

Companies move towards greater workforce transparency following investor demand

March 27, 2019 – Ninety global companies, including four Canadian companies and 21 of the world’s 100 largest firms, have [responded to investor calls for more consistent and comparable workforce data](#) – a request aimed at improving the quality of jobs worldwide and helping to tackle inequality and poverty.

Coordinated by responsible investment group [ShareAction](#), in collaboration with [SHARE](#) and [RIAA](#), a coalition of more than [120 investors](#) managing over US\$13 trillion – including Amundi, Legal and General Investment Management (LGIM), M&G Investments, RPMI Railpen, Quantum Advisors, Sunsuper, and UBS Asset Management – asked listed companies to disclose information about how they manage risks and harness opportunities in their direct workforce and supply chains.

[Companies shared the data](#) with investors via the annual Workforce Disclosure Initiative (WDI) survey. The number of disclosing companies more than doubled compared to last year.

Barrick Gold, BCE, Canadian National Railway (CN) and Canadian Pacific Railway (CPR) were among the participating companies, along with Adidas, AIA Group, H&M, Microsoft, Nestlé, Rolls-Royce, and Toyota.

In total, disclosing companies have a footprint in more than one hundred countries where they employ upwards of 8.3 million people, and have business relationships with more than 1.5 million suppliers.

However, many well-known names fail to recognise the benefits of engaging with the investor request. **Alimentation Couche-Tard, Bombardier, Canadian Tire Corporation, Loblaws Companies, Restaurant Brands International, Suncor Energy, TELUS, Thomson Reuters, Toronto Dominion Bank and Valeant Pharmaceuticals** were among the 18 Canadian companies that did not disclose workforce data.

Apple, BP, China Mobile, Fresnillo, Glencore, Tesco, and Walmart have declined to participate in the WDI for two consecutive years, often citing a confidence in their existing public reporting that is not shared by their investors.

The WDI seeks information from companies on topics including diversity, wages, health and safety, contracts, worker voice, and procurement practices. Investors are increasingly seeking this type of comparable data in order to engage with the workforce practices of investee companies. The level of interest in these insights is demonstrated by investor support for the WDI having more than doubled since the pilot year. The WDI’s ultimate aim is to improve the quality of jobs in listed companies’ operations and supply chains.

The report reveals that, in general, disclosures lacked detail on risk management processes, with 51% providing no detail on who is involved in the workforce risk management process, how frequently it is carried out, or what areas of the business are covered – potentially a major concern for investors, particularly when identified risks relate to core human rights.

Given systemic challenges like inequality and precarious work, the fact that much of the data lacked detail on how companies manage and protect low paid workers, subcontracted, and supply chain workers warrants further investigation. For example, just 24% of companies said they monitor wage levels for non-permanent, third-party or franchise workers, even though they are particularly vulnerable to poor conditions.

The report is being launched today and tomorrow at the [Sedex Conference](#) in London and the ICCR Conference in New York.

Shannon Rohan, Responsible Investment Leadership Director at SHARE says:

“Better disclosure from companies about decent work practices is an opportunity for boards of directors and management to see the value of their workforce and how to improve workplace practices.”

“For investors, promoting better assessment and reporting can help demonstrate the value of decent work for company performance. Too few companies provide meaningful reporting on their approaches to managing their workers, leaving investors ill-equipped to identify leaders and laggards.”

Amy Metcalfe, Head of Programmes at ShareAction, says: “There are challenges to disclosing more workforce data. But the leadership shown by 90 companies across 11 sectors demonstrates that these challenges can and should be overcome. Not least because the reporting process provides insights that benefit corporate governance, and because calls from shareholders, civil society, and worker organisations for better data and action to deliver on the promise of decent jobs are only getting louder.”

Matt Christensen, Head of Responsible Investment at AXA Investment Managers, said: “AXA IM is a strong supporter of the WDI and is pleased to see the growing number of reporting companies. We are confident the current void in social metrics will be bridged by the WDI for which we expect will become a reporting standard. As long-term responsible investors with several social-related funds, the data collected against the WDI are used to provide in-depth and complementary information to our social performance and impact assessment. It constitutes, as well, a solid basis for our engagement with companies around social considerations and helps us make processes evolve the right direction – both at operational and supply-chain levels.”

Cllr Paul Doughty, Acting Chair of the Local Authority Pension Fund Forum, said: “LAPFF applauds the companies that have taken a lead in reporting to the WDI. Through engaging with companies, the Forum has found that workforce issues can be a major determinant of company success and value creation for shareholders, certainly in the long-term but even in the short- to medium-term. Consequently, LAPFF supports the WDI and encourages all companies

approached to respond fully to the questionnaire in order to drive workforce reporting and practices in a positive direction.”

James Gomme, director of SDGs at World Business Council for Sustainable Development, said:

“The WDI is already providing real insights into how to enhance workforce reporting and incentivise best practice. This area of focus is extremely necessary in the context of advancing some of the issues that sit at the heart of the SDG agenda. The WDI has also set out to undertake this work in a highly inclusive and impactful manner which equips both the investment and business communities with practical tools that can help to drive real change.”

Notes to editors

- For more information, please contact Damon van der Linde, Communications Coordinator at SHARE : dvanderlinde@share.ca T: 604.695.2039 C: 236.865.4048
- Full analysis report: <https://shareaction.org/wdi/2018-findings/>
- The full list of WDI investor signatories can be [found here](#). As at March 2019 the number of investor signatories is 122 institutions managing \$13.5 trillion of assets, compared with 79 institutions and \$7.9 trillion AUM in the 2017 pilot year. The signatories are headquartered in 14 countries: UK, Canada, US, Australia, France, Netherlands, Switzerland, Denmark, Belgium, Finland, Germany, India, Ireland and New Zealand
- The WDI is delivered in collaboration with international allies [ShareAction](#), [RIAA](#) and [Oxfam](#)
- The WDI 2018 survey was open from July to October 2018.
- The WDI is made possible thanks to UK aid from the UK government, as part of DFID’s Responsible and Transparent Enterprise programme