptions.

Mental wellbeing is essential to employee morale and productivity. If a company pays significant attention to non-physical health issues it gives an insight into the company’s approach to and understanding of employee welfare. Understanding wellbeing of workers in companies’ operations can also give an insight into the culture and the commitment of the workforce to the company’s objectives.

Scope of disclosure: Companies should specify their scope of disclosure from the drop-down box options.

Additional scope of disclosure information: If relevant, companies can enter any additional contextual information to clarify their scope of disclosure.

Occupational health and safety

6.1 Does the company have a policy commitment on occupational health and safety (OH&S), relating to the direct operations?

6.2 Please provide a link to a publicly available document

Aligned with ILO No. 155 (Occupational Safety and Health); UNGPRF C.1; GRI 103-2 c, 403 – Occupational Health and Safety; CWC 5 – Occupational health and safety; DJSI 3.4.1 Codes of conduct

Supports progress towards SDG 8.8 (particularly 8.8.1 and 8.8.2)

Why this is important

A policy commitment on occupational health and safety represents an important public document that communicates the company’s values and principles in this area. It is a first step in setting out how the company will take action and influence decision-making within the business to ensure the commitment is made in practice.

Question guidance

6.1 Companies should select yes or no.

6.2 If yes, companies should provide a link to public documentation to support their response [indicating the relevant page/s if incorporated in another company document].

6.3 Please provide any of the following health and safety indicators for the company’s employees if collected, by location and by gender: injury rate (IR), occupational disease rate (ODR), absentee rate (AR), lost day rate (LDR), work related fatalities - in the table provided.

6.4 Please explain any changes in the data in the last reporting period, in the table provided.
6.5 If there are any alternative or additional metrics that the company reports, please provide them, in the table provided.

[6.6 Scope of disclosure / 6.7 Additional scope of disclosure information]

Aligned with GRI 403-9 a, GRI 403-10 a; CHRB D.1.7, D.2.7 and D.3.4; CWC 5.1, 5.4.1

Supports progress towards SDG 8.8 (particularly 8.1.1. and 8.1.2)

Why this is important

The most severe impacts to worker health and safety pose significant threats to human life and in turn expose the company to legal and operational risks. A commitment to OH&S needs to be supported by a robust system to monitor health and safety incidents across the company's business activities, measurable targets and programmes to ensure workers are safe and healthy at work.

The above health and safety metrics provide one measure of the company’s health and safety performance. Companies should also be engaging in preventative measures to prevent adverse health and safety impacts from happening in the first place.

Question guidance

6.3 Companies are asked to provide:

OH&S data using the following metrics.

Companies are asked to provide this information by location ('location'), by gender or overall ('total').

- **Injury rate** (IR)
- **Occupational disease rate** (ODR)
- **Absentee rate** (AR)
- **Lost day rate** (LDR)
- **Work related fatalities**

Companies are encouraged to provide information for each metric by location or a key operating country or region since this provides a more useful comparison against similar companies.

6.4 For each entry, companies are encouraged to explain any change in performance since the last reporting year, including any targets that have been set or missed, and challenges to reaching those targets during the reporting period.

6.5 Companies are encouraged to report alternative leading indicators such as **near misses** and/or unsafe working conditions reported.

6.8 Please provide data on any of the following health and safety indicators for the company’s contingent workforce if collected, by location and by gender: **injury rate (IR), occupational disease rate (ODR), absentee rate (AR), lost day rate (LDR), work related fatalities** - in the table provided.

6.9 Please explain any changes in the data in the last reporting period, in the table provided.
6.10 If there are any alternative or additional metrics that the company reports, please provide them, in the table provided.

[6.11 Scope of disclosure / 6.12 Additional scope of disclosure information]

Aligned with GRI 403-9 b, 403-10 b; CHRB D.1.7(a), D.2.7(a) and D.3.4; CWC 5.1, 5.4.2
Supports progress towards SDG 8.8 (particularly 8.1.1. and 8.1.2)

Why this is important

The most severe impacts to worker health and safety pose significant threats to human life and in turn expose the company to legal and operational risks. A commitment to OH&S needs to be supported by a robust system to monitor health and safety incidents across the company’s business activities, using measurable targets and programmes to ensure workers are safe and healthy at work.

Just as companies must ensure the health and safety of employees, they must apply the same diligence to contingent workers who are increasingly common in many companies’ workforces. Companies should be able to report health and safety performance for contingent workers where they are liable for their health and safety, whether employed directly or indirectly through third party labour providers. This can help to address any potential systemic trends and problems that put workers’ health and safety at risk.

The above health and safety metrics provide one measure of the company’s health and safety performance. Companies should also be engaging in preventative measures to prevent adverse health and safety impacts from happening in the first place.

Question guidance

See 6.3 to 6.5

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6.13 Please give an example of how the company has improved its health and safety performance for either employees and/or contingent workers?

[6.14 If the company is unable to provide health and safety data in the format requested above, please provide a link to a relevant public document where this information is reported. Note - this information will not be scored.

Companies are encouraged to report the data in the format requested by the WDI survey. However, in instances where a company’s current reporting practices does not collect and report data in the format requested, we ask companies to provide a link to their current public reporting. Companies should note that any information included in this way will not be scored or included in the WDI team's analysis.]

Why this is important

Companies should demonstrate that the policy commitments and targets in place have resulted in real improvements for worker health and safety. This is important for investors to understand how the company is reducing harm to workers and the company’s exposure to various risks, while increasing the quality of the working environment to boost worker engagement and productivity.

Question guidance
6.13 Companies are asked to provide information on one example where a company programme or action has improved its health and safety performance.

Companies are encouraged to include in their response:
- details on the geographic and operational context of the actions,
- the specific health and safety issues the action is aimed to address,
- the nature of the action e.g. implementation of new systems, setting up of joint management-worker health and safety committees, training programmes, operations improvements, investment in equipment/technology,
- the expected or resulting improvements from the actions,
- the process for monitoring the impact the action has on health and safety performance,
- any challenges the company has experienced in implementing these.

**Wellbeing**

6.15 Does the company have a policy commitment on wellbeing relating to the direct operations?

6.16 Please provide a link to a publicly available document

*Aligned with GRI 103-2 c, 403 – Occupational Health and Safety; CWC 3.3, 5.2*

**Why this is important**

Work, health and wellbeing are closely related. In a rapidly changing world of work, wellbeing is increasingly becoming a key determinant of an engaged and productive workforce. Promoting wellbeing at work can help companies support workers to manage workplace stress, creating positive working conditions that are mutually beneficial for the company and the workforce. This can in turn reduce the negative impacts of poor health outcomes for workers and their employer, and bring about positive outcomes for both.

A policy commitment on wellbeing represents an important public document that communicates the company’s values and principles in this area. It is a first step in setting out how the company will take action and influence decision-making within the business to ensure the commitment is made in practice.

**Question guidance**

6.15 Companies should select yes or no.

6.16 If yes, companies should provide a link to public documentation to support their response [indicating the relevant page/s if incorporated in another company document].

6.17 Does the company have a wellbeing programme available to all workers in the direct operations (including contingent workers and all levels of seniority)?

6.18 Does the company monitor the effectiveness of its wellbeing programmes?

6.19 If yes, please give an example of how the company has improved the wellbeing for either employees and/or contingent workers.

*Aligned with GRI 403-6*
Why this is important

It is important that all workers feel supported by the company’s wellbeing programme and efforts, regardless of their position/seniority in the organisation or their contract/employment arrangement. Workers should also feel empowered and confident to access the services that the company provides.

In order to continuously improve and meet the needs of their workforce, companies should monitor how effective their programmes are at improving worker health and wellbeing. This is essential to ensure policy commitments are put into practice.

Question guidance

6.18 Companies should select yes or no.

6.19 If yes, companies are asked to provide information on the outcomes of one wellbeing programme or action. This may include:

- increased morale and engagement,
- lower sickness or absence rates,
- improved return to work rates after ill-health,
- increased productivity,
- rates of uptake for alternative working patterns,
- case studies of worker wellbeing

Companies are asked to specify which geographic and business activities these outcomes relate to.
7. Workers' Rights - Direct Operations

Why this section is important
This section focuses on a number of important human and labour rights as set by the ILO standards and by the United Nations Guiding Principles on Business and Human Rights.

This section asks questions on rights and freedoms that are crucial to the enjoyment of other fundamental rights covered by previous sections of the WDI survey. These are rights that depend upon workers being able to speak out to improve conditions for themselves and for the wider workforce. They include being able to collectively bargain for improved working conditions, and also to raise grievance and concerns about harms they have suffered individually or that are likely to impact others and the business itself.

Scope of disclosure: Companies should specify their scope of disclosure from the drop-down box options.

Additional scope of disclosure information: If relevant, companies can enter any additional contextual information to clarify their scope of disclosure.

**Freedom of association and collective bargaining**

7.1 Does the company have a policy commitment on the right to freedom of association and collective bargaining, relating to the direct operations?

7.2 Please provide a link to a publicly available document

*Aligned with ILO No. 87 (Freedom of association), No.98 (Right to organise and collective bargaining), No. 154 (Collective bargaining), ILO Fundamental Principles and Rights at Work; UNGPRF C1; GRI 103-2 c, 102-12 a, 407 – Freedom of Association and Collective Bargaining; CHRB A.1.2; KTC – Freedom of Association; CWC 2 – Social Dialogue*

Why this is important
Freedom of association and collective bargaining are fundamental rights at work and vital to ensuring a wide range of other labour rights are respected. A policy commitment on freedom of association and collective bargaining represents an important public document that communicates the company’s values and principles in this area. It is a first step in setting out how the company will take action and influence decision-making within the business to ensure the commitment is made in practice.

Question guidance
7.1 Companies should select yes or no.

7.2 If yes, companies should provide a link to public documentation to support their response [indicating the relevant page/s if incorporated in another company document].

7.3 Please provide the percentage (%) of the direct operations workforce covered by collective bargaining agreements at the company level.

7.4 Please provide the percentage (%) of the direct operations workforce covered by collective bargaining agreements by location.

*Aligned with GRI 102-41 a; CWC 2.1; DJSI 5.1.3 Freedom of association*
Why this is important

Collective bargaining is a key means through which companies and workers can establish fair working conditions, and address issues in the workplace through social dialogue.

Collective bargaining coverage rates express the proportion of workers whose working conditions are regulated by one or more collective agreements.

The legal system for collective bargaining varies from country to country. The prevalence, type and acceptance of collective bargaining agreements also varies between different countries and operating contexts. In some contexts, freedom of association and collective bargaining are mandated by law while in others they are more at risk of being violated. Note that collective agreements can be at the sector, national, regional, organisation or workplace level. Companies should have an understanding of the coverage of collective bargaining agreements at the company level and in specific countries/operating contexts.

Question guidance

7.3 Companies should provide the percentage of employees and contingent workers covered by collective bargaining levels at the company level.

7.4 Companies should provide the breakdown of the figure at 7.3 by location.

7.5 How often does senior management meet with union representatives?

Aligned with CWC 3.4.1

Why this is important

The frequency with which bargaining and negotiation occurs will vary from one workplace and employing organisation to another. These meetings should be viewed as part of companies’ human rights due diligence process (that is a way to identify, assess and act upon actual or potential adverse human rights impacts on company workers) and a vital part of a company’s approach to enhancing social dialogue. In light of the need for business to continuously adapt in order to maintain competitiveness and respond to wider socio-economic challenges, engagement with unions is essential to ensure the needs of workers are included and accounted for in any significant business decisions or plans. This is particularly pertinent as companies respond to risks and opportunities associated with climate change, since workers will be most impacted by and closely involved in the delivery of the transition.

Question guidance

Companies are asked to report:

- the location or operations that their response covers,
- the frequency of meetings if at regular intervals or the average number of meetings per year,
- the participants who typically attend these meetings (role titles or functions),
- the nature of the discussion such as what issues have been discussed in this reporting period,
- how the outcomes of the meeting are shared with the wider workforce.
### 7.6 How does the company encourage third party labour providers to maintain collective bargaining agreements covering all workers supplied to the company?

**Aligned with KTC 4.1, 5.3; CWC 4.6**

**Why this is important**

Companies should be looking to cascade fair pay and working conditions across its workforce to mitigate risks of labour disputes, and potential operational risks at the level of first and second tier suppliers. Contracted workers are at particular risk of weakened labour rights protections as they may not benefit from the legal rights afforded to employees under national law.

**Question guidance**

Companies are asked to explain:

- whether collective bargaining rights are incorporated into labour provider contracts,
- any relevant incentives for labour providers,
- any relevant global/multi-stakeholder initiatives the company supports,
- the process for monitoring labour provider commitments,
- whether third parties are required to cascade rights commitments to their suppliers.

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7.7 Has the company identified any restrictions or violations to workers’ right to freedom of association and collective bargaining in its direct operations?

7.8 If yes, please explain how the company is responding to these restrictions or violations.

**Aligned UNGPRF C4.3; GRI 407-1 a; CWC 2.3**

**Why this is important**

The prevalence, type and acceptance of collective bargaining agreements varies between different countries and operating contexts. In some contexts, freedom of association and collective bargaining are more at risk of being violated due to regulatory constraints. Where this is the case, companies should be able to provide information on how they ensure workers’ right to freedom of association and collective bargaining is respected.

**Question guidance**

Companies are encouraged to provide information on:

- specific instances where violations have been identified,
- actions the company is taking or has taken to ensure workers’ have this right protected, such as an investigation into the violation, direct engagement with local trade unions or other organisations and frameworks, education of local workforce on their rights,
- how the company monitors the effectiveness of these actions,
- any improvements and/or challenges the company has experienced.

**Worker Voice**
7.9 Please provide the percentage of total direct operations workforce who participated in the company’s engagement survey(s) in the reporting period.

**Aligned with DJSI 5.4.4. Trend of employee engagement**

**Why this is important**

The level of participation in engagement surveys provides a snapshot of worker engagement. Workforce engagement has links to business performance and can provide insights into the everyday experiences of workers’ concerns. Engagement surveys are a blunt tool and by no means the only tool to capture engagement levels and effectively listen to the voices of workers.

**Question guidance**

Companies are asked to provide the percentage of workers who responded to the company’s engagement survey out of the total number of direct operations workforce who were asked to complete the survey. If multiple surveys were carried out in the reporting period, companies are asked to provide an average of the participation rate.

7.10 How are workers in the direct operations involved in corporate decision making?

7.11 Please give one example of how workers have influenced decision making in the reporting period.

**Why this is important**

Companies that engage with workers beyond the engagement survey indicate a deeper commitment to involving the workforce in company affairs. Doing so can create more productive, innovative, and inclusive workplaces as a result of greater cooperation and collaboration.

**Question guidance**

7.10 Companies are asked to provide examples of formal means with which workers are able to engage with executives and senior management in the company. This may include regular meetings between worker representatives and executives or senior management, worker representation at the board level, nominated worker representatives on committees such as remuneration or diversity and inclusion, worker councils, or other workforce participation mechanism.

7.11 Companies are asked to provide one example including information on the following:
- the decision-making process the workforce was able to participate in – referring to information disclosed in 7.9,
- the topic/issue discussed,
- the outcomes of this participation such as a change in policy or practice.

**Grievance mechanisms**

7.12 Does the company have a policy commitment to provide a **grievance mechanism** for the direct operations workforce?

7.13 Please provide links to the relevant document
Why this is important

A policy commitment on the effectiveness of workforce grievance mechanisms represents an important public document that communicates the company’s values and principles in this area. It is a first step in setting out how the company will take action and influence decision-making within the business to ensure the commitment is made in practice.

Grievance mechanisms form part of the company’s responsibility to respect human rights. Where the company has caused direct, negative impacts on workers’ human rights through its activities, it should provide remedy to those affected. Grievance mechanisms provide the workforce with the opportunity to raise concerns or complaints in such instances. If concerns are not identified and addressed, they may lead to major disputes or systemic rights abuses. Companies must ensure that workers are aware of and familiar with the company’s grievance mechanism and that the mechanism is independent and locally adaptable.

Question guidance

7.12 Companies should select yes or no.

7.13 If yes, companies should provide a link to public documentation to support their response [indicating the relevant page/s if incorporated in another company document].

7.14 Please give details of the grievance mechanism (s) through which workers can raise complaints or concerns.

Why this is important

Policy commitments alone are often insufficient to ensure workers are aware of, have access to and feel confident in using an effective grievance mechanism.

Companies may have multiple channels for workers to raise grievances such as an intranet or hotline. It is essential that these channels are visible, independent and easily accessible to all workers (including in local languages, for different education levels and different technologies).

In order to ensure that grievance mechanisms serve their intended purpose, companies should proactively assess the effectiveness of their grievance process at enabling workers to raise grievances and crucially at seeking remedy. This is imperative if the company is committed to its responsibility to respect human rights and fundamental to continuously identifying ways in which the company’s business activities can avoid negatively impacting its workers.
Question guidance

7.14 Companies are directed to principle 31 of the UNGPs for criteria for an effective grievance mechanism.

Companies are asked to provide details of the channels available to raise a grievance. Companies are encouraged to make it clear when these channels are not available to all workers in the direct operations.

7.15 Companies are directed to principle 31 of the UNGPs for criteria for an effective grievance mechanism.

Companies are asked to provide information on:

- how the company monitors whether workers trust the channel(s) provided e.g. through feedback or independent consultations,
- how the company verifies whether the grievance mechanism is accessible e.g. by identifying and addressing any barriers to use,
- whether the company has identified any deficiencies in its current grievance mechanisms,
- improvements to the existing grievance process the company is carrying out,
- work the company is carrying out with users of the grievance mechanism or representatives from trade unions, NGOs or others to review the performance of the grievance mechanisms,
- training provided to workers on their right to grievance mechanisms,
- lessons the company has learned from the remedy process that are being applied to improvement of the grievance mechanism.

7.16 Please provide the number of grievances raised by the direct operations workforce in the reporting period.

7.17 Please provide the number that have been resolved in the reporting period.

*Aligned with UNGPRF C6.4, 6.5; GRI 102-34; CHRB C.1*

7.18 Please give an example of how the company has resolved a grievance in the reporting period.

7.19 Does the company have any longstanding grievance issues (longer than a year)?

7.20 What is the nature of these longstanding issues?

[7.21 Scope of disclosure / 7.22 Additional scope of disclosure information]

Why this is important

The number of grievances raised and resolved are useful figures to understand the scale of the abuses and the effectiveness of the company’s grievance mechanisms in dealing with them. A sustained high number of grievances raised over time, regardless of how many of these are resolved, may suggest the company is failing to address the underlying causes of the abuses. A low grievance figure could also hint at additional concerns over whether workers are able to access and use the mechanism.

Question guidance
7.16 Companies are asked to provide the number of grievances raised by employees and contingent workers.

7.17 Companies are asked to provide the number of these grievances that have been resolved.

7.18 Companies are asked to provide one example of a workforce grievance. This could include information on:

- where the grievance was raised (in the direct operations),
- the nature of the grievance,
- any challenges the company faced in resolving the grievance,
- any progress that is still to be made in resolving this grievance,
- any changes the company has made as to how the organisation operates.

7.19 Companies should select yes or no.

7.20 Companies are asked to elaborate on any longstanding (longer than a period of 12 months) grievances including:

- where the grievance(s) have been raised (the direct operations locations),
- the nature or topic of the grievances (such as underpaid wages or unsafe working conditions),
- the reasons why the grievances have not been resolved to date,
- main challenges in dealing with these issues.

**Discrimination and harassment**

7.23 Does the company have a policy commitment on discrimination and harassment relating to the direct operations?

7.24 Please provide a link to a publicly available document.

Aligned with ILO No. 111 (Discrimination – Employment and Occupation), ILO No. 190 (Violence and Harassment); GRI 103-2, 406 – Non-discrimination; DJSI 3.4.1 codes of conduct

Supports progress towards SDG 5.1, SDG 5.2 and 8.8 (in particular 8.8.1)

**Why this is important**

A policy commitment on discrimination and harassment represents an important public document that communicates the company’s values and principles in this area. It is a first step in setting out how the company will take action and influence decision-making within the business to ensure the commitment is made in practice.

Freedom from discrimination is a fundamental human right. Members of the workforce have the right to be treated equally regardless of race, colour, sex, religion, political opinion, national extraction, social origin, HIV/AIDS, age, disability, family responsibilities, sexual orientation, and trade union membership or activities. Identifying andremediing reported incidents of discrimination and harassment (through an effective grievance mechanism - see above), is essential to creating inclusive and cohesive working environments.

**Question guidance**
7.23 Companies should select yes or no.

7.24 If yes, companies should provide a link to public documentation to support their response [indicating the relevant page/s if incorporated in another company document].

7.25 Please provide the number of discrimination and harassment incidents raised by the direct operations workforce in the reporting period.

Aligned with UNGPRF C3.2; UNGPRF C6.4; GRI 406-1

7.26 Please provide the number of incidents that have been resolved in the reporting period.

7.27 Does the company have any longstanding discrimination and harassment issues (longer than a year)?

7.28 What is the nature of these longstanding issues?

Aligned with UNGPRF C 6.4; GRI 406-1b

7.29 Scope of disclosure / 7.30 Additional scope of disclosure information.

[7.31 If the company is unable to provide discrimination and harassment data in the format requested above, please provide a link to a relevant public document where this information is reported. Note - this information will not be scored. Companies are encouraged to report the data in the format requested by the WDI survey. However, in instances where a company's current reporting practices does not collect and report data in the format requested, we ask companies to provide a link to their current public reporting. Companies should note that any information included in this way will not be scored or included in the WDI team's analysis.]

Why this is important

The number of incidents raised and resolved are useful figures to understand the scale of the abuses and the effectiveness of the company’s approach to dealing with discrimination and harassment in the workplace. However, a sustained high number of incidents raised over time, regardless of how many of these are resolved, may suggest the company is failing to address the underlying causes of the abuses. A low figure could also hint at additional concerns over whether workers are able to access and use the mechanisms available to them to raise complaints.

Question guidance

7.25 Companies are asked to provide the number of discrimination and harassment incidents raised by employees and contingent workers.

7.26 Companies are asked to provide the number of these that have been resolved.

7.27 Companies should select yes or no.

7.28 Companies are asked to elaborate on any longstanding (longer than a period of 12 months) cases of discrimination and harassment including:

- where the case (s) have been raised (the direct operations locations),
- the nature or topic of the case (such as gender discrimination, sexual harassment),
- the reasons why the cases have not been resolved to date,
- main challenges in dealing with these issues.

### Whistleblowing

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<tr>
<th>7.32</th>
<th>Does the company have a policy commitment on whistleblowing relating to the direct operations?</th>
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<tbody>
<tr>
<td>7.33</td>
<td>Please provide a link to a publicly available document</td>
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**Aligned with UNGP 29, UNGPRF A2.3; GRI 102-17; DJSI 3.4.1 codes of conduct; CHRB C.1, C.2**

**Why this is important**

A policy commitment on whistleblowing represents an important public document that communicates the company’s values and principles in this area. It is a first step in setting out how the company will take action and influence decision-making within the business to ensure the commitment is made in practice.

**Question guidance**

7.32 Companies should select yes or no.

7.33 If yes, companies should provide a link to public documentation to support their response [indicating the relevant page/s if incorporated in another company document].

7.34 Please provide the number of whistleblowing incidents raised by the direct operations workforce in the reporting period.

**Aligned with UNGPRF C3.2, C6.4; GRI 102-17**

7.35 How does the company protect workers from any retaliation for speaking up?

**Aligned with CHRB C.5**

[7.36 Scope of disclosure / 7.37 Additional scope of disclosure information]

7.38 If the company is unable to provide whistleblowing data in the format requested above, please provide a link to a relevant public document where this information is reported. Note - this information will not be scored.

*Companies are encouraged to report the data in the format requested by the WDI survey. However, in instances where a company’s current reporting practices does not collect and report data in the format requested, we ask companies to provide a link to their current public reporting. Companies should note that any information included in this way will not be scored or included in the WDI team’s analysis.*

**Why this is important**

Whistleblowing provides employees and workers with the opportunity to raise concerns, usually to their employer or a regulator about a workplace danger or illegality that affects others. Companies that provide an effective procedure for raising concerns can help to minimise risk both to their workforce and to their business, and ensure whistleblowers are supported throughout the process.
While whistleblowers are protected by law in some countries, these protections are not always sufficient to ensure workers do not experience unfair treatment as a result of speaking up. Companies are therefore required to ensure there are appropriate safeguards in place to ensure workers are protected and feel able to safely raise a concern.

**Question Guidance**

7.34 Companies are asked to provide the number of whistleblowing incidents raised by their employees and contingent workers in the reporting period.

7.35 Companies are asked to report on the measures in place to protect whistleblowers. These may include:

- encouraging a ‘speak up’ culture,
- raising awareness of legal protections for whistleblowers,
- providing online or other training on whistleblower reporting and protection,
- having a mechanism(s) for confidential and anonymous reports,
- providing non-retaliation protections.
8. Structure and composition – Supply Chain

Why this section is important

Understanding the structure and complexity of the entire supply chain is an important first step in identifying potential supply chain workforce risks and opportunities and their potential impact on the business and workers.

Companies with global supply chains find it difficult to identify the numerous actors that contribute to the delivery of their business. This opaqueness is problematic because it can obscure the poor labour practices and human rights abuses that are often present but hidden deep in a company’s supply chain. Investors are interested to know that a company is proactively seeking to better understand its supply chain, not only to mitigate against these risks, but to build a better understanding of how improved labour practices can generate efficiencies and benefits for the business and its supply chain workforce.

While it important to recognise that companies operate through different business models with varying levels of engagement with their supply chain workforce which may not extend to lower-tier suppliers, it is also important to note that demands for supply chain transparency are growing. Companies across all sectors should be working towards understanding the length and complexity of their supply chain beyond direct suppliers to mitigate the risk of blind spots and drive internal discussion and improvement on global workforce issues.

Scope of disclosure: Companies should specify their scope of disclosure from the drop-down box options.

Additional scope of disclosure information: If relevant, companies can enter any additional contextual information to clarify their scope of disclosure.

<table>
<thead>
<tr>
<th>Structure and composition of supply chain</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>8.1 Please provide a description of the company’s supply chain.</strong></td>
</tr>
</tbody>
</table>

Aligned with GRI 102-9; CHRB D.1.3 and D.2.3 CWC 4 – Supply chain; ETI RF A2 Key supply chain data, B2.1 Risk Assessment

Why this is important

Understanding the structure and complexity of their entire supply chain is an important first step for companies to identify supply chain workforce risks and opportunities and their potential impact on workers and the business. The focus on supply chain transparency has amplified in recent years and companies in all sectors are now increasingly expected to disclose information regarding their supply chain. This is as relevant for companies that make clothing and footwear, to those that provide financial services.

Question guidance

Companies are asked to provide a description of their supply chain. This may include but is not limited to the below:

- the company’s main activities (brands, products, services),
- the business model (direct sourcing, project based etc),
- the types of suppliers involved in these activities,
- the tiers or levels of the supply chain for each activity, (see 8.2 below)
- the main locations of these suppliers,
• the number of suppliers by any of the above.

Companies are also encouraged to share:

• any gaps in the company’s knowledge of its supply chain,
• current work the company is carrying out to map its supply chain,
• who is involved in this process, the timeline for mapping,
• if the results of this process will be made public.

**Company example of good practice**

For the WDI 2018 disclosure, BT disclosed that it buys a vast range of things from network and IT hardware to corporate clothing and waste disposal services using around 18,000 suppliers. Whilst the company’s suppliers are based in 150 countries, the vast majority of BTs suppliers are in the UK and Ireland. BT reports that it is planning to analyse its full supply chain for one of its high profile electronic products, tracking the route of each component part, from source to end product.

### 8.2 Please define first and second tier suppliers, if this is different from the definition provided and as it relates specifically to your business.

**Why this is important**

It is important that companies are clear about the structure of their supply chain from the outset. Although there are generic definitions for first and second tier suppliers, companies are likely to use variations of these. It is important for clarity that investors understand which part of the supply chain is being addressed in the disclosure.

**Question guidance**

Companies are encouraged to refer to the definitions provided (for **first tier and second tier suppliers**) and expand on how, if at all, these are defined differently and provide examples for each tier of suppliers and as they relate to their business.

### 8.3 Does the company publish supplier lists?

### 8.4 If yes, please provide link to this information.

### 8.5 If no, please select an option why

**Alignment GRI 102-40 a; KTC 2.1**

**Why this is important**

In addition to Questions 8.1 and 8.2, public transparency on the suppliers within a company’s supply chain is a positive step towards being fully accountable to external stakeholders such as consumers, civil society and unions while also demonstrating leadership in a complex and sensitive area.
8.6 Please provide the number of **first tier suppliers**, by region/location, in the table provided.

8.7 Please provide the estimated number of workers for each region/location, in the table provided.

*Aligned with KTC 2.1; CWC 4.1*

8.8 Please provide the estimated number of workers for each region/location by gender, in the table provided.

*SUPPORTS PROGRESS TOWARDS SDGS 5.1 AND 8.5*

**Why this is important**

Information on the number and location of suppliers is important for investors to get a sense of the scale of the company’s supply chain and its reach and influence over its suppliers’ workers.

**Question guidance**

Companies are asked to disclose:

- the number of first tier suppliers in each region or location, (8.6)
- the typical type of supplier to be found in each region or location (8.6)
- an estimate of the total number of workers in the first tier, for each region or location (8.7)
- a gender breakdown of the number of workers in the first tier, for each region or location (8.8)

**Company example of good practice**

For the 2018 WDI disclosure, Landsec disclosed that it had a total of 2,720 first tier suppliers across 14 named countries.

8.9 Has the company identified any suppliers and/or supplier locations where workers’ rights may be at risk?

8.10 Please provide information on these suppliers, in the table provided.

*Aligned with GRI 414-12 a-c; DJSI 3.6.4 Risk management measures; KTC 2.1*

**Why this is important**

Companies with extensive supply chains need to be able to prioritise their efforts to manage and address risks to workers’ rights. One important way that companies can do this is by carrying out an assessment – typically as part of a human rights due diligence – to identify where the risks to workers is greatest. Investors are looking to understand whether the company has identified where in the supply chain workers are most at risk, and thereby where the risk to business is greatest.

**Question guidance**

Companies are encouraged to provide the number of suppliers where risks to workers’ have been identified. Companies are also asked to provide this information by geography (region/location) since this can provide important information on specific trends in certain locations.
Where companies do not categorise suppliers by geography, companies are asked to categorise suppliers by either supplier type or by risk factor (in ‘Additional information).

8.11 Please provide the average length of the company's relationship with first tier suppliers, in the table provided.

8.12 Please include any background information that may help to understand these figures, in the table provided.

[8.13 Scope of disclosure / 8.14 Additional scope of disclosure information]

Aligned with CWC 4.2.1; ETI RF B3.3 Stable relationships

Why this is important

The length of company-supplier relationships can be a good indicator of the quality of the relationship and mutual understanding on topics such as labour standards. The company’s commitments, standards and expectations of suppliers can take time to embed into a relationship and in the operating culture of suppliers. Stable and long term relationships provide suppliers with a degree of security and are less disruptive and damaging for workers whose job security is less likely to be constantly in flux.

Question guidance

Companies are asked to provide:

- the average length of the company’s relationship with its first tier suppliers in years and months,
- the type of supplier typically involved in each relationship duration,
- any background information that may help to understand the information on average supplier length.

Company example of good practice

Lloyds Banking Group disclosed that it relies on an active supply base of approximately 3,500 suppliers to deliver its products and services to its customers. Based on the Group’s 2018 assessment, it ascertained that it has 95% of its direct suppliers located in the UK; 3% located in other European countries, 1% in North America and the remaining 1% in other countries, including India, Israel and Hong Kong. The company also explains that suppliers are assessed based on material inherent risks they present to the Group, this results in a segmentation outcome which drives the degree of management and assurance the supplier is subject to.

For the second tier and below

8.15 Please provide the number of suppliers for second tier and below, by region/location, in the table provided.

8.16 Please provide the estimated number of workers for each region/location, in the table provided.

Aligned with KTC 2.1; CWC 4.1

Why this is important
Information on the number and location of suppliers is important for investors to get a sense of the scale of the company’s supply chain and its reach and influence over its suppliers’ workers. Companies with extensive supply chains are often not aware of the full scale of their supply chain impact. Companies can demonstrate leadership by showing they have begun mapping further down their supply chain, where there are increased risks of workers’ rights abuses.

Question guidance
Companies are asked to disclose:

- the number of suppliers for second tier and below, in each region or location, (8.15)
- the type of supplier, typically to be found in each region or location (8.15)
- an estimate of the total number of workers in second tier and below, for each region or location (8.16)

8.17 Has the company identified which suppliers and/or supplier locations workers’ rights are at risk?

8.18 Please provide information on these suppliers, in the table provided.

[8.19 Scope of disclosure / 8.20 Additional scope of disclosure information]

[8.21 If the company is unable to provide supplier structure data in the format requested above, please provide a link to a relevant public document where this information is reported. Note - this information will not be scored. Companies are encouraged to report the data in the format requested by the WDI survey. However, in instances where a company’s current reporting practices does not collect and report data in the format requested, we ask companies to provide a link to their current public reporting. Companies should note that any information included in this way will not be scored or included in the WDI team’s analysis.]

Aligned with GRI 414-12 a-c; KTC 2.1

Why this is important
It is often the case that workers are most at risk of human and labour rights abuses further down the supply chain. Companies with extensive supply chains need to be able to prioritise their efforts to manage and address risks to workers’ rights, across all tiers. One important way that companies can do this is by carrying out an assessment – typically as part of a human rights due diligence – to identify where the risks to workers is greatest. Investors are looking to understand firstly whether a company has identified where the risks to workers is most severe, and by connection where the risk to business is greatest. Secondly, investors want to understand which supplier relationships carry the most risk.

Question guidance

8.17 / 8.19 Companies are encouraged to provide the number of suppliers where risks to workers’ have been identified. Companies are also asked to provide this information by geography (region/location) since this can provide important information on specific trends in certain locations.

Where companies do not categorise suppliers by geography, companies are asked to categorise suppliers by either supplier type or by risk factor (in ‘Additional information’).
9. Sourcing and purchasing – Supply Chain

Why this section is important

The sourcing strategies of public companies can have a significant impact on the ability of suppliers to respect workers’ rights and provide decent working conditions for their workforce. Responsible sourcing and purchasing takes into account the sourcing country’s record on protecting human and labour rights, uses criteria to select and reward suppliers based on their track record on labour standards and incentivises purchasing teams to meet company commitments on workers’ rights and responsible sourcing.

By disclosing information to this section, companies can demonstrate to investors their understanding of how sourcing decisions affect the quality of jobs for their supply chain workforce. Poor sourcing strategies and purchasing decisions can increase the company’s exposure to operational and reputational risks particularly if suppliers are under pressure to deliver within tight margins and severe time pressures, and unable to maintain and adhere to labour practices.

Scope of disclosure: Companies should specify their scope of disclosure from the drop-down box options.

Additional scope of disclosure information: If relevant, companies can enter any additional contextual information to clarify their scope of disclosure.

### Sourcing and purchasing behaviour

<table>
<thead>
<tr>
<th>9.1 Does the company have a policy on responsible sourcing?</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.2 Please provide a link to a publicly available document</td>
</tr>
<tr>
<td>9.3 If no, why not and include any plans to adopt one</td>
</tr>
</tbody>
</table>

Aligned with GRI 103-2 and GRI 204 – Procurement Practices; DJSI 3.6.5 ESG Integration in supply chain management strategy; CHRB D.1.2, CHRB D.2.2; KTC 1.2 – Supply Chain Standards, KTC 3.0 – Purchasing Practices; CWC 1.2, CWC 4.2; ETI RF B1.2 Strategy

Why this is important

A responsible sourcing strategy is a statement of a company’s understanding that its sourcing and purchasing decisions impact the behaviour and practices of suppliers in the supply chain and in turn, have direct consequences for workers. It is also a commitment from the company to its suppliers and wider stakeholders for more equitable trading relationships where risks are shared evenly, and workers are treated fairly. A policy or strategy on sourcing is ideally informed by a company’s human rights due diligence and wider risk assessment. It should be used to determine the behaviour and culture of company sourcing and procurement teams so that labour conditions sit at the heart of decisions made.

<table>
<thead>
<tr>
<th>9.4 Does the company consider workers’ rights during pre-qualification stages and/or /before on-boarding a new supplier?</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.5 What selection criteria are used?</td>
</tr>
</tbody>
</table>
**9.6 Scope of disclosure / 9.7 Additional scope of disclosure information**

*Aligned with GRI 414-1 a; CHRB B.1.7; CWC 4.5; ETI RF B3.2 Starting and ending supplier relationships*

**Why this is important**

Including human and labour rights performance as part of supplier selection criteria is crucial to understand a company’s commitment to delivering its public commitments on workers’ rights. A robust selection process that considers performance on human and labour rights issues alongside other criteria such as price, determines the character of the future relationship between company and supplier.

**Question guidance**

Companies are asked to provide information on the criteria used. This could include among others, policy commitments to workers’ rights, a suppliers’ Modern Slavery statement, whether the supplier has conducted a human rights due diligence process, risks to workers' rights, known violations or ongoing disputes, specific performance measures such as whether the supplier pays a Living Wage, the percentage of women and men in the workforce, the suppliers’ gender pay gap or if it is part of any initiatives or collective actions to improve working conditions.

Companies are encouraged to say how labour standards criteria is weighted or balanced against other selection criteria, and where the pre-qualification process has resulted in the company not entering into relationships with suppliers.

**------------------------**

**9.8 Does the company include workers’ rights in supplier contracts?**

**9.9 Please give details**

*9.10 Scope of disclosure / 9.11 Additional scope of disclosure information*

*Aligned with UNGPRF A1.3; CHRB B.1.4b; KTC 3.0 – Purchasing Practices, KTC 4.0 – Recruitment*

**Why this is important**

Requiring suppliers to meet a minimum set of labour standards as part of their contractual obligations with the company is an important first step to ensure suppliers and companies are aligned in their commitments to human and labour rights. Contractual obligations also provide the basis for ongoing supplier due diligence and are essential for holding suppliers to account.

**Question guidance**

**9.8 Companies should select yes or no.**

**9.9 If yes, companies are asked to describe the terms included in contractual arrangements with suppliers. This may include requirements on Living Wages, equal pay, health and safety or freedom of association, for example.**

**------------------------**

**9.12 Does the company measure and reward suppliers for good performance on workers’ rights issues?**
9.13 **What performance measures and incentives are used?**

**[9.14 Scope of disclosure / 9.15 Additional scope of disclosure information]**

Aligned with UNGPRF A2.4; KTC 3.1; CWC 4.8; ETI RF B3.3 Stable relationships, B3.3 Starting and ending supplier relationships

**Why this is important**

Incentivising suppliers is a powerful way of aligning policies and practices between a company and its suppliers. This signals to investors that the company is committed to building stable and lasting supplier relationships, working with suppliers to encourage and reward good labour practices. Companies can incentivise suppliers to improve labour conditions by rewarding positive performance, which can also help minimise the company’s exposure to operational and reputational risks.

**Question guidance**

9.12 Companies should select yes or no.

9.13 If yes, companies are asked to:

- outline the criteria used to measure performance on workers' rights,
- describe the incentives used to reward good performance such as contract renewal, price premiums and longer-term contracts.

----------------------------------

9.16 **Has the company assessed the impact of its sourcing behaviour and procurement practices on its ability to meet responsible sourcing* and workers' rights** commitments?**

*as identified above in 9.1 **as identified in Section 10 below

9.17 Please give details.

Aligned with UNGPs 17-21; UNGPRF B2; CHRB B.2.1-B.2.5; CWC 4.2.1, CWC 4.7; ETI RF B2.2 Ongoing monitoring

9.18 **Are those responsible for the company's day-to-day sourcing decisions incentivised to ensure the company meets responsible sourcing and workers' rights commitments?**

9.19 **What incentives are in place?**

Aligned with UNGPRF A2.3; CHRB B.1.2

**Why this is important**

In addition to pre and post-qualification supplier due diligence, companies should also assess how their own practices and behaviours impact their ability to deliver workforce commitments. Companies hold enormous leverage over their suppliers and supply chain. It is important that companies recognise that the burden to meet commitments and targets should not fall to suppliers alone. In either case, whether suppliers are large multinationals or small artisanal producers, companies should have an understanding of how its sourcing and purchasing decisions may help or hinder the delivery of its commitments to workers' rights.

Companies can promote and embed good sourcing and purchasing decisions through strong accountability mechanisms for those at the top of the organisation (see Section 1) and through to the individuals responsible for day-to-day decision making. Incentivising
sourcing, procurement and other buying teams is a powerful way to institutionalise
decisions that are underpinned by a respect for human and labour rights and that promote
good labour practices.

**Question guidance**

**9.16/9.17** Companies are asked to outline:

- instances where the company has identified sourcing and/or purchasing decisions
  may potentially misalign with company commitments,
- whether sourcing and/or purchasing practices have been or are being revised as a
  result.

**9.18/9.19** Companies are asked to provide information only if specific incentives are in
place for those with responsibility for day-to-day sourcing and procurement decisions.
Companies are asked to report information such as:

- the incentive structure in place and whether it is linked to remuneration,
- the performance measures used, such as whether incentives are linked to
  identified salient human and labour rights issues in the supply chain,
- the individuals who are incentivised (role titles or functions are sufficient).
10. Workers’ Rights – Supply Chain

Why this section is important

This section focusses on a number of important human and labour rights as set out by the ILO standards and the United Nations Guiding Principles on Business and Human Rights.

In addition to effective mapping and responsible sourcing practices in the supply chain, companies have a responsibility to respect and protect the human and labour rights of workers in their supply chains.

The questions in this section cover seven human and labour rights that have relevance for all sectors. Investors and other stakeholders want to understand how the company is ensuring that these rights are protected and enjoyed by workers in the supply chain.

Given the scale and lack of visibility in many company supply chains, it is imperative that companies have a robust due diligence process in place that enables them to identify, prioritise and manage salient human rights issues in the supply chain – that is rights that are at risk of the most severe negative impacts through the company’s business activities or relationships. These salient issues pose significant threats to workers and by relation, pose significant risks to business if unaddressed.

Scope of disclosure: Companies should specify their scope of disclosure from the drop-down box options.

Additional scope of disclosure information: If relevant, companies can enter any additional contextual information to clarify their scope of disclosure.

<table>
<thead>
<tr>
<th>Workers’ rights – FIRST TIER</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.1 Does the company have a policy commitment or standard to respect and uphold workers’ rights in the supply chain?</td>
</tr>
<tr>
<td>10.2 Please provide a link to publicly available document(s) in the table provided.</td>
</tr>
<tr>
<td>10.3 How does the company ensure this policy commitment or standard is met?</td>
</tr>
</tbody>
</table>

Aligned with ILO No. 87 (Freedom of association); No.98 (Right to organise and collective bargaining); ILO No. 29 (Forced labour), ILO Declaration on Fundamental Principles and Rights at Work, ILO No. 190 (Violence and Harassment); UNGP 15(a), UNGP 16(a); UNGPRF A1.2, C.1; GRI 103-2, 401 – Employment; CHRB A.1.2, D various, KTC 4.0 – Recruitment, 5.3 – Freedom of Association, 5.4 – Grievance Mechanism; CWC 1.2, 2.2, 4 – Supply chain, 6.1, 7.3; ETI RF B1.1 Policy, B2.3 Grievance mechanisms, B3.5 Worker awareness, B3.6 Starting and ending supplier relationships

Supports progress towards SDGs 5.1 and 8.5

Why this is important

A policy commitment to respect fundamental workers’ rights in company supply chains represents an important public document that communicates the company’s values and principles in this area. It should also influence the decision making of its sourcing and purchasing teams within the business to ensure these commitments are fulfilled.
Policies and standards also set out the company’s expectations of its suppliers and provide the basis for ongoing due diligence of supplier performance.

Policy commitments alone are often insufficient to ensure workers' rights are respected in practice. Commitments and standards need to be implemented and embedded in wider business activities. There is a growing expectation for companies, across all sectors, to demonstrate that their policy commitments are not simply unsubstantiated public pledges, but commitments that are being fulfilled in practice.

**Question guidance**

10.1 Companies should select yes or no.

10.2 If yes, companies should provide a link to public documentation to support their response [indicating the relevant page/s if incorporated in another company document].

10.3: If selecting yes, companies are asked to select one or more of activities undertaken, as relevant, from the drop down box (multiple options can be selected). If selecting 'other', companies are asked to explain their selection.

<table>
<thead>
<tr>
<th>10.4 What risks have been identified to workers accessing their rights?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aligned with UNGPRF B.1, UNGPRF B.2; ETI RF B2.1 Risk assessment</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>10.5 What action has the company taken to prevent or remedy risks and impacts to workers?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aligned with UNGP 19, UNGP 22; UNGPRF C3.2, C4.3, C6.5; KTC 6.0 – Monitoring; CWC 4.3; ETI B3.1 Designing action plans</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>10.6 How does the company know the efforts described in 10.5 have been effective?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aligned with UNGP 20; UNGPRF A2.5, C5.1; CHRB B.2.4; KTC 6.0 – Monitoring</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>10.7 Where a risk to workers' rights has not been identified, is the company involved in any additional efforts to support workers realise this right?</th>
</tr>
</thead>
</table>

[10.8 Scope of disclosure / 10.9 Additional scope of disclosure information]

**Why this is important**

In line with the UNGPs, companies have a responsibility to identify and assess human rights risks and impacts, integrate and act upon the findings of an assessment, and track and communicate how effective actions have been. It is crucial that companies, particularly in light of the growing expectation on companies across all sectors, have a robust, well documented and ongoing human rights due diligence process. Doing so can prevent or mitigate potential impacts to workers, as well as potential litigation, reputational and even financial risks to the business.

**Question guidance**

10.4 Companies are asked to give details of any potential or actual risks to workers' rights that the company has identified, for each of the rights issues included in the table. This question builds on the information requested in question 8.9 and 8.17 (suppliers and/or supplier locations where workers’ rights may be at risk).
The first step of a human rights due diligence process is the identification and prioritisation of salient human rights issues, that is, rights that are at risk of the most severe negative impacts through the company's business activities or relationships. These may be potential or actual impacts to workers that the company has identified.

Companies are encouraged to say if, following an assessment of human rights issues, the company has not identified a risk to workers' rights.

10.5 Companies are asked to explain what action the company has taken to prevent, mitigate or remedy the risks identified in 10.4 and expand on the answer given to question 2.13 in Section 2 on Risks and Opportunities in the Supply Chain.

10.6 In addition to taking appropriate action to mitigate risks or potential impacts, companies are also expected to demonstrate that their efforts are actually reducing the risk to workers or achieving the desired outcome. While this information on impact is extremely difficult to obtain, investors and indeed wider stakeholders do expect companies to be tracking and analysing the results of any efforts to reduce the likelihood of an adverse human rights impact.

10.7 Companies are encouraged to include information on activities such as working with suppliers to build local capacity on workers' rights to ensure company commitments are cascaded through the supply chain, participation in worker-driven social responsibility programmes, or involvement in pre-competitive efforts such as multi-stakeholder initiatives, including the impact they have had on workers' rights.

Workers’ Rights – SECOND TIER AND BELOW

10.10 Does the company have a policy commitment or standard to respect and uphold workers’ rights in the supply chain?

10.11 Please provide a link to a publicly available document(s) in the table provided.

10.12 How does the company ensure this policy commitment or standard is met?

Aligned with ILO No. 87 (Freedom of association); No.98 (Right to organise and collective bargaining); ILO No. 29 (Forced labour), ILO Declaration on Fundamental Principles and Rights at Work, ILO No. 190 (Violence and Harassment); UNGP 15(a), UNGP 16(a); UNGPREF A1.2, C.1; GRI 103-2, 401 – Employment; CHRB A.1.2, D various, KTC 1.2, 4.0 – Recruitment, 5.3 – Freedom of Association, 5.4 – Grievance Mechanism; CWC 1.2, 2.2, 4 – Supply chain, 6.1, 7.3; ETI RF B1.1 Policy, B2.3 Grievance mechanisms, B3.5 Worker awareness, B3.6 Starting and ending supplier relationships

Why this is important

A policy commitment to respect fundamental workers’ rights in company supply chains represents an important public document that communicates the company’s values and principles in this area. It should also influence the decision making of its sourcing and purchasing teams within the business to ensure these commitments are fulfilled.

Policies and standards also set out a company’s expectations of its suppliers and provide the basis for ongoing due diligence of supplier performance. They also set out the standards companies expect their suppliers to uphold in their own business relationships throughout the supply chain.
Policy commitments alone are often insufficient to ensure workers’ rights are respected in practice. Commitments and standards need to be implemented and embedded in wider business activities. There is a growing expectation for companies, across all sectors, to demonstrate that their policy commitments are not simply unsubstantiated public pledges, but commitments that are being fulfilled in practice.

**Question guidance**

10.10 Companies should select yes or no.

10.11 If yes, companies should provide a link to public documentation to support their response [indicating the relevant page/s if incorporated in another company document].

10.12 If selecting yes, companies are asked to select one or more of activities undertaken, as relevant, from the drop down box (multiple options can be selected). If selecting ‘other’, companies are asked to explain their selection.

While it is recognised that the company may have policies and standards which are relevant for the entire supply chain, companies are encouraged to insert the relevant links to public documentation (10.11), select from the options available (10.12) and explain their process where this differs from 10.3. This is important to determine if the company has a different approach for different aspects of its supply chain.

10.13 What risks have been identified to workers accessing their rights?

*Aligned with UNGPRF B.1, UNGPRF B.2; ETI RF B2.1 Risk assessment*

10.14 What action has the company taken to prevent or remedy risks to workers?

*Aligned with UNGP 19, UNGP 22; UNGPRF C3.2, C4.3, C6.5; KTC 6.0 – Monitoring; CWC 4.3; ETI B3.1 Designing action plans*

10.15 How does the company know the efforts described in 10.14 have been effective?

*Aligned with UNGP 20; UNGPRF A2.5, C5.1; CHRB B.2.4; KTC 6.0 – Monitoring*

10.16 Where a risk to workers' rights has not been identified, is the company involved in any additional efforts to support workers realise this right?

10.17 Scope of disclosure / 10.18 Additional scope of disclosure information

**Why this is important**

In line with the UNGPs, companies have a responsibility to identify and assess human rights risks and impacts, integrate and act upon the findings of an assessment, and track and communicate how effective actions have been. It is crucial that companies, particularly in light of the growing expectation on them across all sectors, have a robust, well documented and ongoing human rights due diligence process. Doing so can prevent or mitigate potential impacts to workers, as well as potential litigation, reputational and even financial risks to the business.

**Question guidance**

10.13 Companies are asked to give details of any potential or actual risks to workers’ rights that the company has identified, for each of the rights issues included in the table.
This question builds on the information requested in question 8.9 and 8.17 (suppliers and/or supplier locations where workers’ rights may be at risk).

The first step of a human rights due diligence process is the identification and prioritisation of salient human rights issues, that is, rights that are at risk of the most severe negative impacts through the company’s business activities or relationships. These may be potential or actual impacts to workers that the company has identified.

Companies are encouraged to say if, following an assessment of human rights issues, the company has not identified a risk to workers’ rights.

10.14 Companies are asked to explain what action the company has taken to prevent, mitigate or remedy the risks identified in 10.13 and expand on the answer given to question 2.13 in Section 2 on Risks and Opportunities in the Supply Chain.

10.15 In addition to taking appropriate action to mitigate risks or potential impacts, companies are also expected to demonstrate that their efforts are actually reducing the risk to workers or achieving the desired outcome. While this information on impact is extremely difficult to obtain, investors and indeed wider stakeholders do expect companies to be tracking and analysing the results of any efforts to reduce the likelihood of an adverse human rights impact.

10.16 Companies are encouraged to include information on activities such as working with suppliers to build local capacity on workers’ rights to ensure company commitments are cascaded through the supply chain, participation in worker-driven social responsibility programmes, or involvement in pre-competitive efforts such as multi-stakeholder initiatives, including the impact they have had on workers’ rights.
Glossary

Absentee rate (AR): the total absentee days lost divided by the total days scheduled to be worked by employees during the reporting period, expressed as a percentage.\(^7\)

Average number of hours training: the total number of hours provided to all direct operations employees in the reporting period divided by the total number of direct operations employees.\(^8\)

Basic salary: fixed, minimum amount paid to an employee for performing his or her duties, excluding any additional remuneration, such as payments for overtime working or bonuses.\(^9\)

Business activities: the separate revenue streams that the company reports in its financial reporting.

Collective bargaining: all negotiations which take place between one or more employers or employers’ organizations, on the one hand, and one or more workers' organizations (trade unions), on the other, for determining working conditions and terms of employment or for regulating relations between employers and workers.\(^10\)

Company: the financial reporting entity which consists of subsidiaries, joint ventures and associates or affiliates.

Contingent worker/workforce: those employed either directly or indirectly by the company on a contingent basis including independent contractors, temporary, third party workers, franchise workers, self-employed.

Direct operations: the operations that are core to the delivery of the company's business activities as stated in the company's financial reporting.

Employee: an individual who is in an employment relationship with the organisation, according to national law or its application.\(^11\) The contract may be permanent, temporary, fixed-term, full- or part-time.

First tier supplier: a supplier with whom the company contracts directly (a direct supplier or contractor). However, companies are encouraged to explain what first tier suppliers (or tier 1 suppliers) means in the context of their business.

Full Time Equivalent (FTE): a unit to measure employed persons in a way that makes them comparable although they may work a different number of hours per week. To reach the FTE count, hours worked by part-time employees are translated into full-time hours.

Gender balance: the percentage breakdown of female and male employees or workers.

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Gender pay gap: the median difference in the average hourly wage of all men and women across a workforce. If women do more of the less well paid jobs within an organisation than men, the gender pay gap is usually bigger.\textsuperscript{12}

Grievance mechanism: a system consisting of procedures, roles and rules for receiving complaints and providing remedy. See Principle 31 in the UNGPs for more detail.\textsuperscript{13}

Injury rate (IR): frequency of injuries, relative to the total time worked by all workers during the reporting period.\textsuperscript{14}

Involuntary turnover: as for turnover, for those employees who leave due to dismissal or redundancy. Typically, these are unplanned departures.

Proportion of internal hires: the total number of open positions filled by a company’s own employees divided by the total number of vacancies in the company during the reporting period.\textsuperscript{15}

Living Wage: a wage sufficient to meet the basic standards of living, which will vary by country and local living standards and need. The reference guide provides guidance on the Living Wage principles and global case studies.\textsuperscript{16}

Location: refers to the geographical breakdown the company uses in its financial reporting; this can be by country or region.

Local minimum wage / minimum wage: minimum compensation for employment per hour, or other unit of time, allowed under law.\textsuperscript{17}

Lost day rate: The lost day rate is expressed by comparing the total lost days to the total number of hours scheduled to be worked by workers in the reporting period.\textsuperscript{18}

Near miss (also referred to as a close call): a work-related incident where no injury or ill health occurs, but which has the potential to cause these.\textsuperscript{19}

Non-guaranteed (or zero-hours contract): an agreement between two parties that one may be asked to perform work for the other but there is no set minimum number of hours. The contract will provide what pay the individual will receive if he or she does work and will deal with the circumstances in which work may be offered.\textsuperscript{20}


\textsuperscript{13} GRI Standards Glossary 2018 ‘grievance mechanism’ p. 11.


\textsuperscript{15} See ‘4.7.1 Succession planning’ in ISO 30414 Human resource management — Guidelines for internal and external human capital reporting (2018)

\textsuperscript{16} Association of Chartered Certified Accountants, ‘The Living Wage: Core principles and global perspectives’ (2017),

\textsuperscript{17} GRI Standards Glossary 2018 ‘local minimum wage’ p.13.


\textsuperscript{19} GRI Standards Glossary 2018 ‘close call’ p. 6.


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Occupational disease rate (ODR): frequency of occupational diseases relative to the total time worked by all workers during the reporting period.\(^{21}\)

Pay quartile: represents one of four equally divided bands of pay based on the overall pay range for the company’s employees.

Pay ratio: the ratio of the compensation of the company’s chief executive officer (CEO) to the median compensation of its employees.\(^ {22}\)

Permanent contract: a permanent employment contract is a contract with an employee, for full-time or part-time work, for an indeterminate period.\(^{23}\)

Reporting period: a 12 month reporting period (not more than two years out of date) that the information in this disclosure refers to.

Salient human rights issues: Those human rights that are at risk of the most severe negative impacts through a company’s activities or business relationships. They therefore vary from company to company.\(^{24}\)

Second tier supplier: a supplier with whom the company contracts indirectly (a sub-contractor) or the supplier of a direct supplier. However, companies are encouraged to explain what second tier suppliers (or tier two suppliers) means in the context of their business.

Seniority level / level of seniority: the seniority of the role indicated by, for example, the level of responsibility and pay bracket. Companies are asked to define their own seniority boundaries in question 3.14, as these are likely to vary from company to company.

Short-hours contracts: employment where the employer guarantees a small minimum number of hours each week and where the employer has the option of offering additional hours (which the employee may have the option of being able to refuse).\(^{25}\)

Stakeholder: entities or individuals that can reasonably be expected to be significantly affected by the organization’s activities, products, and services; and whose actions can reasonably be expected to affect the ability of the organization to successfully implement its strategies and achieve its objectives. This includes workers and suppliers.\(^{26}\)

Supplier: an organisation or person that provides a product or service used in the supply chain of the reporting organisation


Supply chain: all supply chain business relationships, including both direct and indirect, first tier and beyond.

Temporary contract (or fixed term): A temporary term employment contract is an employment contract as defined above that ends when a specific time period expires, or when a specific task that has a time estimate attached is completed. A temporary employment contract is of limited duration, and is terminated by a specific event, including the end of a project or work phase or return of replaced employees.27

Third-party contracts: a third party contract is an employment contract between a worker and third-party organisation to provide a service regularly (2 or more hours a day, in any day of the week, for 8 or more consecutive weeks of the year)28 to the company.

Training and skills development: activities that contribute to the development of the skills of employees and workers (not including on-site supervision) through specific skills training or development programs.29 Examples of training and programs include: leadership or management development programs, young talent development programs, sales training for sales executives, advanced occupational health and safety training, and project management training.30

Turnover: frequency of employees who leave the organization voluntarily or due to dismissal, retirement, or death in service.31

Voluntary turnover: as for turnover – for those employees who choose to leave voluntarily including to retire.32

Work related fatalities: death of a worker occurring in the reporting period, arising from an occupational disease or injury sustained or contracted while performing work that is controlled by the organisation or performed in workplaces the organisation controls.33

Workforce: all direct operations employees, contingent workers and supply chain workers.

Alignment references

(CHRBB) Corporate Human Rights Benchmark
(DJSI) Dow Jones Sustainability Index
(ETI RF ) Ethical Trading Initiative Reporting Framework
(GRI) Global Reporting Framework

32 CIPD, Employee turnover and retention’ (2017) https://www.cipd.co.uk/knowledge/strategy/resourcing/turnover-retention-factsheet
(ILO) International Labour Organisations Conventions
(KTC) Know The Chain
(SDGs) Sustainable Development Goals
(UNGPFR) SHIFT United Nations Guiding Principles Reporting Framework
(UNGP) United Nations Guiding Principles on Business and Human Rights
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