



2025 Workforce disclosure: trends and insights

WDi
Workforce Disclosure Initiative

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Forewords





Thomson Reuters Foundation – CEO

I have long believed that business, more than any other force, shapes the way we live. With rapid technological change, pressure on living standards and increasingly complex global supply chains, people increasingly expect companies to help play their role in building fairer and more resilient societies. But expectation without evidence isn't enough. Trust has to be earned — and in the world of work, that means being transparent about how people are treated, not only within companies but throughout their value chains where risks are often harder to see.

This is why the Thomson Reuters Foundation's work on corporate transparency matters. Over the past year we have continued to strengthen the Workforce Disclosure Initiative (WDI): a voluntary disclosure platform designed to turn workforce data into accountability. WDI helps companies benchmark transparency, identify blind spots, and strengthen governance. We worked with investors to equip them with comparable, decision-useful information for their stewardship and engagement. At the Foundation, we believe that sunlight is the best disinfectant, and that better workforce disclosure ultimately helps move conversations

from intent to impact, leading to better outcomes for workers and the society as a whole. As WDI marks its tenth anniversary this year, it is striking how much the initiative has grown in both reach and relevance. While working trends and business priorities have evolved over the past decade, WDI's role in bringing credible workforce data to light is more critical than ever.

This year's reporting cycle also underlines something important: voluntary disclosure is not standing still, it is spreading. In 2025, WDI received responses from companies headquartered in 32 countries, the highest number we have ever seen. We also saw seven brand new countries represented among responders. Crucially, four of these hailed from outside Europe, which for years was seen as the leader in both policy and performance when it came to non-financial disclosures. The message of this is simple, the demand for workforce data is not regional, or liberal, politically leaning, but rather universal.

Thank you for your continued support.

Antonio Zappulla
CEO, TRF



Thomson Reuters Foundation – Director for Responsible Business

In 2025, WDI marks its tenth anniversary, and over two years at the Thomson Reuters Foundation. While political headwinds and geopolitical trends have shifted radically in that time, the need for transparency and accountability on workforce practices remains clear — for the people at the heart of supply chains and for the companies that employ them. This milestone also provides an opportunity to look more broadly at how workforce disclosure has evolved over the life of the initiative.

We see this need reflected in the wide range of companies taking part in WDI. The most encouraging progress is often when expectations travel — across markets, sectors, and business models.

This year's report draws on data from our widest geographical spread, with emerging markets representing 25% of responders, our highest number yet. We saw a steep rise in the participation of Asian companies, as well as positive growth from Latin American firms. Alongside our annual analysis, we have also taken a broader view of disclosure trends, with particular attention to how reporting practices and workforce priorities have shifted over recent reporting cycles.

Our analysis has identified changing workforce trends. Companies are increasingly setting out governance structures and policy commitments but often failing to measure and report on the outcomes of these commitments. There are also some worrying risks, both for workers, where remedy remains weak and conditions in value chains are often going unmonitored, and for businesses, where gaps in reporting on turnover, contingent labour and non-employee safety are leaving business-critical issues hidden. Looking across the data over time, it is clear that the challenge is no longer only whether governance structures exist, but whether they are

translating into decision-making, incentives and measurable outcomes in practice. More than ever, this underlines the value of data-driven approaches to workforce management.

For investors, these trends point to a growing gap between stated intent and operational reality — and, with it, a need to look beyond the presence of policies towards the quality of implementation and outcomes. Workforce-related risks are increasingly linked to issues such as operational resilience, supply chain stability, and reputational exposure, yet they often remain under-analysed in traditional financial metrics. WDI data is intended to support investors in identifying these blind spots, enabling more informed engagement, stewardship, and capital allocation decisions grounded in comparable and decision-useful insights.

In future, we want to ensure that WDI is the go-to resource for companies and investors who seek a more responsible approach. One way we will continue to reduce friction for companies is by aiming to enhance the overall architecture of the WDI reporting ecosystem, making it more consistent, intuitive and supportive for organisations at different stages of their disclosure journey. But our ambition goes well beyond easing reporting burdens. We want WDI to play an even stronger role as a thought leader in the workforce reporting space: bringing together investors, companies and expert partners around the key questions shaping the future of work; contributing evidence and analysis to the development of standards and policy; and ensuring that the expectations of our investor coalition are represented through a the broadest and most credible collective voice possible.

In doing so, data is central to WDI, but it is not its only element. Its value lies in helping organisations disclose in a structured way that supports better decisions, not just more pages of narrative. Through our analysis and wider role in the reporting space, we hope not only to strengthen the quality, depth and comparability of workforce data, but also to help shape the wider market conversation and action about what good workforce governance and transparency should look like.

Katie Fowler

Director for Responsible Business, TRF



Investor perspective

Border to Coast became a supporter of the Workforce Disclosure Initiative in 2018 and have been engaging with companies to encourage participation in the annual survey for the last seven years. Supporting the initiative contributes to the ‘workforce and community’ pillar of our stewardship approach, where we consider how related issues influence company resilience and investment outcomes.

Social risks and opportunities are not as well understood in investment management as other sustainability themes, partially due to a scarcity of reliable, consistent, and comparable data. Yet issues such as wage levels, labour rights and supply chain management can present material risks that require management, leaving investors with the challenge of integration in investment decision making and company stewardship without always having the necessary data.

The WDI is at the forefront of addressing this gap. Through its annual survey, it is generating quality data that is centralised, consistent, and comparable, creating a highly valuable resource for investors. The initiative’s dataset is beginning

to provide us with the data we need on how companies are managing human capital in their direct operations and supply chains. It is also sending a clear signal to major companies across the globe that investors wish to see improved and consistent disclosures on these issues.

While participating in the WDI helps companies to capitalise on the data they are already collecting for mandatory disclosures, the initiative has observed that participating companies also go further by typically providing three times more information than those that do not complete the survey. This will only improve further with the initiative’s increased data coverage, increasing scope and usability of the dataset available to investors.

We call on global companies to complete the WDI survey and other investors to actively engage to further populate this vital resource.

Colin Baines FRSA

Stewardship Manager,
Border to Coast Pensions Partnership

Join the WDI investor signatories

Since its establishment in 2017, the WDI has worked with institutional investors to improve corporate workforce transparency. Investor support has been vital in generating new workforce data, encouraging wider engagement from companies, and promoting a greater understanding of the workforce topics covered in the annual WDI survey.

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

- **27 institutions** with **USD \$5.5 trillion** in assets under management are part of the WDI signatory group.
- In 2025, **signatories engaged 109 companies**, encouraging them to take part in the WDI.

As a valuable member of the signatory group, investors receive full access to:

- The WDI dataset covering almost 3,000 companies, including self-disclosed workforce data, and public source data mapped against WDI framework.
- Companies' transparency profiles and other bespoke benchmarks.
- Opportunities for engagement with companies on WDI data and workforce practices.
- Exclusive resources and events.
- The latest WDI research on workforce topics to help them make the most of the WDI's unique dataset.

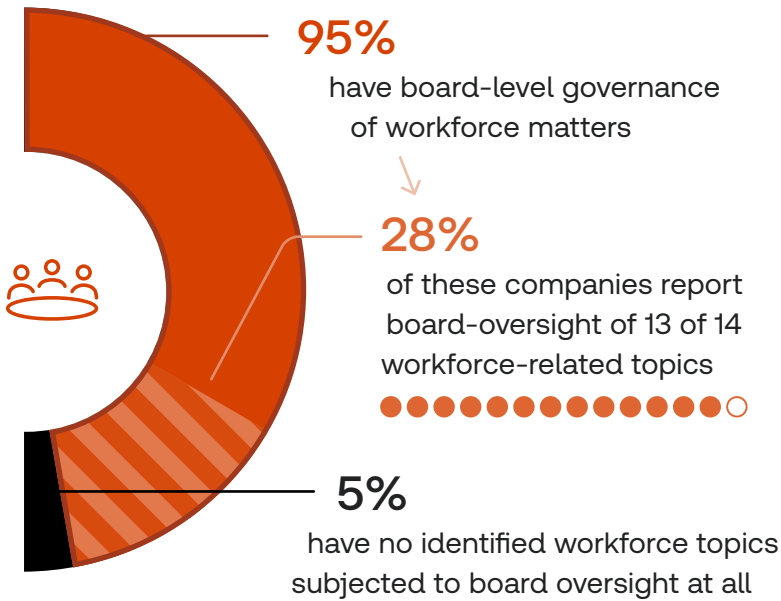
Our investors all share a desire for better and more consistent reporting on workforce practices, and together they present a formidable coalition. Without their work engaging companies and encouraging them to take part in the survey, this report would not be possible. This year we would like to offer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

For the most up to date list of signatories, [click here](#).

Executive summary



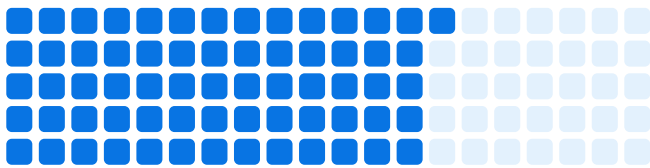
Key statistics



47% link executive pay to **at least one workforce KPI** as part of day-to-day management of workforce matters

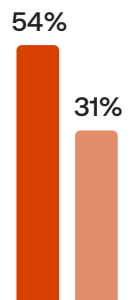
- 24.3%** link executive pay to safety KPIs
- 21%** link executive pay to diversity & inclusion KPIs

66% claim to conduct regular human rights due diligence



Around half of companies reported a **public commitment** to provide or cooperate in remedying adverse human rights impacts

But less than a third **provide any evidence** of remedy in practice.



84% report having a public policy on **discrimination and harassment**

71% report a commitment to prohibiting, identifying, & preventing **forced labour**

80% of companies have multiple departments responsible for workforce governance

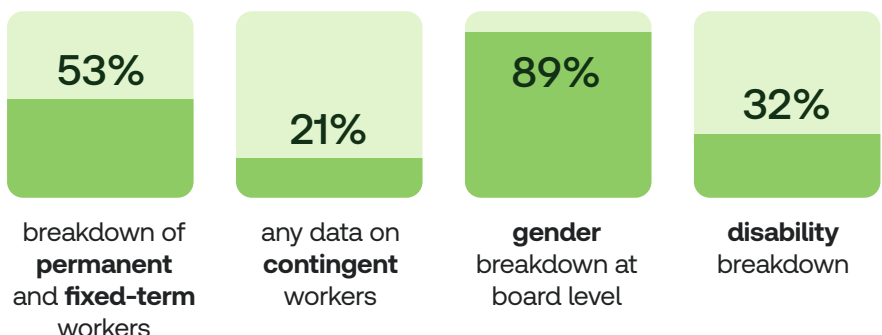
40% of companies describe explicit supply-chain governance

Workforce risks identified as the most visible:

1 **Health, safety and well-being**
Chosen by 31%

2 **Labour rights**
Chosen by 19%

Percentage of companies providing data on their workforce:



Executive summary

Marking WDI's tenth anniversary, this year's findings reflect a decade of expanding workforce governance, alongside growing participation from more than 305 companies that have disclosed through the initiative. While formal governance structures and process-driven elements, such as human rights due diligence have become increasingly widespread, this expansion has been uneven in practice. In some areas, it has stalled or even reversed — including baseline workforce policies that were once near-universal — while in others, improvements in structure and oversight have not translated into broader change in practice.

These patterns are also reflected in this year's expanded 2,972 companies included in the WDI dataset¹. Evidence of how governance translated into decision-making, incentives, and outcomes remains limited. The key distinction is no longer whether governance structures exist, but whether they are embedded in strategy, supported by incentives, applied across operations and supply chains, and capable of delivering measurable outcomes.



Governance prioritises what is visible — not what is material

Current practices reveal a consistent pattern: companies tend to focus on issues that are highly visible, regulated, or reputationally sensitive — most notably health and safety and gender diversity. In contrast, less visible but equally critical workforce risks — such as supply-chain labour conditions, contingent workers, turnover, ethnicity, disability, and access to remedy — receive significantly less attention.

Governance signals therefore risk overstating risk management maturity. Where oversight remains selective or performative, important dimensions of workforce risk remain insufficiently addressed, leaving a partial view of underlying exposure.



A persistent gap between policy and practice

Workforce policies remain the primary lens through which governance is assessed, and most companies report formal commitments to prevent discrimination and forced labour. However, far fewer demonstrate how these commitments translate into decision-making, risk management processes, and accountability mechanisms in practice.

We found that this gap is also reflected in incentive structures. While linking executive pay to workforce outcomes has the potential to drive meaningful change, current incentives remain concentrated on visible metrics such as health and safety or diversity. Broader drivers of long-term workforce resilience — including retention, job quality, and workforce stability — are less consistently integrated.



Workforce risk management weakens beyond direct operations

Governance frameworks are relatively well developed within direct operations, where responsibilities are formalised and oversight is clearer. Beyond these boundaries, where workforce risks are often more acute, consistency declines. Companies are generally able to identify salient issues, but this rarely translates into sustained engagement, follow-up action, or evidence of effectiveness — particularly in supply chains.

Due diligence therefore remains stronger in identifying risks than in managing or mitigating them. This gap is most visible where oversight is more complex and less direct, limiting the effectiveness of governance systems as end-to-end mechanisms.



Remedy and disclosure expose the limits of current systems

The limitations of current governance systems become most visible in outcomes. While many companies commit to providing remedy when harm occurs, far fewer demonstrate that remediation is delivered in practice — particularly beyond direct operations. The ability to respond to harm, not just prevent it, remains the clearest test of whether governance systems are functioning effectively.

At the same time, persistent gaps in disclosure constrain accountability. Limited visibility into contingent and outsourced workforces, alongside uneven reporting on key indicators such as turnover, ethnicity, and disability, restricts a comprehensive understanding of workforce risks.



From signal to substance: what current governance still fails to show

The findings point to a clear shift in how workforce governance needs to be understood. Over time, the presence of policies, structures, or oversight mechanisms is no longer a sufficient indicator of how workforce risks are managed in practice.

What matters more is whether governance systems are comprehensive, evidence-based, and capable of delivering outcomes — particularly in areas that are less visible, less regulated, and more difficult to measure. Where governance remains concentrated on what is visible, important dimensions of workforce risk can remain obscured. This creates a disconnect between what governance signals suggest and what underlying exposure may actually be.

Closing this gap requires closer scrutiny of how workforce risks are managed beyond direct operations, how incentives reflect long-term workforce outcomes, and whether systems are in place to deliver remedy when harm occurs.

Without this shift, governance frameworks risk signalling strength without fully capturing where risk — and impact — truly sit.

To support the WDI's work or to find out more about the benefits of membership please contact WDI@thomsonreuters.com

WDI in practice



WDI 2025 engagement footprint

The 2025 cycle reinforces why WDI exists: without a consistent disclosure structure, workforce information remains fragmented, difficult to compare, and hard to use for decision making at scale. This year's results show that WDI's model is continuing to travel beyond the markets that have historically anchored participation, while also highlighting where the initiative is being hit by the crosswinds of shifting political and financial realities.

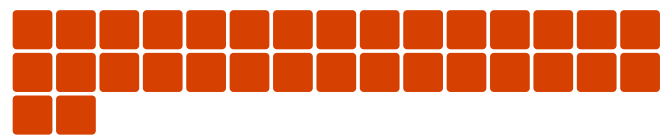
In 2025, we spoke to over 450 companies in nearly 50 countries about their approach to workforce management

Despite strong headwinds over the past few years, so many organisations remain committed to being transparent employers and buyers. The increase in responders outside Europe has led to interesting conversations about expectations around reporting in different parts of the world and means we can now better support non-European organisations through the responding process.

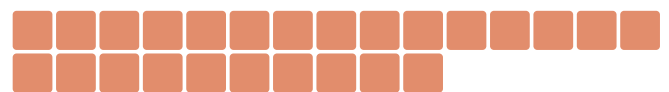
We continue to see companies struggling with capacity, and our capability to source their public disclosures and align them with our framework — delivering a structured draft for their review and refinement — has proven to be a strategic enabler to accelerates progress.

2025 saw the highest number of countries represented to date

2025 - 32 countries



2024 & 2021 - 25 countries



In the 2025 disclosure cycle, WDI received submissions from 142 companies headquartered across 32 countries, the highest number of countries represented in any WDI cycle to date (the previous peak was 25 countries in both 2024 and 2021). Greater country representation isn't just a headline statistic; it improves the practical usefulness of the dataset by increasing the range of peer comparisons available to companies and the coverage available to investors engaging across global portfolios.

For the ninth year in a row, all economic sectors reported to WDI



That breadth is important because workforce risks, and the management systems needed to address them, show up differently across industries. This year, the sector mix also illustrates how participation can shift even when overall disclosure demand is rising.



Utilities was the largest sector represented with 20 responders (up five from last year).



Financials remained highly represented with 19 responders. Despite this high representation, however, there was a significant decline in the number of financial companies taking part, with 14 fewer participants than last year.



Consumer Discretionary and **Industrial** representation also dropped this year, showcasing the shifting priorities and pressures of businesses within those sectors.

There is a clear shift in where workforce transparency is gaining traction

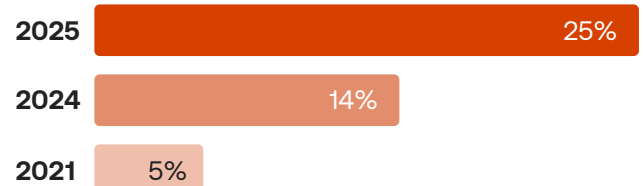
Positively, the 2025 cohort shows a clear shift in where workforce transparency is gaining traction. Europe is still the largest contributor, but participation there is declining in both real and relative terms, while global representation is widening.

- **European**-headquartered companies **made up 65%** of respondents this year (92 companies), down from 73% (105 companies) in 2024.
- In parallel, **Asia's** share **rose to 23%** with 32 companies partaking in the survey this year, up from 19 in 2024 and ten in 2021.
- Representation from **Latin America** also **increased to 5%**, with seven companies taking part this year, up from three in 2024 and two in 2021.

2025 saw more responses from emerging markets

This is a positive sign for WDI's long-term scalability: emerging markets accounted for 25% of responders in 2025, up from 14% in 2024 and 5% in 2021. In business terms, that broader market mix increases the relevance of WDI as investors and companies look for workforce data that reflects where growth and supply chain complexity are often most pronounced — not only where disclosure is already mature.

Percentage of responders coming from emerging markets:



While WDI's global appeal is strengthening, the data also points to stagnation or regression in regions

In some regions that used to be core to WDI's responding base, particularly North America and parts of Europe. North America accounted for 6% in 2025, down from 10% in 2024 and 15% in 2021.

2025 - 9 companies



2024 - 14 companies

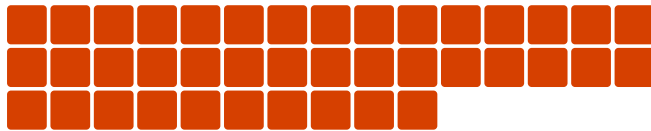


2021 - 15 companies

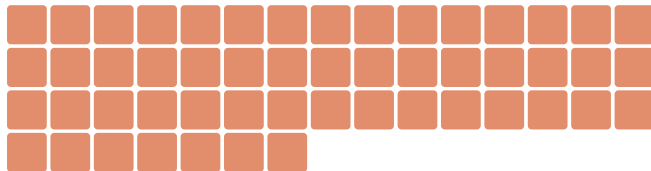


At country level, the UK remained the largest contributor but declined substantially from 2024.

2025 - 40 companies



2024 - 52 companies



From a business-case perspective, this matters because WDI's impact depends not just on reach into new markets, but also on maintaining coverage in the markets where many global standards-setters and capital providers are headquartered.

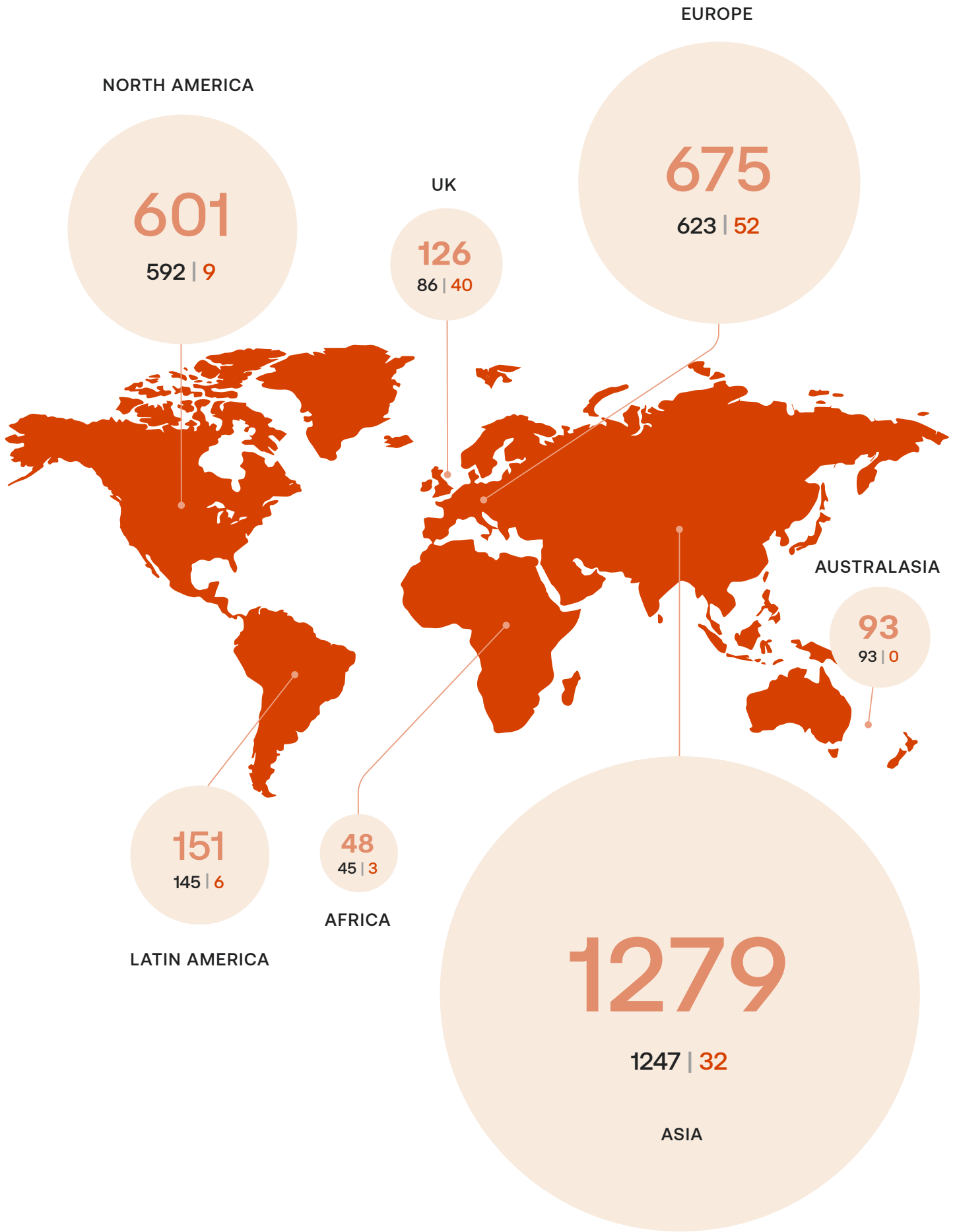
2025 also brought concrete evidence of new entry and resilience

Seven new countries were represented among responders (with four of those outside Europe), and 11 countries retained all their responders, matching the previous peak and more than doubling the number from 2024. This suggests that while some mature markets are harder to retain, WDI is increasingly "sticking" once established in certain countries, an encouraging sign for long-term adoption.



Regional distribution of 2025 data

● Publicly Sourced Data ● Self-Disclosed Data



WDI in the market context: data, insights, and engagement

WDI plays a very distinct role as a voluntary disclosure framework, engagement platform, research provider and knowledge partner on workforce issues. It aligns closely with both mandatory and voluntary reporting expectations, while going further by generating deeper, more actionable workforce data across direct operations and supply chains. Through its company survey, analysis and stakeholder engagement, WDI not only supports better disclosure, but also provides practical insight and evidence that can inform investors, companies, standard setters and legislators.





Mandatory standard setters / legal frameworks

WDI aligns closely with mandatory reporting requirements and uses them as a baseline for disclosure design. It translates regulatory expectations into practical workforce disclosure questions, while also going beyond baseline legal requirements by capturing richer and more material workforce information across operations and supply chains.

WDI also provides evidence, market insight and technical input to help inform the evolution of reporting requirements, and convenes discussions between investors, companies and policymakers on emerging disclosure needs and implementation challenges. In this way, WDI not only reflects regulation, but also helps interpret it in practice and feeds real-world insight back into its development.



Voluntary standard setters / frameworks

WDI prioritises alignment with leading voluntary reporting frameworks and serves as a knowledge partner on workforce and labour disclosure.

It provides practical evidence from company reporting to inform the development of stronger social disclosure approaches and acts as a convening platform for dialogue between investors, companies and framework setters. Through this, WDI helps create a more coherent and ambitious approach to workforce reporting.

It aligns with voluntary frameworks while also helping to shape and strengthen wider social reporting practice.



Civil society organisations / multi-stakeholder operators

WDI works closely with civil society partners on labour rights, workforce transparency and responsible business conduct. It co-authors reports, thematic research and thought leadership, and brings practical expertise on labour disclosure across both own operations and supply chains. WDI helps turn norms and expectations into practical reporting questions and useful metrics, while connecting civil society expertise with companies, investors and standard setters through a market-facing framework. This helps translate civil society priorities into more practical disclosure and stronger reporting practice.



Investors

WDI provides investors with consistent, comparable and decision-useful workforce data that can be used in analysis, stewardship, engagement and voting. It reflects investor priorities in the design and evolution of the framework and enables investor engagement with companies through a shared disclosure structure and common evidence base. WDI further convenes investors with standard setters, companies and subject-matter experts on key workforce issues, helping move the market from fragmented information towards more structured and actionable insight. This supports investors not only in analysis, but also in stewardship, dialogue and market influence.



Companies

WDI provides companies with a structured framework for assessing and disclosing workforce issues across own operations and supply chains. It helps identify gaps in systems, data, governance and internal coordination, and supports companies in demonstrating transparency beyond minimum legal obligations. WDI creates a common basis for dialogue with investors and other stakeholders, and provides feedback, transparency profiles and year-on-year progression that can help build reporting maturity. It also supports stronger external communication with the market, including ESG rating providers. Overall, WDI helps companies strengthen disclosure, engage stakeholders more effectively and build reporting maturity over time.



Commercial ESG data and rating providers

WDI provides a source of structured, comparable company-reported workforce data that can strengthen external analysis. It improves the availability and consistency of workforce information in the market, supporting clearer and more relevant data disclosure. Its design also reflects many of the expectations and methodologies used by commercial ESG data and rating providers. Participation in WDI can therefore help companies improve the quality and consistency of their workforce disclosures in ways that are increasingly relevant to these frameworks. This can enhance broader ESG visibility without duplicating or replacing existing ratings and benchmarking approaches.



★ Investor spotlight – Nest

Why workforce data matters in our approach

Workforce issues are a core component of our stewardship approach because we firmly believe that they are closely linked to long-term value creation, operational resilience, and companies' licence to operate. Poor workforce practices can expose companies to legal and regulatory risk, productivity losses, supply chain disruption, and reputational damage, while strong human capital management can support worker retention, productivity and ultimately sustainable company performance. Since joining the Workforce Disclosure Initiative (WDI) in 2018, we have been able to move beyond narrative reporting to access consistent, comparable workforce data across companies and sectors. This has improved our ability to assess risk, prioritise engagements, and track whether companies' stated policies translate into outcomes over time.

Where WDI fits in our workflow

WDI data is embedded within our wider set of ESG data, which we use to collate information and identify risks across our portfolio. Workforce data from WDI sits alongside information such as company controversies and breaches of the UN Global Compact (UNGC) principles, which we receive from external data providers, climate and environmental data from our external fund managers and other external sources, and governance and voting information which we receive from Minerva Analytics, our proxy voting research and reporting provider. Information on whether a company reports through WDI also forms part of the set of information we use to support our voting analysis during the annual general meeting (AGM) season.

WDI supports several stages of our stewardship and engagement practices. First, it helps with screening and prioritising engagement targets by highlighting companies with weaker workforce disclosure or indicators that may point to gaps in their human capital management processes. Second, it informs engagement planning by

providing a baseline view of company practices relative to peers. Third, it supports ongoing monitoring, allowing us to track changes in disclosure and practices over time.

Overall, WDI complements company reporting and third-party ESG ratings by providing greater depth, comparability, and time-series workforce data. We reference WDI directly in engagements with companies as a credible, investor-led framework for workforce disclosure and encourage companies to complete the WDI annual survey to help identify internal data gaps and strengthen transparency.

How WDI insights can inform action

A typical way we use WDI data is to support our stewardship efforts on workforce and human rights risks. One example, being engaging companies in sectors with complex, global supply chains, such as the automotive industry.

We engage with automotive companies on forced labour risks in their supply chains as part of the Investor Alliance for Human Rights engagement group. Automotive companies can face significant exposure to workforce risks in upstream supply chains. WDI disclosure can help highlight whether companies provide sufficiently granular information on workforce oversight, supplier monitoring, and human rights due diligence relative to peers.

We would interpret limited or inconsistent workforce disclosure as a potential indicator of weaker internal visibility over labour risks, particularly in high-risk geographies, which may increase legal, regulatory, and reputational exposure over time.

How WDI insights inform our actions

Improved disclosure through WDI reporting cycles, alongside ongoing engagement, could be used to assess whether transparency and governance of workforce risks are strengthening over time and to inform whether further engagement or escalation is required.

★ Company spotlight – Cementos Argos

We participate in the WDI because it strengthens our workforce transparency, improves data quality, and drives continuous improvement across the organisation.

How our company approaches transparency and the value it adds to our business

Cementos Argos adopts a dual approach to transparency that integrates full compliance with legislated reporting requirements and a strong commitment to voluntary disclosure. The company maintains rigorous internal controls to ensure accuracy, reliability, and adherence to applicable regulations, and it regularly updates its frameworks to reflect evolving standards.

Beyond mandatory reporting, Argos voluntarily shares sustainability information through different initiatives and assessments such as the Workforce Disclosure Initiative (WDI) or Corporate Sustainability Assessment (CSA). The company discloses all nonsensitive data and evaluates sensitive items on a case-by-case basis to balance transparency with data protection. Argos also operates an independently managed Transparency Line, enabling confidential reporting by employees, suppliers, customers, and communities, reinforcing accountability and ethical conduct.

This approach supports stronger stakeholder trust, enhances investor confidence, and contributes to a culture grounded in integrity, openness, and continuous improvement.

Our experience taking part in the WDI

Our participation in the WDI began as part of Cementos Argos' strategic commitment to transparency and continuous improvement in workforce management. We identified the initiative as an opportunity to strengthen the quality of the information we share with investors and other stakeholders, benchmark ourselves against global

standards, and reveal data gaps that had not been evident in previous assessments.

The process involves multidisciplinary teams from Human Resources, Sustainability, Investor Relations, our shared services centre (SUMMA) and other technical areas depending on the nature of each indicator. Participation includes different levels of seniority: from analysts responsible for gathering operational data, to functional leaders who validate the information and review the coherence and focus of each answer. Data collection is carried out through coordinated work between operational and corporate teams. We rely on internal databases consolidated by Summa, reports and information systems that ensure traceability. Once the data is compiled, the Sustainability team leads the technical review to ensure alignment with WDI criteria, consistency across business units, and the quality of the narrative. This process allows us to identify relevant gaps and improvement opportunities in data that had not previously been gathered or in emerging topics.

Decisions on what information is made public versus shared only with investors are based on an assessment of sensitivity, data maturity, and associated risks. In cases where the information is not yet consolidated or may be misinterpreted without the proper context, we classify it as investor-only, following the same approach used in other evaluations.

The full process follows a clear timeline: reception of the request, internal briefing, data collection and validation, final review, and submission through the WDI platform. Preparing the response takes several weeks depending on the level of detail required and data availability in the areas.

What impact taking part in the WDI has had on our company

One of the most important learnings has been recognising the value of having a structured, investor-oriented framework for workforce information. By responding to the WDI, we gained clearer visibility into topics such as diversity metrics, labour practices, compensation structures, and our approach to human rights. The process also allowed us to benchmark against global standards and better understand the evolving expectations of our stakeholders. This survey has enabled us to refine certain aspects of our reporting practices related to talent management and strengthen our metrics in this area.

By continuing to participate in the WDI, Argos will implement concrete changes, will strengthen the data systems, align even more closely with global standards, and foster a culture of continuous improvement. It will make more informed decisions and increase engagement with my stakeholders.

What our plans are for improving workforce management and transparency even further

Looking ahead, our plans focus on:

- Invest in advanced digital tools to monitor and manage workforce data efficiently.
- Train teams in ESG best practices and foster a culture of accountability.
- Continuously review and update our key performance indicators (KPIs) to ensure we remain aligned with emerging regulatory and market challenges.

Voluntary reporting remains essential to our organization. It allows us to meet growing investor expectations, benchmark ourselves internationally, and proactively prepare for future regulatory trends.



How participation in WDI has helped with our investor relationship with suppliers

The process enabled us to identify relevant metrics that we had not previously monitored or reported. These metrics drew our attention, and we hope that over time these questions and metrics will have an impact or become part of the company's management.

For instance, the WDI prompted us to analyse indicators such as the proportion of suppliers assessed under ESG criteria, the level of disclosure regarding labour practices in the supply chain, and the frequency of social and environmental audits. While no immediate changes have been implemented because of the survey, the fact that we identified and responded to these metrics for the first time drives us to strengthen accountability and set new improvement goals in collaboration with our suppliers.

In summary, participation in the WDI has been key to highlighting areas that require greater attention and consolidating our commitment to transparency and continuous improvement throughout the value chain.

Workforce trends and current status



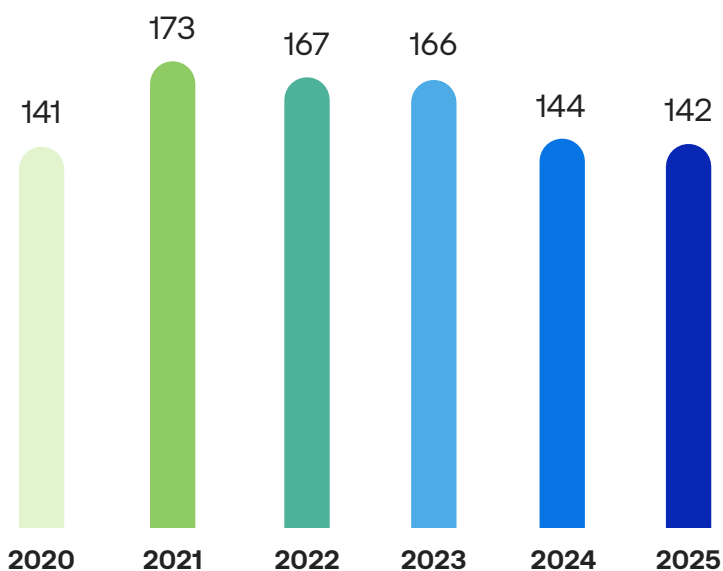
Workforce over time: developments and shifts

As WDI reaches its tenth anniversary, this year's report takes a broader view of the data than ever before. Alongside our annual analysis, we have carried out a comprehensive review of disclosure across the history of the initiative, with a particular focus on the past five reporting cycles, to identify how workforce priorities, reporting practices and data patterns have shifted over time.

This longer-term perspective allows us to move beyond a snapshot of a single year and instead show the direction of travel: where transparency is improving, where disclosure remains uneven, and where persistent gaps continue to obscure risks for workers and businesses alike. In doing so, the report highlights not only how workforce reporting is changing, but also what those changes tell us about the evolving expectations placed on companies and their value chains.

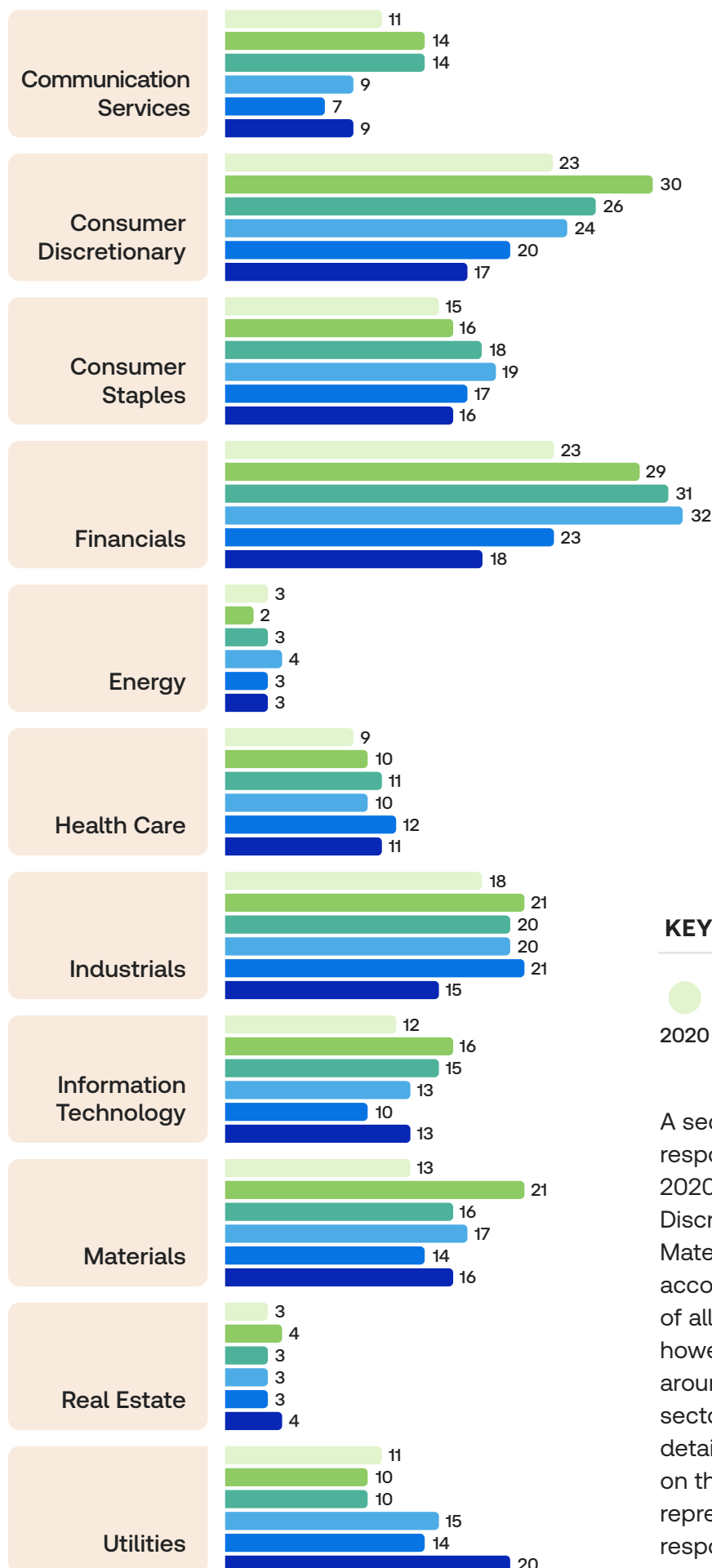
1. Overview of the WDI respondents from 2020-2025

NUMBER OF COMPANIES ACROSS THE YEARS



From 2020 to 2025, WDI maintained a relatively stable respondent base, with more than 140 companies participating each year, and 295 companies in total across these 6 years. The number of responding companies peaked in 2021 (173 companies) and remained broadly consistent thereafter, declining slightly to 142 companies in 2025.

SECTOR-WISE BREAKDOWN ACROSS THE YEARS

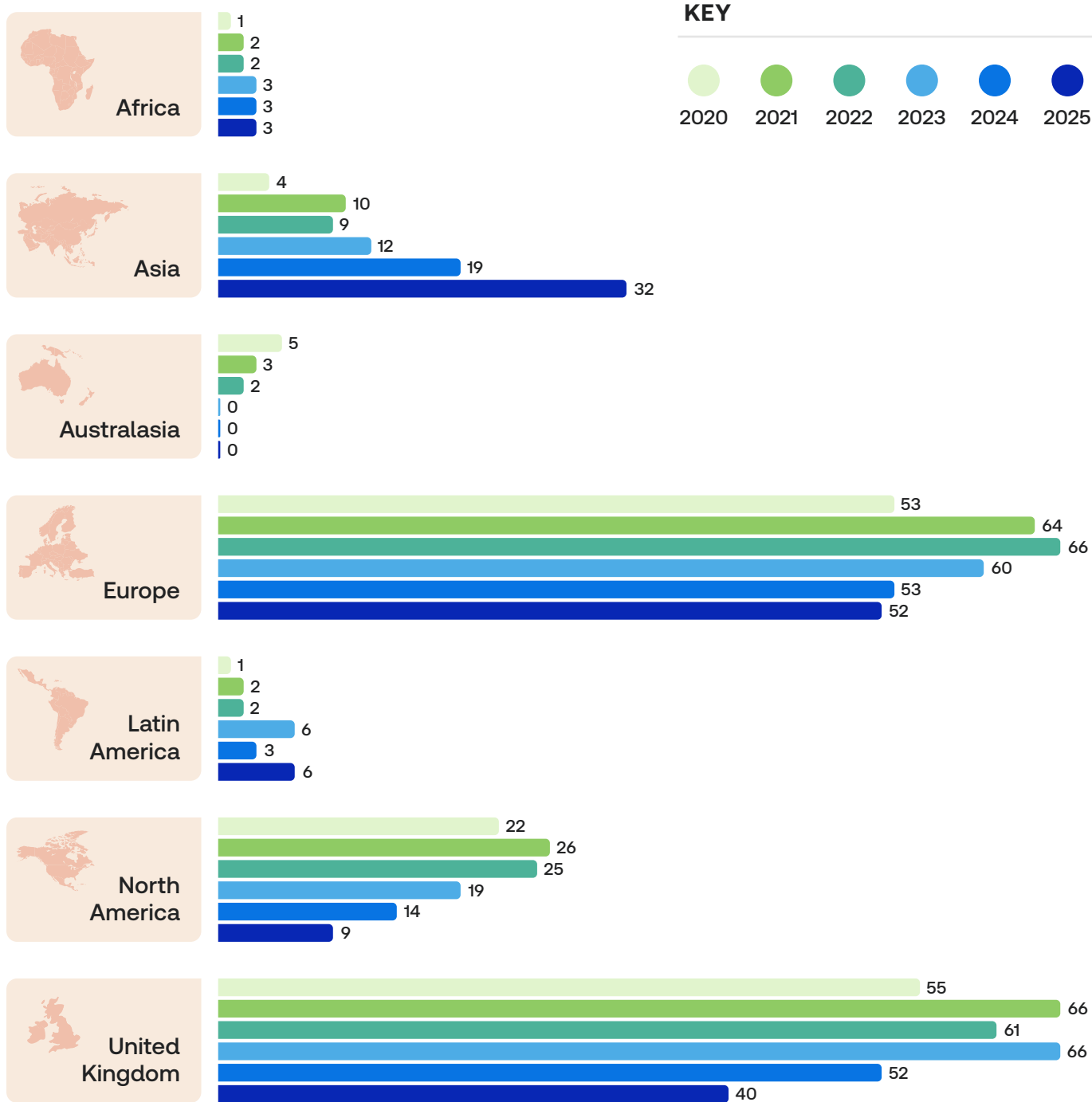


KEY



A sector-wise breakdown of the respondent profile shows that between 2020 and 2024, the Financials, Consumer Discretionary, Consumer Staples, Materials, and Industrials sectors together accounted for approximately 65-68% of all responding companies. In 2025, however, this concentration declined to around 58% reflecting a more diversified sector mix in that year. The sector trends detailed in the next few sections focus on these five sectors, as they consistently represent around 60% or more of respondents across the years.

REGION-WISE BREAKDOWN OF WDI RESPONDENTS ACROSS THE YEARS



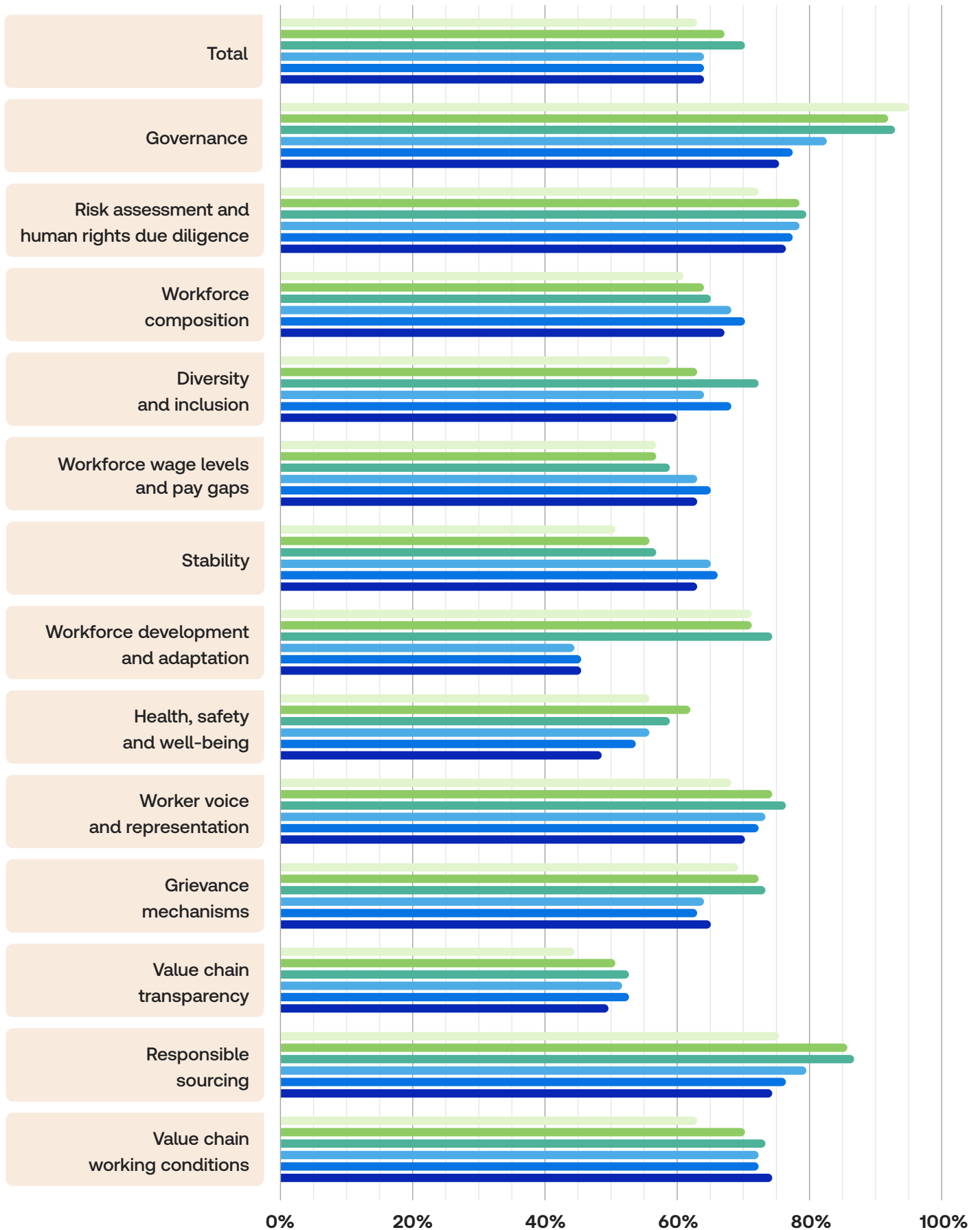
From a regional perspective, WDI respondents across the years have been concentrated in Europe, the United Kingdom, and North America, though their combined share fell gradually from over 90% in 2020, to 71% in 2025, indicating a broadening of geographic representation, including increased participation from Asia.

The analysis following therefore focuses on these three regions to ensure comparability over time, as they continue to account for the majority of respondents.

Trends relating to North America should, however, be interpreted with caution given the relatively small and declining number of respondents, from 22 in 2020 to 9 in 2025.

PERCENTAGE OF SURVEY SECTIONS COMPLETED ACROSS THE YEARS

KEY: 2020 2021 2022 2023 2024 2025



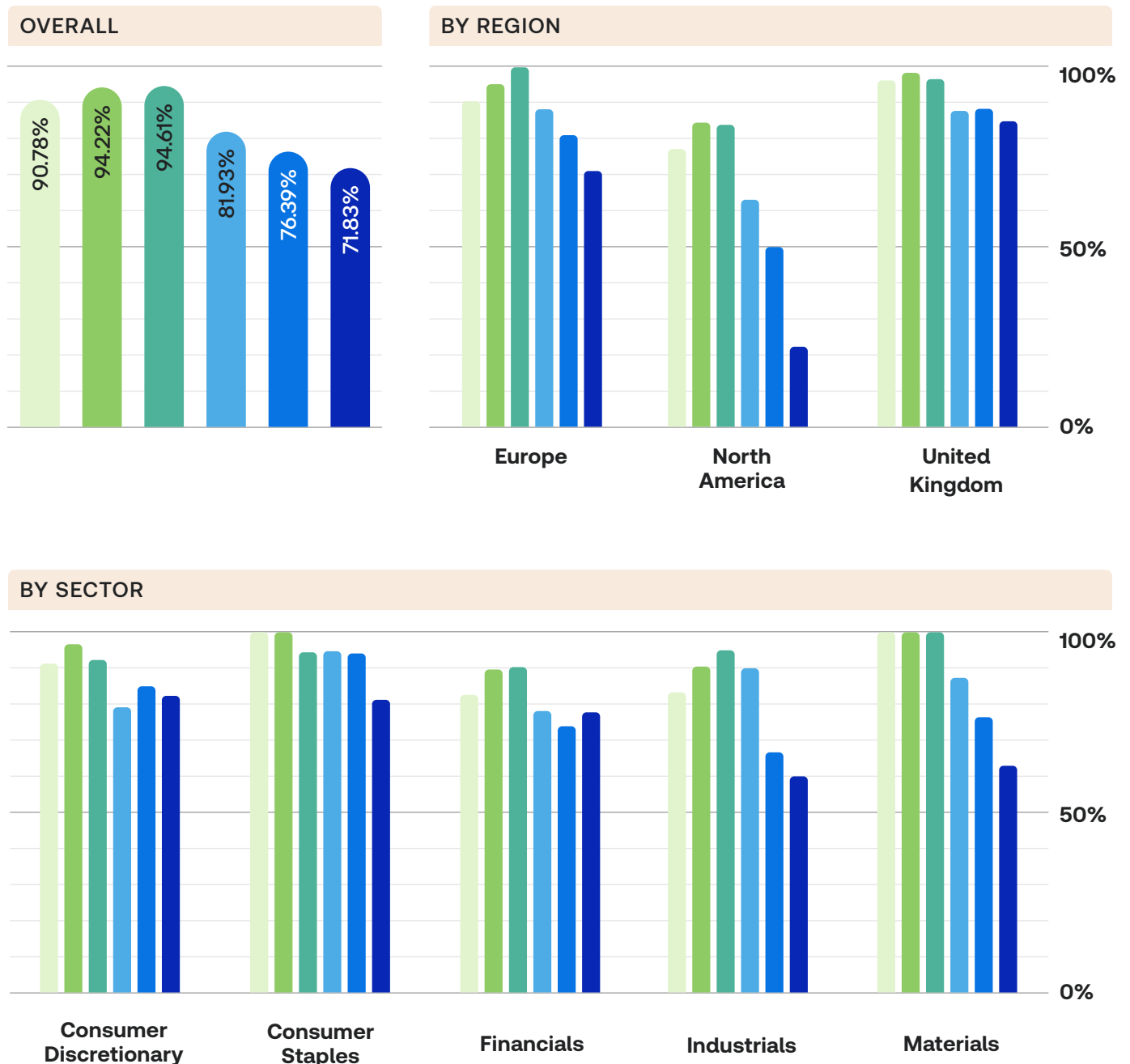
2. Human rights risk management systems

2.1 Supplier labour standards

Percentage of companies requiring suppliers to respect labour standards

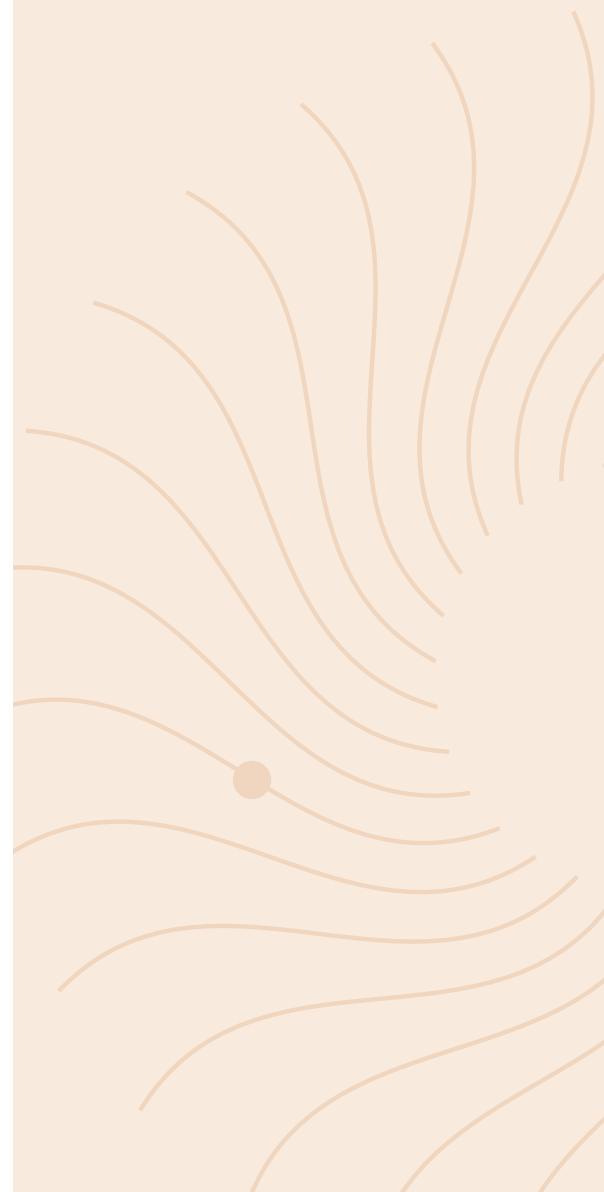
Based on the percentage of companies responding "Yes" to WDI survey Q12.3 – "Does the company require suppliers to respect a minimum set of labour standards of workers' rights in a supplier code of conduct, or similar?"

KEY: 2020 2021 2022 2023 2024 2025



Requiring suppliers to comply with a minimum set of labour standards through a supplier code of conduct remains a foundational element of responsible supply chain management. However, the proportion of companies responding positively to this indicator declined steadily over time, falling from 91% in 2020 to 72% in 2025. This reduction broadly mirrors the overall decrease in response levels to the question. The downward trend is notable because the expectations relate only to a basic set of labour standards for supplier to comply, suggesting that even minimum compliance is slipping. This may point to increasing challenges in sustaining alignment across extended and complex supply chains, particularly where implementation depends on ongoing monitoring rather than initial commitment.

The decline was visible across all five sectors, but it was especially pronounced in Materials and Industrials, where disclosure rates dropped sharply from over 80% in 2020 to around 60% in 2025. Regional patterns also point to a broad-based decline, with the steepest fall in North America, where the percentage of companies reporting “Yes” decreased from 77% in 2020 to 22% in 2025. The sharper declines in Materials and Industrials — both sectors with significant supply chain exposure — suggest that maintaining supplier-related standards may be particularly challenging in more operationally intensive environments. The pronounced drop in North America further suggests a pattern of weakening consistency in this area, indicating that baseline supply chain expectations may be becoming less uniformly applied across regions.



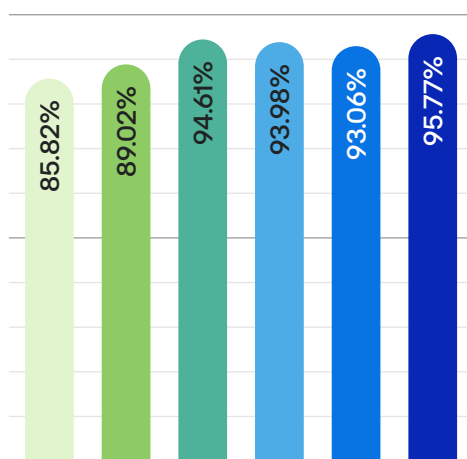
2.2 Human rights due diligence

Percentage of companies conducting human rights due diligence

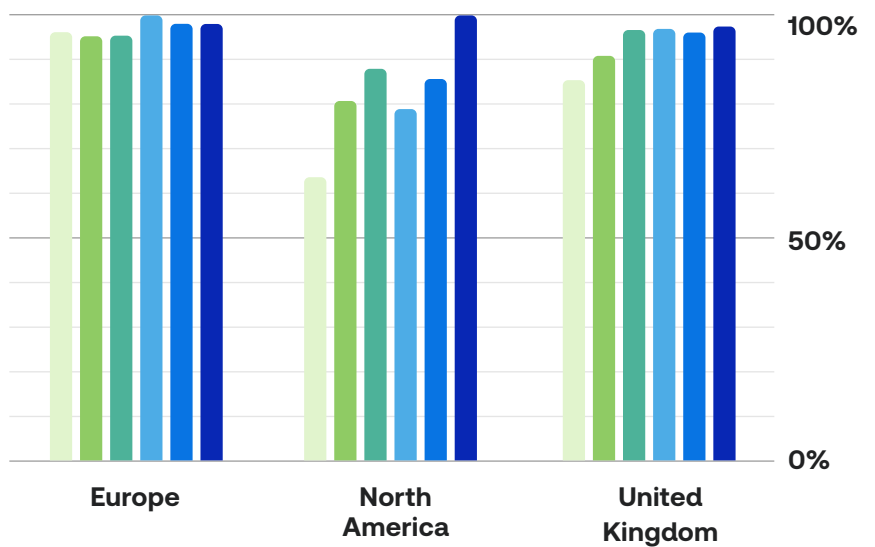
Based on the percentage of companies responding “Yes” to WDI survey Q2.1 – “Does the company conduct regular human rights due diligence to identify, prevent, mitigate and account for human rights risks and adverse impacts?”

KEY: 2020 2021 2022 2023 2024 2025

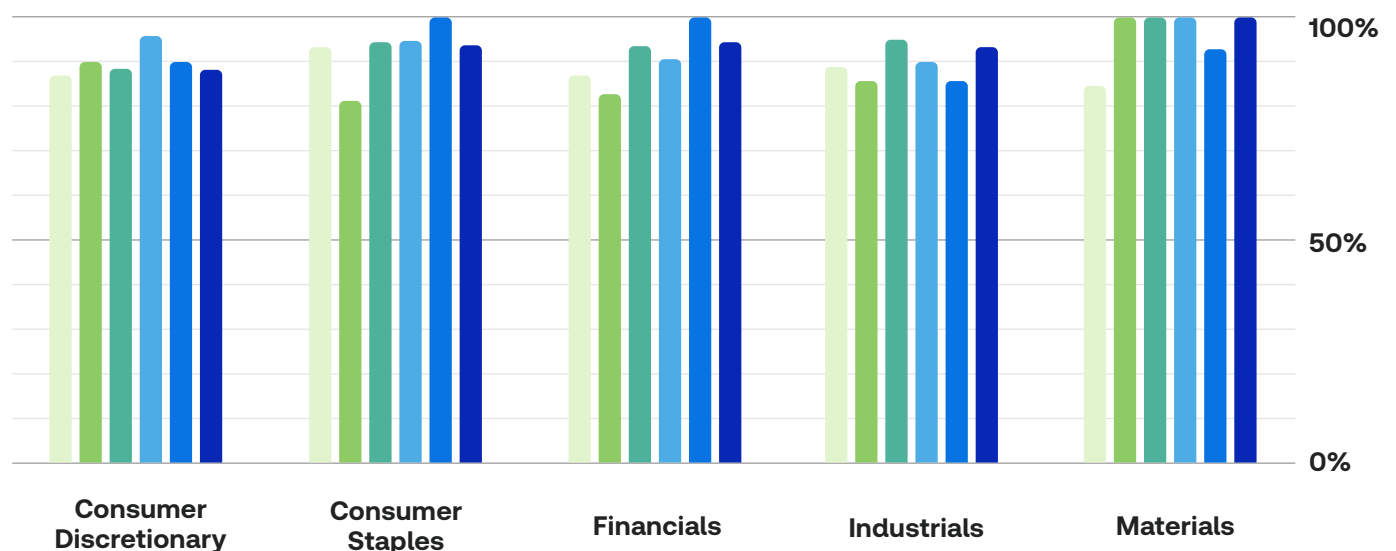
OVERALL



BY REGION

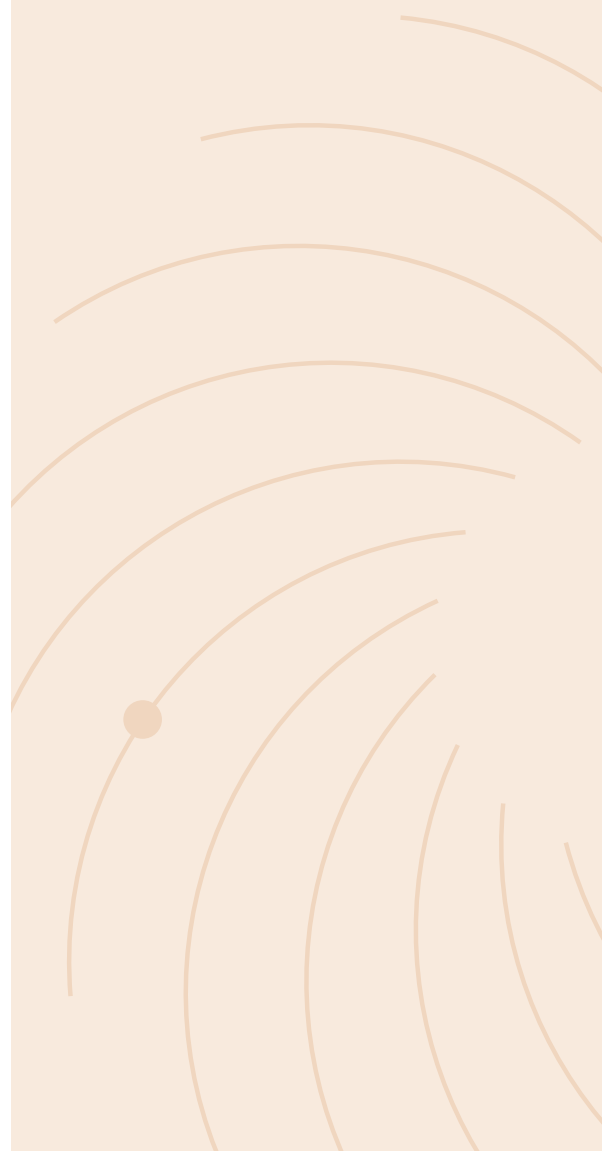


BY SECTOR



In contrast to some of the declining trends observed elsewhere, the percentage of companies disclosing that they conduct regular human rights due diligence remained consistently strong and improved over time. The share of companies rose from 86% in 2020 to 96% in 2025, indicating growing alignment with expectations around responsible business conduct. The continued improvements suggest positive signals that more formalised and process-driven approaches to identifying and managing human rights risks are becoming increasingly embedded. Compared with other areas, this indicates that structured governance mechanisms may be more resilient over time.

This positive trend was evident across all five sectors, with disclosure patterns remaining broadly similar throughout the period. Regional trends were also encouraging. North America, while starting from a relatively lower base of around 60% in 2020, showed notable improvement over the period, reaching close to 85% in 2024 and 100% in 2025. This upward trend should, however, be interpreted with caution given the decline in the number of respondents from the region. The relatively consistent performance across sectors and regions suggests that due diligence processes may be converging towards a more standardised baseline.



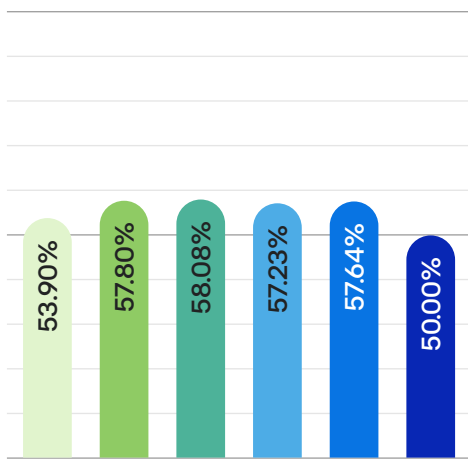
2.3 Human rights and grievance mechanisms

Percentage of companies assessing grievance mechanisms against UNGP principle 31

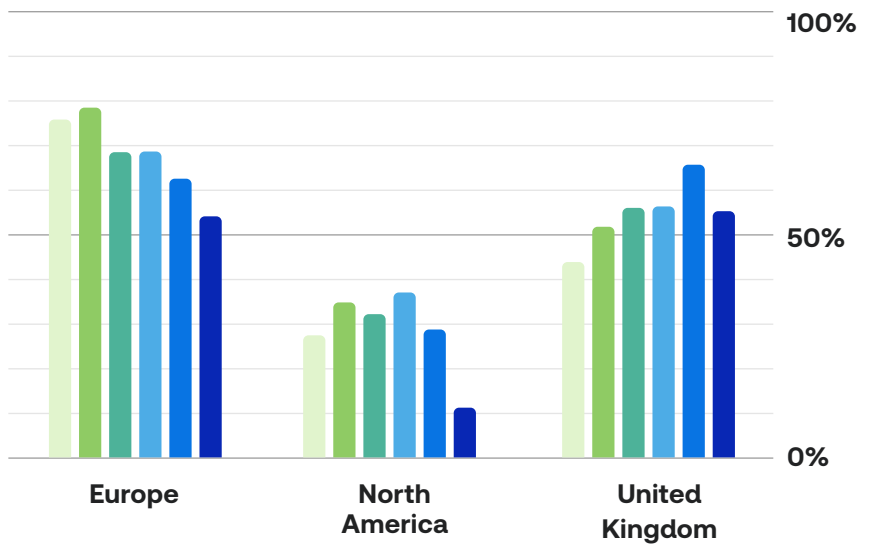
Based on the percentage of companies responding “Yes” to WDI survey Q10.3 – “Does the company assess the effectiveness of its grievance mechanisms against the criteria in Principle 31 of the UN Guiding Principles on Business and Human Rights?”

KEY: 2020 2021 2022 2023 2024 2025

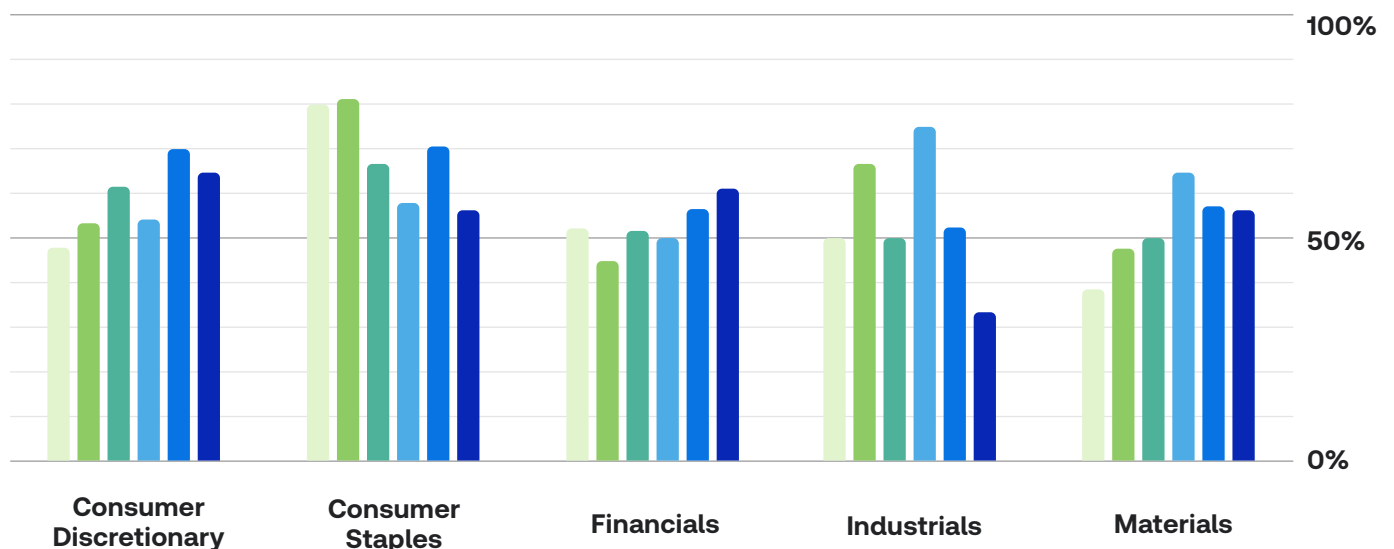
OVERALL



BY REGION



BY SECTOR



The assessment of grievance mechanisms against Principle 31 of the UN Guiding Principles on Business and Human Rights remained broadly stable at around 60% between 2021 and 2024. In 2025, however, this share declined to 50%, indicating a slight downturn in the proportion of companies confirming such assessments. While the overall level has been relatively stable over time, the drop in 2025 suggests that progress in this area may not yet be fully embedded. It points to a degree of fragility in maintaining consistent practices, particularly where grievance mechanisms rely on ongoing internal prioritisation rather than structural integration.

Among the five sectors considered for the analysis, the performance of Consumer Discretionary and Materials showed a positive trend, with the share of companies assessing grievance mechanism rising from 48% and 38% in 2020 to 65% and 56% in 2025. By contrast, Consumer Staples declined from around 80% to 56%, while Industrials experienced a particularly sharp drop after 2023, falling from about 75% to 33%. The Financials sector recorded a more modest improvement, increasing from 52% in 2020 to 61% in 2025.

The divergence across sectors suggests that the extent to which companies are systematically assessing their grievance mechanisms appears uneven. The sharp decline in Industrials is particularly notable given the sector's exposure to complex labour conditions and supply chain risks, where such mechanisms often need to operate across multiple layers of operations. In this context, a lower share of companies confirming such assessments may point to gaps in how regularly these mechanisms are reviewed and tested in practice, potentially indicating that they are more sensitive to operational pressures and shifting priorities than more formalised governance processes. This, in turn, raises questions around whether these mechanisms are being actively maintained as effective channels for identifying and addressing issues over time.

Among North America, Europe and United Kingdom, North America consistently recorded the weakest results, remaining at 37% or below across all years. Europe, while comparatively stronger overall, showed a clear downward trend, declining from 75% in 2020 to 54% in 2025. This pattern suggests that stronger baseline performance does not necessarily translate into sustained improvement. The decline in Europe, alongside persistently lower levels in North America, indicates that momentum in this area may be slowing, with performance becoming more uneven across regions over time.

Taken together, these patterns point to a growing divergence within core human rights risk management systems. While more formalised and process-driven elements, such as due diligence, continue to strengthen and converge across sectors and regions, areas that rely more heavily on ongoing operational implementation — such as grievance mechanisms and supplier standards, show signs of weakening or inconsistency. This suggests that the establishment of frameworks is progressing, but their sustained application in practice remains uneven, particularly in sectors with higher operational complexity.

3. Workforce policies and workspace provisions

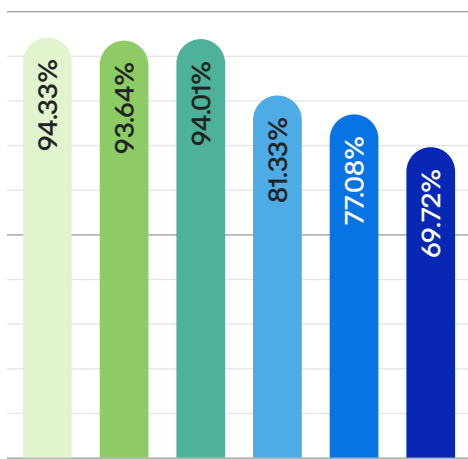
3.1 Discrimination and harassment policies

Percentage of companies with a public discrimination and harassment policy

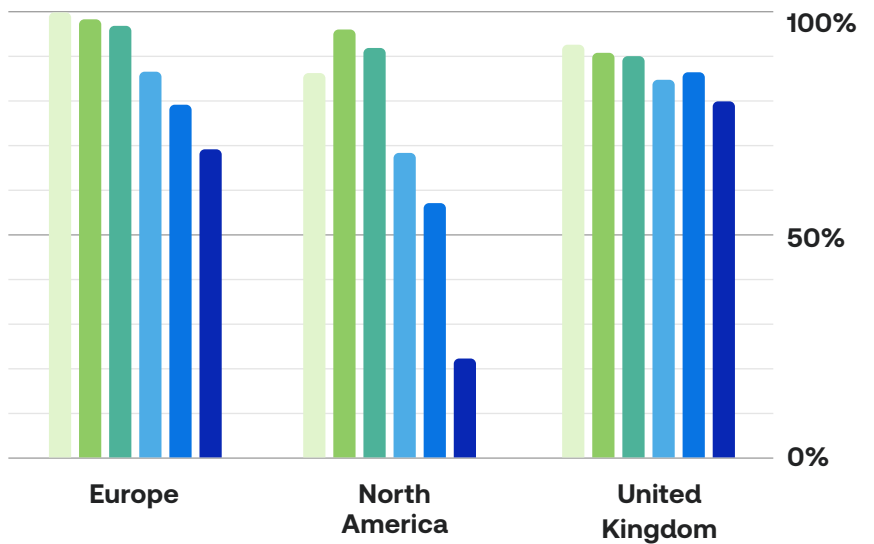
Based on the percentage of companies responding “Yes” to WDI survey Q4.14 – “Does the company have a public policy on discrimination and harassment, or similar?”

KEY: 2020 2021 2022 2023 2024 2025

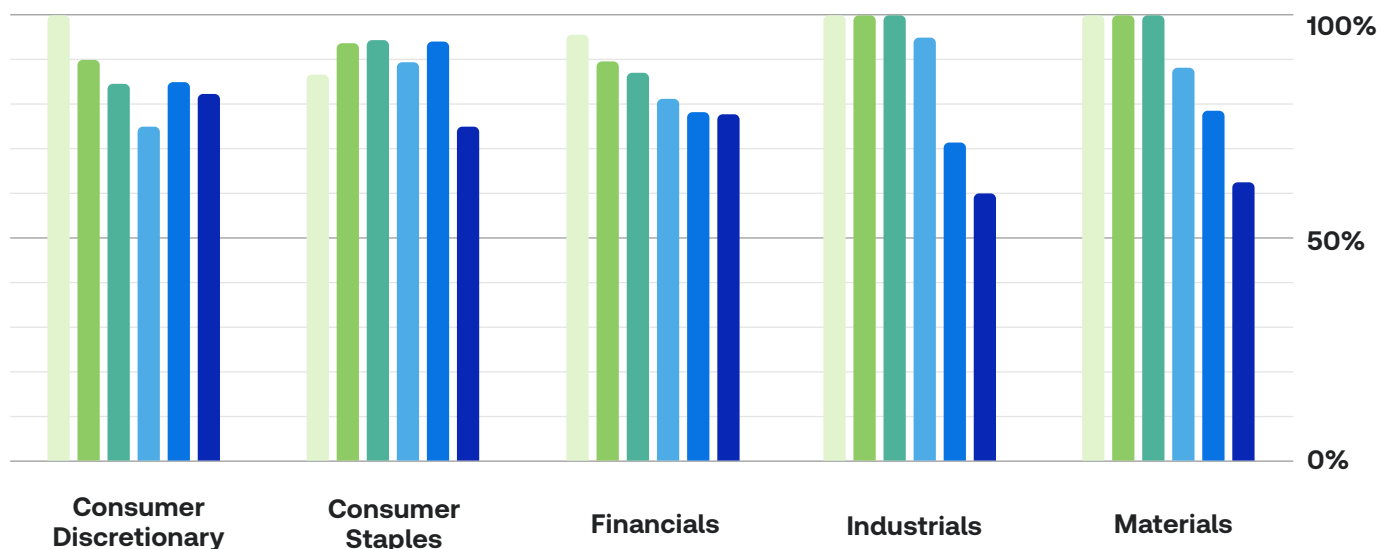
OVERALL



BY REGION



BY SECTOR



The proportion of companies reporting that they have a public policy on discrimination and harassment declined steadily over time, falling from approximately 94% in 2020 to 70% in 2025. This downward trend was observed consistently across all 5 sectors that were analysed. The decline sends concerning messaging given that such policies are typically considered a baseline expectation, suggesting that even widely established commitments may not be consistently maintained over time.

Regionally, there was a reduction in positive responses, but the decline was especially sharp for North America, where the share of companies reporting to have discrimination and harassment policies fell from 86% in 2020 to 22% in 2025. The downward trend for North America suggests a shift from broad commitment to more conservative self-reporting or slower implementation. Looking forward, this creates heightened legal, reputational, and operational risks, and will require more rigorous investor scrutiny of policy quality, reporting channels, and implementation evidence.



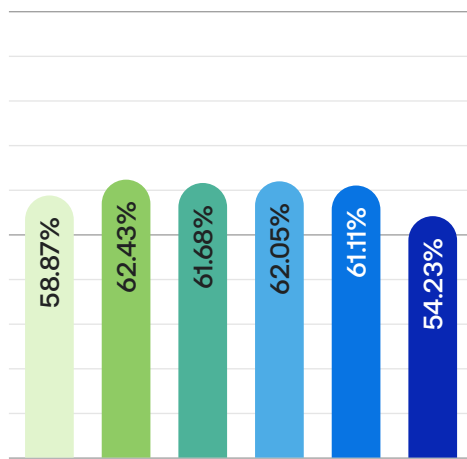
3.2 Shared parental leave

Percentage of companies reporting shared parental leave exceeding the statutory minimum

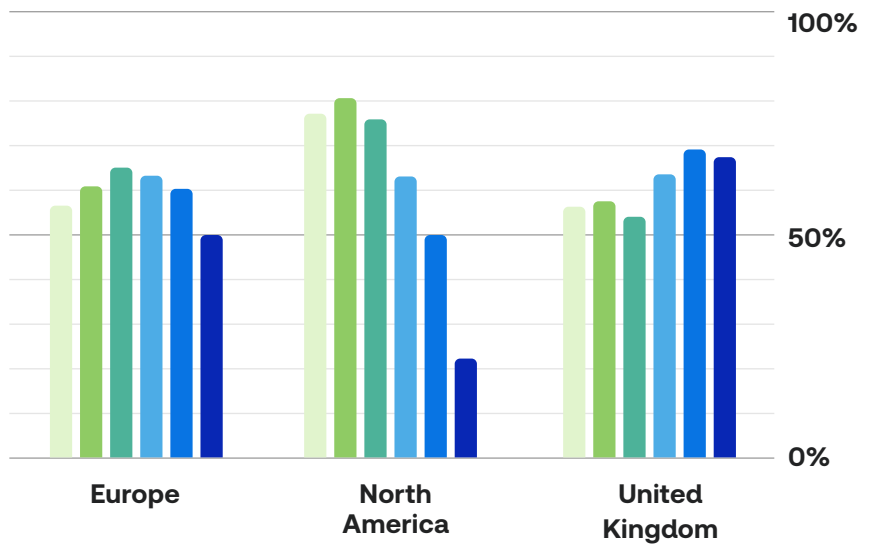
Based on the percentage of companies responding "Yes" to WDI survey Q4.13 – "Does the company have a shared parental leave policy that exceeds the statutory minimum requirements?"

KEY: 2020 2021 2022 2023 2024 2025

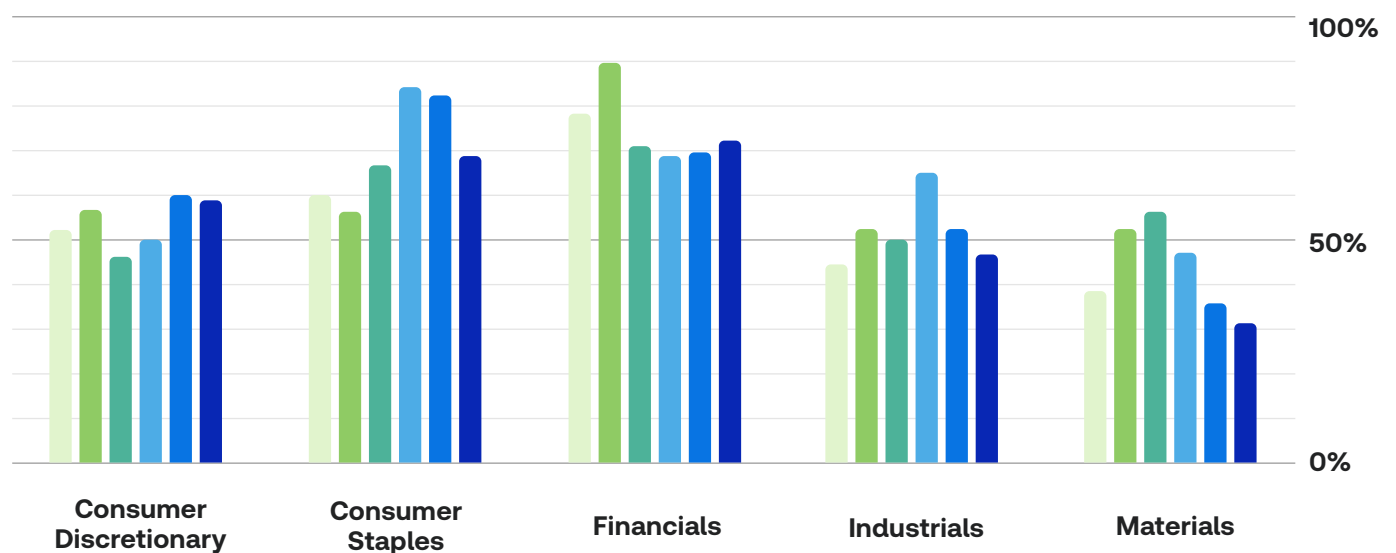
OVERALL



BY REGION



BY SECTOR



The percentage of companies confirming that they have a shared parental leave policy that exceeds the statutory minimum requirements, remained relatively stable over the six years, with the percentage of companies staying broadly within 54% – 62%. The stability at mid-range levels suggests that enhanced parental leave provisions remain unevenly adopted, with limited movement towards broader standardisation. This indicates that such policies may still be viewed as progressive practices rather than baseline expectations.

Sectoral patterns reveal divergence in how companies embed workforce-related protections and benefits. Among the five sectors, Financials consistently reported the highest share of positive disclosures. Although the sector saw a modest decline, from 78% in 2020 to about 72% in 2022, it has since stabilised, indicating a mature and well-resourced approach to developing and maintaining workplace policies. By contrast, Consumer Staples shows a gradual upward trajectory, rising from 60% in 2020 to 69% in 2025. This steady improvement in these sectors likely reflects a combination of competitive labour-market pressures, large frontline workforces, and rising consumer expectations around fair and supportive working conditions.

At the regional level, disclosure levels in Europe and the United Kingdom remained comparatively stable across the review period. North America, however, showed a pronounced downward trend, with the proportion of companies responding positively falling from about 77% in 2020 to around 22% in 2025. This decline could be amplified by a structural gap unique to the US: the absence of any federal parental leave mandate. Without a statutory floor — unlike Europe and the UK, US companies face no baseline requirement to maintain or expand supportive policies. This creates greater discretion and volatility, especially during cost pressures or governance shifts. As disclosures fall, the lack of a federal safety net heightens risks around workforce well-being, retention, and litigation exposure, potentially widening the divergence between North America and other major markets.



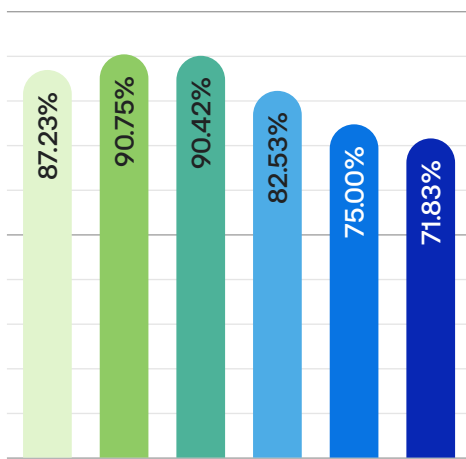
3.3 Health and well-being programmes

Percentage of companies offering a health and well-being programme

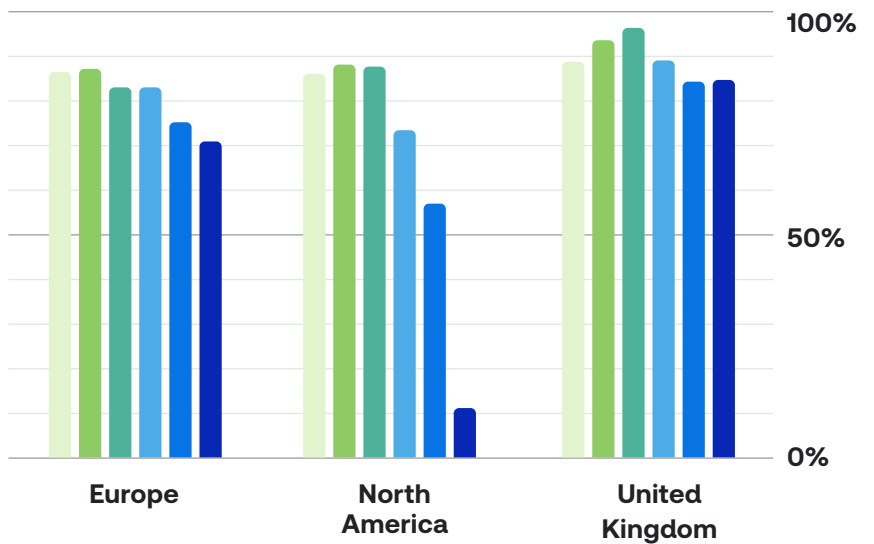
Based on the percentage of companies responding “Yes” to WDI survey Q8.11 – “Does the company offer a health and well-being programme?”

KEY: 2020 2021 2022 2023 2024 2025

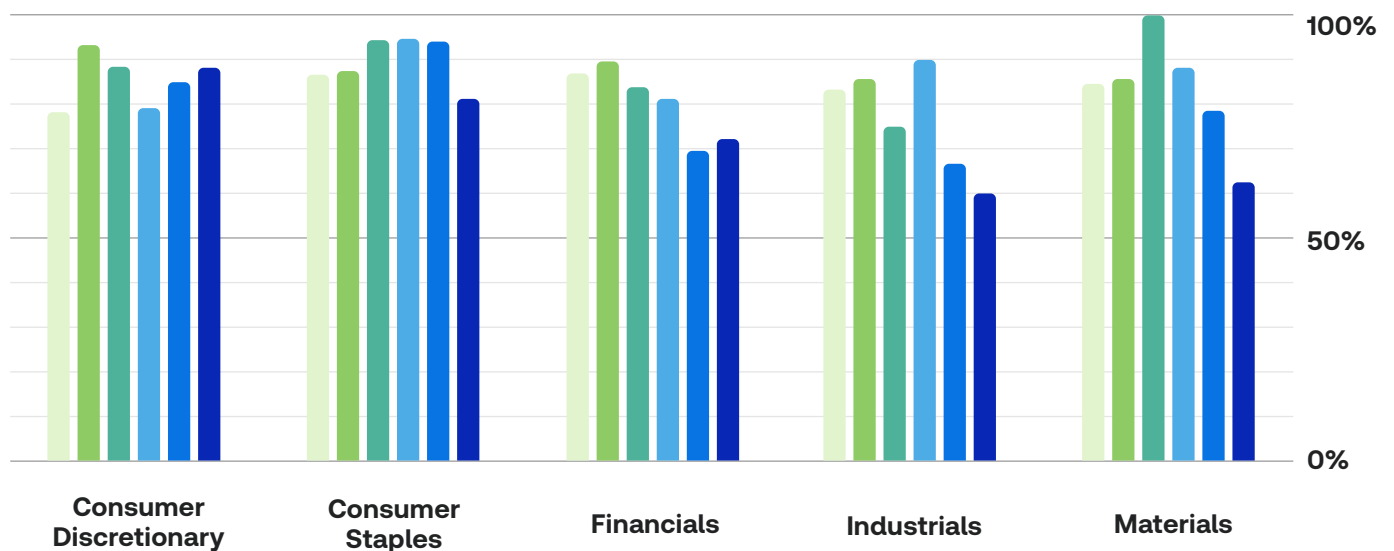
OVERALL



BY REGION



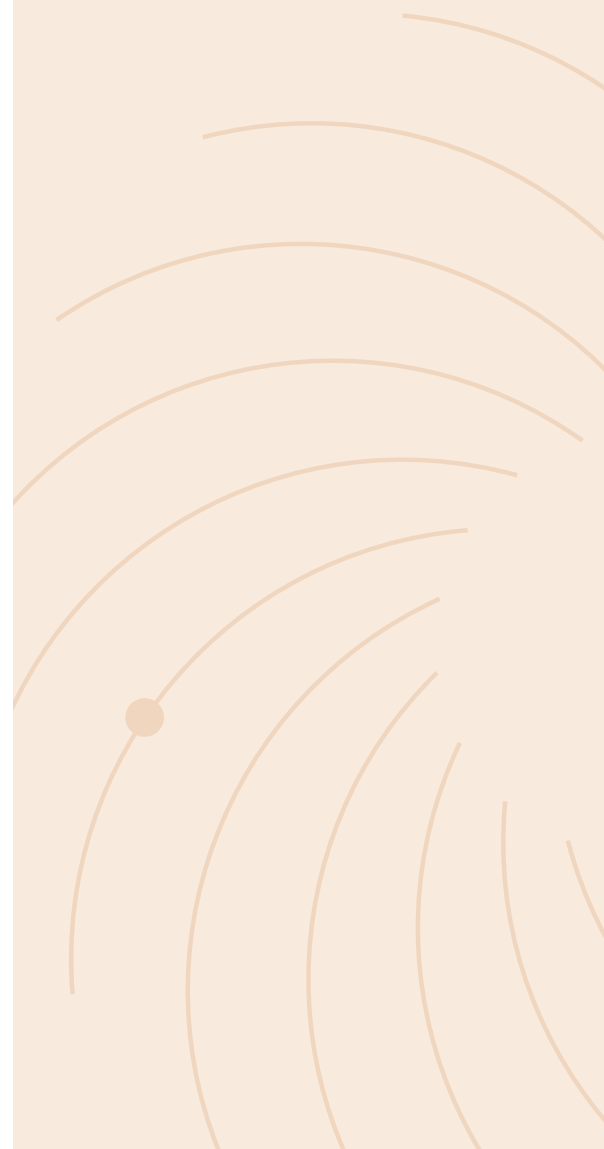
BY SECTOR



Disclosure on the provision of health and well-being programmes also weakened over time. The overall proportion of companies claiming to have health and well-being programmes declined from 87% in 2020 to 72% in 2025, suggesting a gradual reduction in reported commitment or disclosure in this area. The downward trend raises concerns that support structures seen as “supplementary” may be scaled back during periods of cost pressure, creating heightened risks for workforce stress, absenteeism and productivity over the long term².

Sectoral results were mixed across the five sectors. Consumer Discretionary and Consumer Staples remained relatively stable, maintaining disclosure levels around or above 80%, while most other sectors showed a noticeable decline. It might tie to competition for frontline or customer-facing talent rather than a universal workforce baseline. Regionally, positive disclosure remained comparatively strong in the United Kingdom throughout the review period, declining only modestly from 89% in 2020 to 85.0% in 2025. Europe recorded a more noticeable fall, from 87% to 71% over the same period. By contrast, North America experienced a sharp decline, dropping from 86% in 2020 to 11% in 2025. It indicates a structural gap, where well-being provision appears more vulnerable to reprioritisation during cost pressure or leadership turnover. This widening disparity suggests that absent stabilising regulatory anchors or industry standards, North American companies may face heightened long-term risks related to retention, morale and employee health outcomes.

Across these indicators, a consistent pattern emerges in which both foundational and more advanced workforce provisions show limited strengthening over time. Baseline policies, such as discrimination and harassment commitments, are not consistently maintained, while more progressive provisions, such as enhanced parental leave, remain unevenly adopted. This suggests that momentum in workforce-related practices may be plateauing, with progress neither consolidating at the baseline nor expanding significantly beyond it.



4. Workforce outcomes and organisational composition

4.1 Workforce turnover

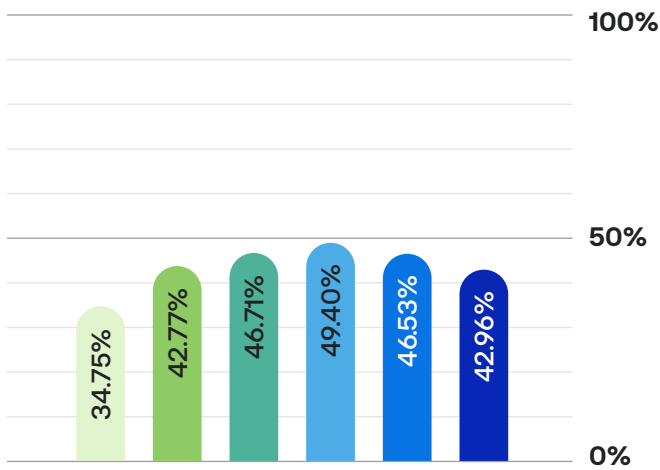
KEY: 2020 2021 2022 2023 2024 2025

Total turnover rate by contract type

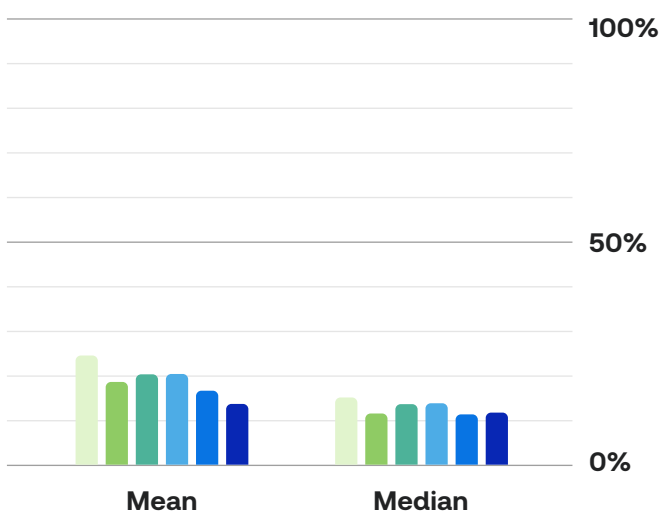
Indefinite/permanent employees

Based on company responses to WDI survey Q6.2 – “Provide the number and rate (as a percentage (%)) of employee turnover by contract type.”

RESPONSE RATE BY YEAR



TURNOVER RATE BY YEAR

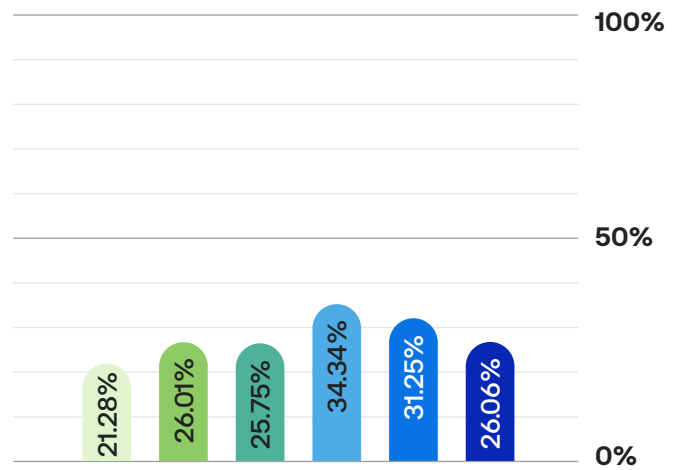


Total turnover rate by contract type

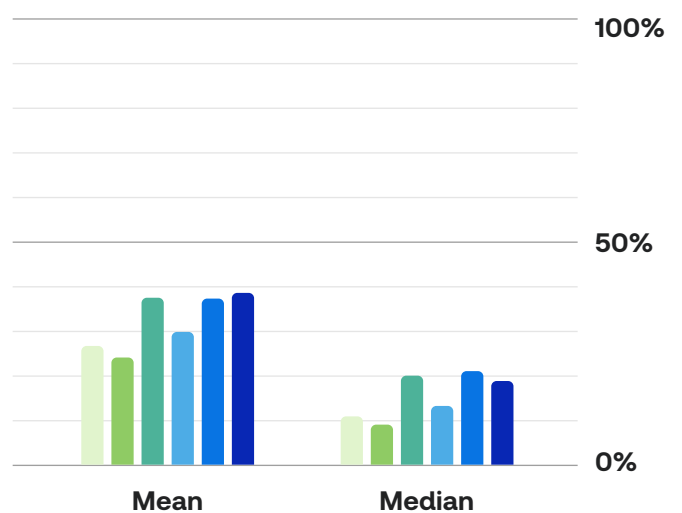
Fixed-term/temporary contract employees

Based on company responses to WDI survey Q6.2 – “Provide the number and rate (as a percentage (%)) of employee turnover by contract type.”

RESPONSE RATE BY YEAR

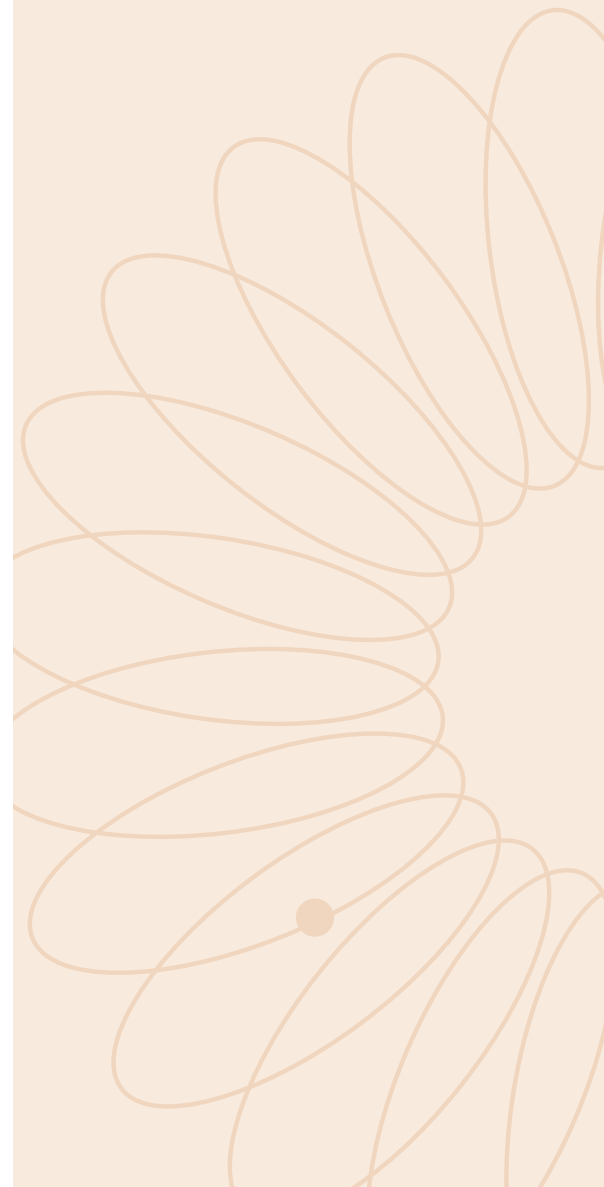


TURNOVER RATE BY YEAR



Disclosure of annual turnover rates for permanent employees remained relatively limited, with only 35-50% of companies reporting across the period. Among those that did disclose, median turnover fell slightly, from around 15% in 2020 to 12% in 2025, suggesting a gradual stabilisation in core workforce retention. However, the narrow disclosure base limits comparability and raises questions about whether non-disclosing companies experience higher or more volatile turnover patterns.

Disclosure for fixed-term or temporary staff was even lower, at roughly 20-35%. In contrast to permanent employees, reported median turnover for this group increased sharply, rising from around 11% in 2020 to about 19% in 2025. This widening gap between permanent and non-permanent turnover points to growing precarity in contingent workforces and may indicate greater reliance on short-term labour, cost-driven workforce restructuring, or weaker retention mechanisms for temporary roles. The combination of low disclosure and rising churn in this segment signals increasing operational risk, particularly for sectors dependent on seasonal, frontline, or project-based labour.



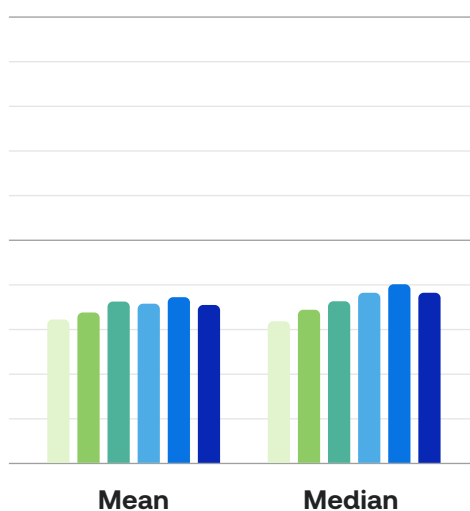
4.2 Gender representation in leadership

Percentage of female members in the board

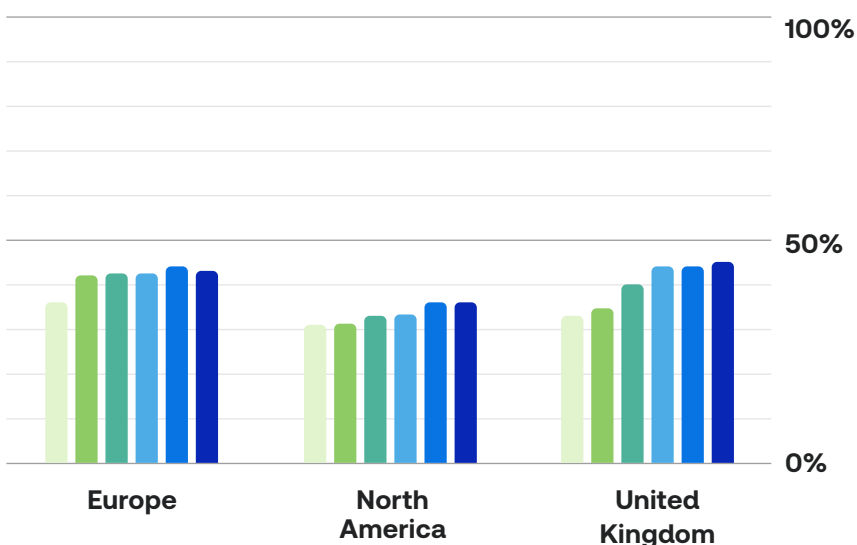
Based on company responses to WDI survey Q4.5 - "Provide the percentage (%) of the company's total direct operations workforce in leadership positions by gender."

KEY: 2020 2021 2022 2023 2024 2025

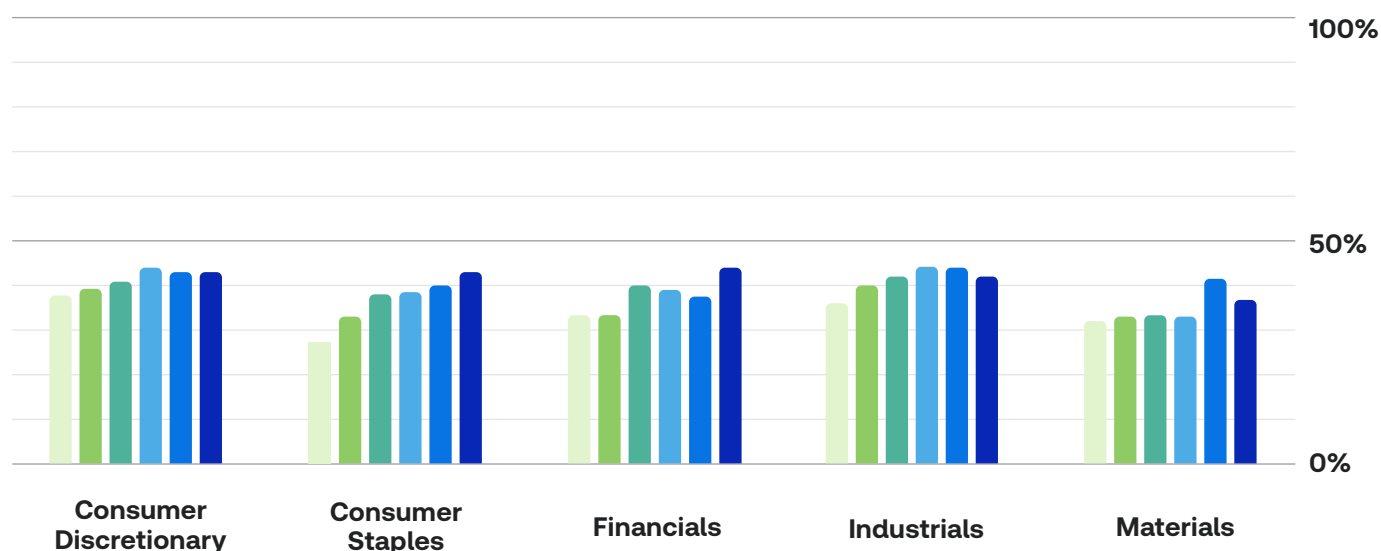
OVERALL



BY REGION



BY SECTOR



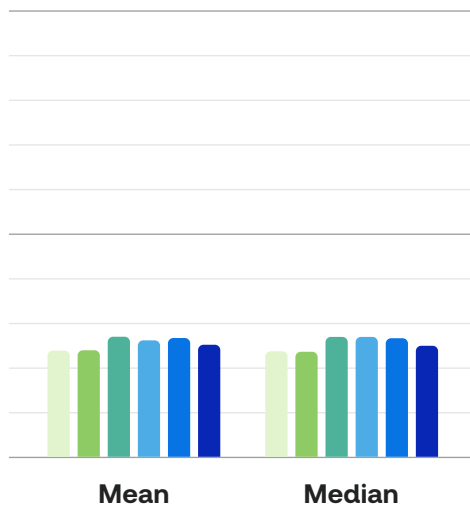
Gender diversity at the board level continued to strengthen, with median female representation rising from 33% in 2020 to 40% in 2025. The consistency of this trend across all 5 sectors suggests that board gender balance is becoming an increasingly standardised expectation, supported by regulatory pressure, investor engagement and maturing nomination processes. Regionally, all three major markets improved, though North America's continued lag, at around 31% — 36% compared with around 45% for Europe and the UK in 2025. This suggests that structural differences in listing requirements and governance codes might be shaping the pace of progress. The direction of travel is positive, but regional divergence may become more visible as Europe and the UK move closer to or beyond gender-balance thresholds.

4.2 Gender representation in leadership (continued)

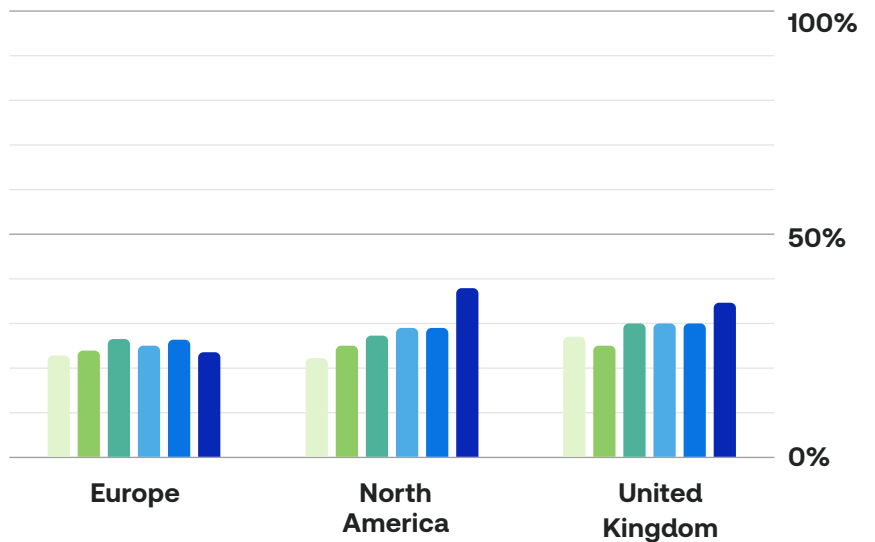
Percentage of female members in the executive committee

KEY: 2020 2021 2022 2023 2024 2025

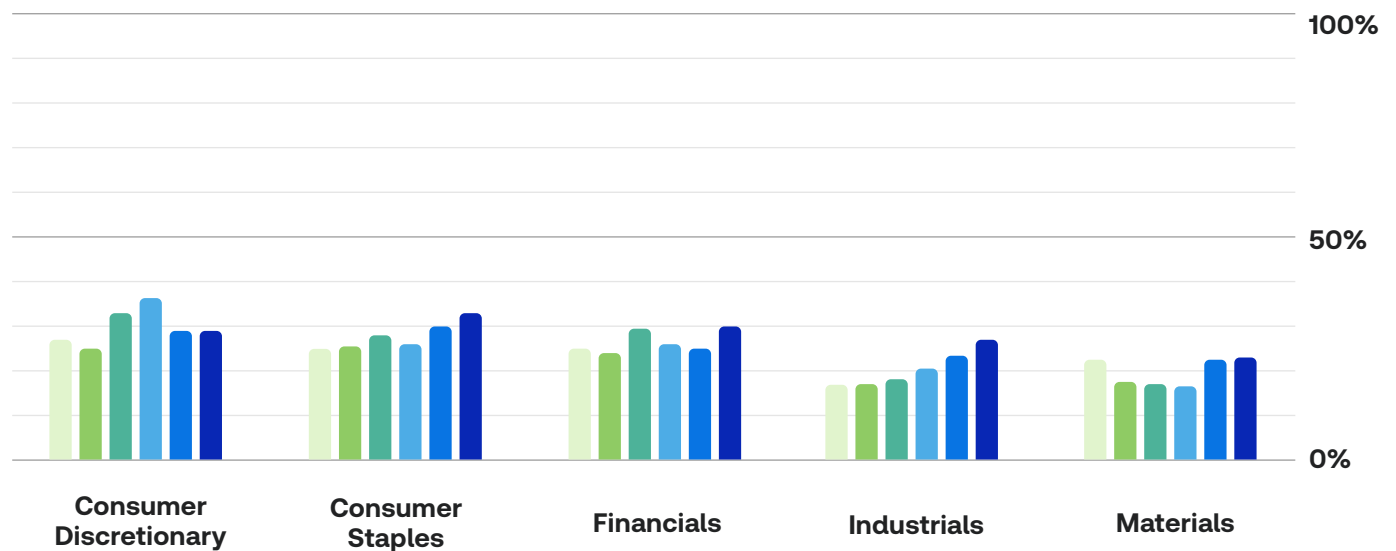
OVERALL



BY REGION



BY SECTOR



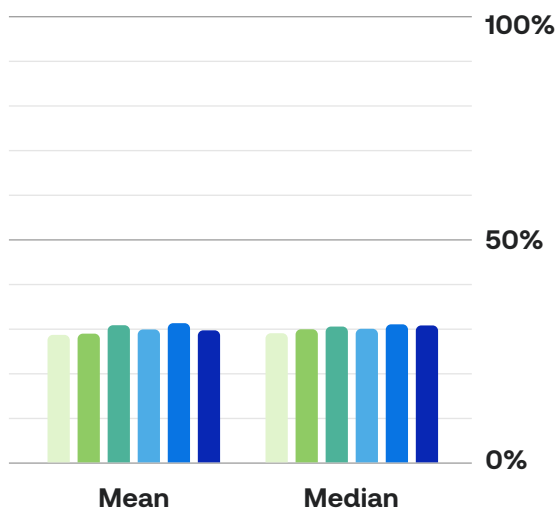
At the executive committee level, the median share of women remained stable at around 25%. This lack of movement, despite progress at the board level, highlights a persistent bottleneck in the senior leadership pipeline. While North America showed a rise, from 22% to 38%, other regions remained relatively flat, signalling that gains at the executive level may depend more on internal talent systems than on external regulatory drivers. Sectoral differences, particularly the lag in Industrials and Materials, point to deeper structural barriers such as talent shortages in STEM-heavy roles and slower turnover among incumbents. This stability at low levels underscores the challenge of translating board-level momentum into broader organisational change.

4.2 Gender representation in leadership (continued)

Percentage of female members in the senior management (any position or individual who directly reports to the executive committee)

KEY: 2020 2021 2022 2023 2024 2025

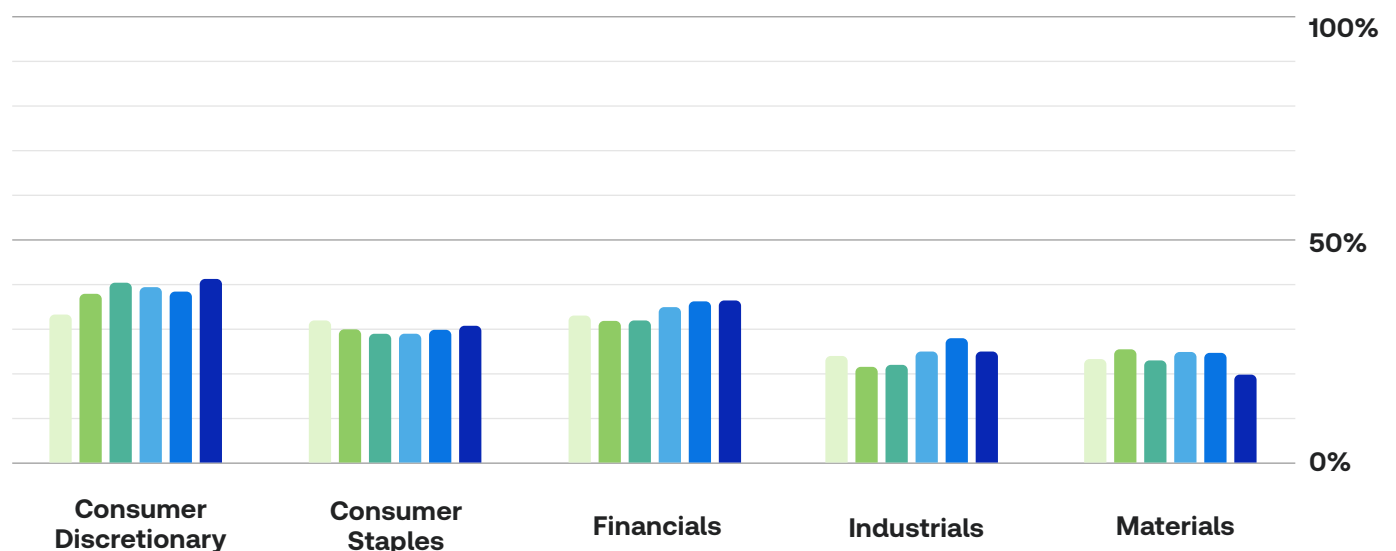
OVERALL



Regional comparisons could not be conducted due to low disclosure from North America in both 2020 and 2025.

For senior management, the median share of women remained stable at around 30% over the six-year period. Sector-level differences persisted, with Industrials and Materials lagging at around 20 – 28%, compared with around 30% or more in other sectors. These sectoral gaps, particularly the consistently lower representation in Industrials and Materials, suggest that gender diversity in operational and mid-senior roles is shaped by long-standing pipeline constraints in technical, engineering and production functions, where women remain under-represented and where progression pathways tend to be narrower or less structured than in service- or consumer-oriented sectors.

BY SECTOR



These outcome indicators point to a more differentiated picture of progress. While headline improvements, particularly at board level, suggest continued movement in certain areas, underlying workforce dynamics remain uneven. Differences across contract types, organisational levels, and sectors indicate that changes in policies or commitments are not consistently translating into outcomes, with structural patterns persisting beneath overall improvements.

More detailed analysis of these trends will be shared exclusively with our investor signatory group later this year. If you are interested in accessing this analysis or exploring opportunities to collaborate, please contact us at WDI@thomsonreuters.com



Workforce in 2025: key highlights

As economic power shifts and geopolitical instability deepen, workforce conditions are being reshaped by a new mix of technological change, operational disruption, and evolving expectations around how work is organised. Growing international conflicts have disrupted business operations, supply chains, and infrastructure, while the rapid adoption of AI is accelerating workforce transition, upskilling, and organisational redesign. At the same time, flexible working arrangements introduced during the pandemic are becoming a more established feature of workforce management, even as access to them remains uneven.

AI reshapes the workplace faster than governance and transparency can keep up

The rapid adoption of artificial intelligence in the workplace is reshaping the composition of work, intensifying pressure on both businesses and workers to adapt. While some industries have experienced significant layoffs, human labour remains central across most tasks, with continued demand for workers to develop, deploy, and oversee AI systems. Even where adoption is widespread, research on the labour market impact of AI points to continued demand for human involvement across many tasks, even as the exposure of specific roles to automation increases.³

The impact of AI is expected to fall disproportionately on more educated and higher-paid workers whose roles are more readily automated, with occupations such as computer programmers and financial analysts among the most exposed. Certain industries have been particularly hit in the past year, with tech giants like Amazon and Meta announcing they would cut thousands of jobs to focus on their AI push.⁴ At the same time, even in roles most affected by automation, workers remain

essential to ensuring that AI systems function effectively, requiring new skills and closer interaction with technology.⁵

Yet governance and disclosure are not evolving at the same pace as workplace adoption. Findings from the Thomson Reuters Foundation's AI Company Data Initiative (AICDI) show that while companies increasingly acknowledge workforce transition and skills development, disclosures rarely provide visibility into whether these programmes improve outcomes or how workers' concerns are addressed in practice.⁶

Frameworks capable of ensuring that AI is deployed in an ethical and accountable way also remain underdeveloped. While AI presents opportunities to create new roles and improve efficiency, its adoption introduces risks for both businesses and workers where appropriate safeguards are not in place. Moving forward, organisations will need to invest not only in AI capability but also in governance structures that ensure transparency, fairness and safety.

Flexible working has stabilised, but not evenly

Pushed by the COVID-19 pandemic, companies responded to the crisis by implementing improvised, disorganised remote working models. Fully remote work is less common than at the height of the pandemic, but structured hybrid models have become increasingly widespread. Across multiple regions, a majority of workers continue to express a preference for arrangements that allow them to work from home regularly, while evidence also links flexibility to improved well-being and stronger business performance.⁷

53%

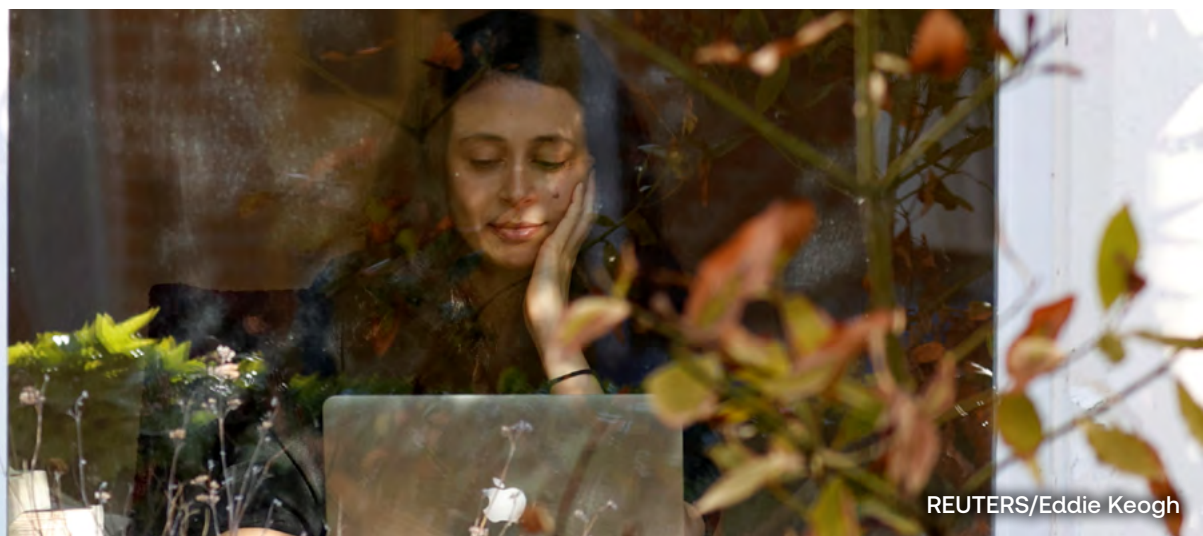
A 2025 survey found that 53 per cent of jobs in the EU are teleworkable, while around half of workers report a preference to work from home several times a week.⁸ At the same time, access to flexible working remains uneven.

Workers who would prefer to work remotely but cannot do so report higher levels of fatigue, poorer work-life balance, and greater difficulty concentrating on work.

34%

In the United States, two-thirds of companies offer some form of flexible work, while only 34 per cent require full-time office presence.⁹ Even where office attendance is mandated, actual attendance increases only marginally. Companies offering location flexibility also report stronger revenue growth than more mandate-driven peers, reinforcing the link between flexibility and performance.¹⁰

As flexible working becomes embedded, the key challenge is no longer whether it should exist, but how it is designed — balancing operational needs, collaboration, and workers' expectations for autonomy and work-life balance.



Geopolitical risks bring new challenges

Geopolitical instability is reintroducing volatility into workforce planning and business operations across regions. Armed conflicts continue to disrupt labour markets, interrupt supply chains and infrastructure, and in some cases force the return of emergency workplace measures. In 2025, the Global Peace Index identified 59 active state-based conflicts — the highest number since the end of the Second World War — while 78 countries were engaged in conflicts beyond their borders.¹¹

The implications for the workforce extend beyond immediate disruption. By the end of 2026, the UN refugee agency projects that 136 million people will be forcibly displaced or stateless, increasing pressure on labour markets, employment systems, and financial inclusion.¹² Conflicts are also bringing sudden shocks to the workforce in multiple countries, forcing businesses to launch emergency strategies to keep their operations running.

Recent conflict escalation has already triggered concrete workforce adjustments. Disruptions linked to the U.S.-Israel war with Iran have affected business operations across the Middle East and Southeast Asia, with pressure on oil supplies contributing to the return of mandated work-from-home policies in some contexts. Countries including Bangladesh, Pakistan, Vietnam, and Thailand have reintroduced remote working arrangements for government employees and encouraged private-sector employers to adapt workplace practices in response.¹³

In this more volatile environment, companies are increasingly required to build resilience strategies and more adaptable workforce models to manage sudden shocks and sustain operations.¹⁴

Workforce planning must now account for geopolitical volatility just as it does for technological change. Organisations capable of flexibly transitioning between on-site, hybrid and remote models — while supporting employees through periods of disruption — will be better positioned to maintain continuity.



Thematic findings

This report sets out a summary of the findings from the 2025 WDI reporting cycle, including trends in company reporting by sector and geography, the average level of the survey that was completed and insights from the different sections of the survey. Eight thematic findings were identified, covering supply chain oversight, turnover disclosure, oversight of the contingent workforce, access to remedy and HRDD processes.

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





● FINDING 1

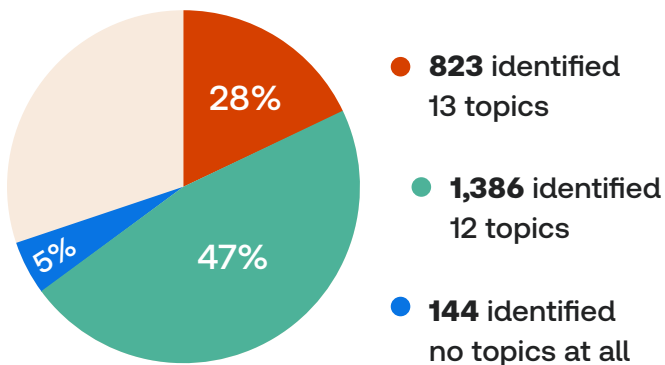
Board-level governance is near-universal, but the scope and credibility of board oversight vary sharply

When a company's board takes responsibility for workforce and human-rights issues, it sends a signal to managers, investors, workers, and regulators that these matters sit at the heart of corporate strategy rather than on the periphery. Effective board oversight shapes how companies identify and respond to labour risks, from unsafe working conditions and forced labour in supply chains to systemic pay inequity and barriers to worker voice. Where that oversight is shallow or performative, risks go unmanaged, workers bear the consequences, and investors are left with an incomplete picture of the company's exposure. Rather than the sole existence of board oversight, which most companies have, what matters and differentiates companies is mandate breadth, supply-chain inclusion, and evidence quality.

Most boards oversee a broad set of workforce topics — but what they cover, and what they leave out, matters.

This analysis covers 14 workforce-related topics that may fall under board-level oversight. These span the core dimensions of responsible workforce management, from occupational health and safety, diversity and inclusion, forced labour, and human rights through to pay equity, training, grievance mechanisms, and mental health.

Of the 2,972 companies asked how many of the 14 workforce topics are subject to board oversight:

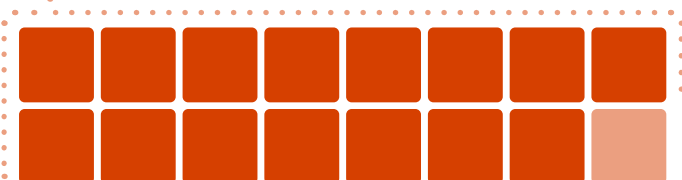


Coverage is generally extensive, with most companies reporting oversight of 13 topics.

While the group reporting oversight of no topics is small, it signals that a non-trivial minority have either not established board-level workforce governance or have not disclosed it — a gap worth exploring in investor engagement.

Of the 14 listed topics:

13 topics are selected by more than 63% of companies, showing that the vast majority of boards hold broad mandates across the established areas of workforce governance.



The most commonly covered topics were:

1. Training and development - **90%**
2. Diversity and inclusion - **88.5%**
3. Occupational health and safety - **88.4%**

It is notable that training and development ranks highest, underscoring how central skills, reskilling and workforce adaptability have become in a period of economic transition and technological change.

It is also striking that diversity and inclusion remains so widely included in board oversight, suggesting that despite political and public pushback in some markets, these issues do continue to be treated by most companies as a core workforce governance priority.

The prominence of occupational health and safety is also important, reflecting continued recognition of safe and healthy working conditions as a fundamental workplace right and a core element of workforce governance.

Mental health remains the sole topic below majority board coverage, a gap that matters for workers and workforce resilience

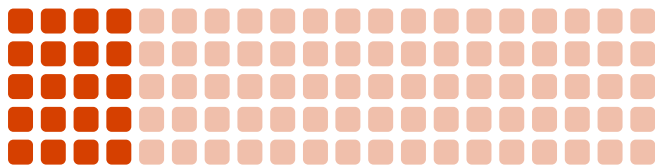
Fewer than half of companies selected mental health in the workplace



While every other topic exceeds 63%

Of the 14 topics, mental health in the workplace is the only one selected by fewer than half of companies. While close to the majority threshold, its position as the sole outlier is notable. Every other topic, from occupational health and safety to grievance mechanisms and responsible sourcing, exceeds 63%, making mental health the clear “second tier” governance priority.

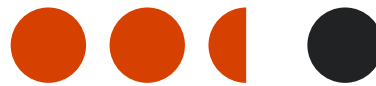
20.5% monitor mental health and well-being



Weak board oversight often translates directly into weak operational practice. Separately, but interrelated nonetheless, only 20.5% of companies monitor and report on employee mental health and well-being (for example, tracking sick days attributable to mental health).



REUTERS/Willy Kurniawan



The drop-off from governance recognition to active monitoring is roughly 2.4 to 1: for every two boards that at least name mental health as a priority, fewer than one of those companies has progressed to measuring outcomes on the ground.

This gap has real consequences for workers. Psychosocial risks, such as chronic stress, burnout, harassment, excessive workload, are among the leading drivers of absenteeism, presenteeism, and voluntary turnover globally. When mental health governance is absent, workforce resilience, productivity, and the ability to attract and retain talent all suffer. Psychosocial risks, such as chronic stress, burnout, harassment, excessive workload, are among the leading drivers of absenteeism, presenteeism, and voluntary turnover globally.¹⁵

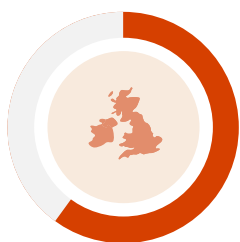
Regulators are already moving. The publication of ISO 45003¹⁶ in 2021 established an international standard for psychological health and safety at work, and discussions around a potential EU directive on psychosocial risks¹⁷ suggest that regulatory expectations are outpacing corporate practice.

For boards that have not yet brought mental health into their oversight mandates, the window for voluntary action may be narrowing.

Regional differences in oversight breadth are stark, potentially shaped by a mix of regulatory and market factors

If mandate breadth were simply a function of corporate capacity, regional variation would be gradual. Instead, there are sharp discontinuities. At a regional level, UK companies have the highest rate of comprehensive topic coverage, followed by Europe and Australasia. North America and Asia trail behind.

Percentage of companies selecting thirteen topics or more, by region



60% UK

Most common topic:

Grievance & whistleblowing processes / Diversity & inclusion



42% Europe

Most common topic:

Diversity and inclusion



40% Australasia

Most common topic:

Attracting and retaining workers



24% Asia

Most common topic:

Training and development



23% North America

Most common topic:

Diversity and inclusion

The regions with the strongest performance (the UK, Europe, and Australasia) tend to have more developed workforce governance expectations, though multiple factors likely contribute, including regulatory frameworks, corporate governance culture, investor stewardship norms, and the maturity of civil society engagement.

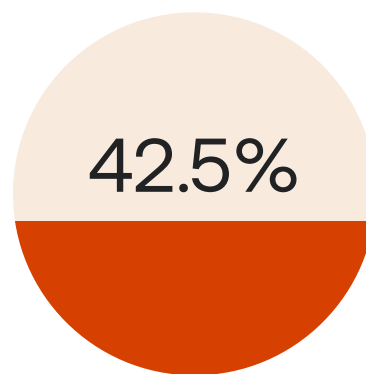
The gap with North America may reflect a combination of the different regulatory environment, distinct corporate governance traditions, and the broader political and cultural context around ESG-related disclosure.

This pattern suggests that institutional and market context matters: where governance expectations are established through a combination of regulation, investor pressure, and societal norms, companies tend to go further. Where these reinforcing signals are weaker, voluntary action alone tends to produce thinner governance.

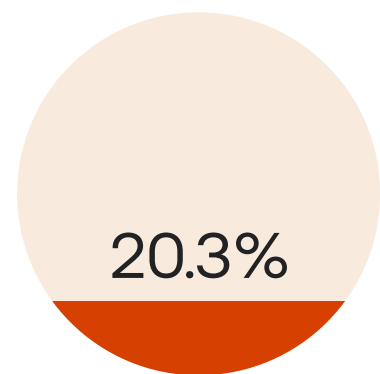
Smaller companies face a governance gap that may amplify their workforce risks

Topic breadth scales with company size. Companies with a market cap above \$50 billion are approximately twice as likely as those below \$2 billion to select 13 or more oversight topics.

Board oversight of 13 or more topics by company size:



Market cap >\$50 billion



Market cap <\$2 billion

Larger organisations tend to have more resources, clearer accountability, and deeper expertise - so this is broadly expected. But smaller companies are often more vulnerable to workforce disruption: thinner margins, less resilience, fewer alternative suppliers, higher dependence on key personnel. A workforce crisis that a large multinational can absorb may be existential for a smaller firm.¹⁸

The governance gap at smaller companies doesn't just reflect their workforce risks — it may actively amplify them. This reinforces the case for scalable governance frameworks tailored to small and mid-cap companies.



REUTERS/Mohammad Ponir Hossain

Broader context — supply chain governance: Supply-chain oversight is the next frontier, and fewer than four in ten companies have crossed it

More broadly, while oversight in direct operations is near-universal, extending governance into the supply chain remains the exception. For many companies, particularly in manufacturing, agriculture, and consumer goods, the most acute workforce and human-rights risks sit not in head offices but deep in multi-tiered supply chains.

Regionally, the pattern echoes the board oversight findings but is even more pronounced. Jurisdictions with supply-chain due diligence legislation expectations tend to perform more strongly. Examples include the following legislations, all of which create institutional expectations around supply-chain governance:

- **The EU Corporate Sustainability Due Diligence Directive (CSDDD)**¹⁹
- **The French Duty of Vigilance Law**²⁰
- **The Germany Supply Chain Act**²¹
- **The UK Modern Slavery Act**²²



The strong showing from sectors such as Consumer Discretionary and Consumer Staples with complex, labour-intensive supply chains are consistent with their exposure to concentrated human-rights risks and heightened stakeholder scrutiny, but even at roughly 50%, supply-chain governance in these high-exposure sectors remains insufficient.



IT's position is particularly noteworthy. As a primarily service-based sector, IT companies are not typically associated with labour-intensive supply chains, yet their relatively high governance rate suggests that reputational scrutiny of electronics and component supply chains, and the well-documented risks of forced labour in mineral extraction and electronics assembly, is driving action.

The size gradient for supply-chain governance is moderate — approximately 1.5 times from the largest to smallest bracket. This is notably weaker than the regional pattern, suggesting that the institutional environment in which companies operate may matter as much as organisational resources.

For investors, this implies that supply-chain governance gaps are not primarily a function of company resourcing, and that engagement on this topic should extend across the full range of companies, regardless of firm size.

Companies' public reporting language and their willingness to engage directly both shape the data - in different ways and with different implications.

Companies reporting board-level governance

This figure warrants careful interpretation as it draws largely on data based on companies' public disclosures, across the full 2,972 companies.

94.5%

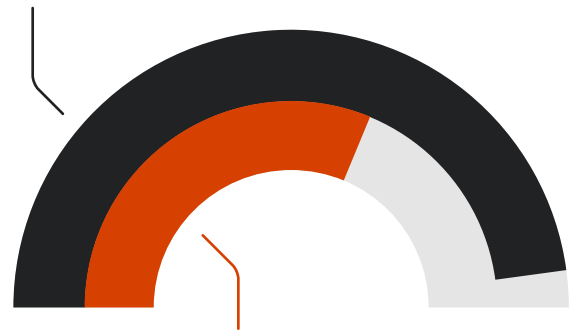
Among the 141 companies that provided self-disclosed responses, only 70.9% (100 companies) are identified as having board-level governance of direct operations and supply chains.

70.9%

The gap points to how companies communicate governance publicly. Many companies use language in annual and sustainability reports that implies board-level oversight, referencing board discussions of workforce matters, or listing human capital in committee terms of reference, without this amounting to formal, substantive governance when the company is asked to confirm it directly. The result is a corporate disclosure landscape where governance appears broader on the page than it is in practice.

Similar divergences recur across several themes, including pay equity, freedom of association, and grievance mechanisms.

The HRDD data presents the opposite pattern. Among the 141 companies that self-disclosed, 95.7% (135) report conducting HRDD.



Among the 2,515 companies whose data was sourced from public disclosures, the rate is 62.5% (1,572).

HRDD is a substantive operational practice, and companies that choose to engage with the WDI are disproportionately those that have invested in it. Companies with weaker or absent HRDD processes have less reason to participate.

Taken together, these patterns reflect two distinct corporate behaviours. On board-level governance, companies describe their oversight in terms broad enough to be read as more comprehensive than it is. On substantive practice like HRDD, the companies with the strongest processes self-select into voluntary disclosure, while those without stay silent. Neither headline rate should be taken at face value, but for different reasons.

Broader board oversight is associated with better safety and retention outcomes, but governance breadth alone is not enough

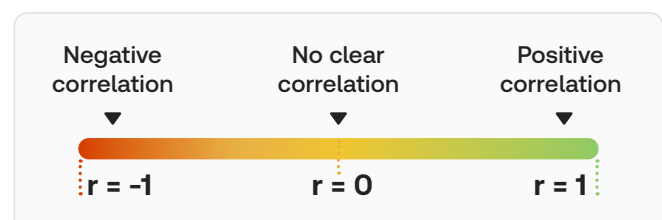
Does broader board oversight actually translate into better outcomes for workers? There is evidence that it does for health and safety and retention, but the relationships are modest, and governance breadth shows no meaningful link to pay equity or grievance resolution.

Statistically significant correlations between board oversight topic breadth and outcomes

Workforce outcome variable (Only significant results included)	Correlation rate	Significance
Rate of recordable work-related injuries — non-employees	-0.171	p < 0.001
Total employee turnover	-0.131	p < 0.001
Rate of recordable work-related injuries — employees	-0.095	p < 0.001
Employee fatality rate	-0.085	p < 0.001
Non-employee fatality rate	-0.095	p < 0.01
Identification of specific board members with workforce responsibility	+0.058	p < 0.01

The outcome most significantly correlated with broader oversight is the rate of recordable work-related injuries for non employees ($r = -0.171$), meaning companies with broader oversight tend to report fewer workplace injuries among contractors. Similar patterns hold for employee injury rates and fatality rates. When boards oversee a wider range of workforce topics, health and safety performance tends to improve, likely because broader mandates create more touchpoints for risk identification and accountability. That the effect is strongest for non-employees is notable: contractor safety typically requires more deliberate governance attention, since these workers often fall outside routine HR oversight.

Broader oversight is also associated with **lower total employee turnover** ($r = -0.131$), suggesting that companies with more comprehensive board mandates may foster working environments that improve retention, whether through better conditions, stronger engagement, or a clear signal that workforce matters are taken seriously at the top.



Notably absent are correlations with **gender pay gaps** and **human-rights grievances** reported. This suggests that broader mandates alone do not improve outcomes on pay equity or grievance resolution — areas where impact requires targeted interventions like pay audits, transparent reporting, and effective remediation, not just oversight.

The weak link between topic breadth and the **identification of specific board members with workforce responsibility** ($r = 0.058$) is also telling. Having a broad mandate does not strongly predict whether companies have assigned individual accountability. Breadth and depth of governance are distinct, and investors assessing governance quality should look beyond topic counts to whether named individuals are accountable for outcomes.

Governance breadth appears to be a necessary but not sufficient condition for improved workforce outcomes. Moving from breadth to effectiveness requires combining broad mandates with targeted actions, individual accountability, and robust monitoring.



REUTERS/Florence Lo

Operational profitability and board oversight: what the data shows, and what it does not

Where EBITDA margin features, it shows weak but statistically significant negative correlations with human-rights grievances reported ($r = -0.173$) and employee turnover by contract type ($r = -0.164$). Higher-margin companies may experience somewhat fewer reported grievances and lower contract-type turnover, though the effect sizes are small and causality is unclear.

It is important to note that EBITDA margin is a measure of operational profitability rather than a direct proxy for financial health or governance quality. Higher margins may enable greater investment in workforce management, or they may reflect industry dynamics unrelated to governance.

The absence of significant relationships with gender pay gaps, total turnover, or injury rates suggests that profitability alone does not predict stronger workforce outcomes, and investors should exercise caution in drawing governance conclusions from financial performance metrics.



● FINDING 2

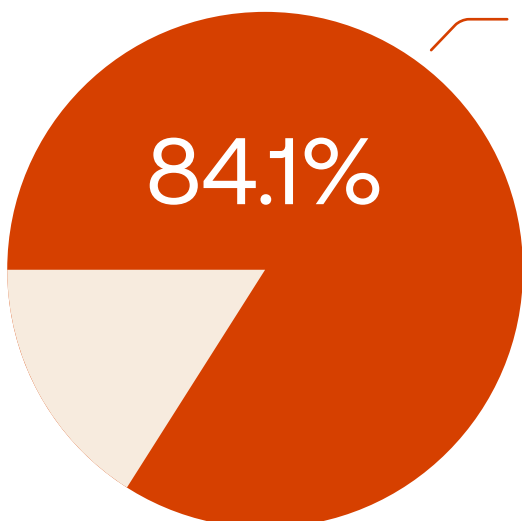
Disclosures on policies are widespread, but human rights commitments and human rights due diligence (HRDD) depth remains limited

Corporate policies on workforce matters serve as the visible architecture of governance — the public signals through which companies communicate their commitments to workers, investors, and regulators. For investors assessing human-capital risk, the existence and scope of these policies is often the first indicator of whether a company takes its responsibilities to workers seriously. Yet the gap between having a policy and implementing it meaningfully is one of the most persistent challenges in workforce governance.

This finding traces the arc from baseline policy adoption through to the depth of HRDD practice, examining what distinguishes companies that have climbed the full commitment ladder from those that remain on its lower rungs.

The commitment hierarchy: what separates baseline compliance from advanced practice

Not all workforce policies carry equal weight. Five key indicators together form a hierarchy - from foundational protections that most companies have in place, to more extensive commitments that signal genuine governance maturity.

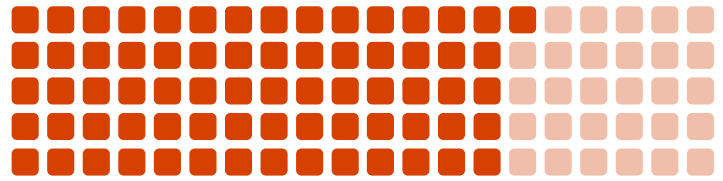


Companies that report having an anti-discrimination policy

At the base sits anti-discrimination policy. A public policy on discrimination and harassment is reported by 84.1% of companies — the highest prevalence rate across all five indicators. Dispersion is narrow across every dimension, with all regions exceeding 79% and all market-capitalisation brackets falling between 82.7% and 86.7%.

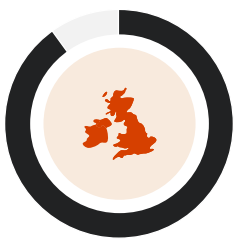
Anti-discrimination policy has effectively been normalised by decades of employment legislation across jurisdictions, and its near universality tells investors relatively little about governance quality beyond the minimum.

71.3% of companies that report a commitment to prohibiting, identifying, and preventing forced labour, modern slavery, and human trafficking



The next rung, a commitment to prohibiting, identifying, and preventing forced labour, modern slavery, and human trafficking, is also widespread. This likely reflects a combination of factors, including modern slavery legislation, heightened public awareness, and investor expectations around forced labour risks.

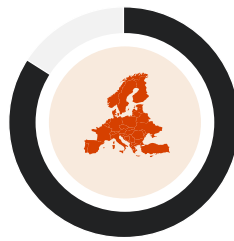
At a regional level, the United Kingdom leads, followed by Australasia and Europe. North America’s lower rate likely reflects the absence of a comparable US federal requirement.²³ The regions with the strongest performance are also those with the most developed forced labour legislation, including the UK Modern Slavery Act and the Australian Modern Slavery Act 2018.²⁴



UK – 90.4%



Australasia – 84.9%



Europe – 84.6%



North America – 61.0%

The dividing line between baseline and advanced practice falls at human rights and remedy commitments, — and roughly half the sample has not yet crossed it.

Companies reporting a public commitment to respect all internationally recognised human rights, approved at Board level



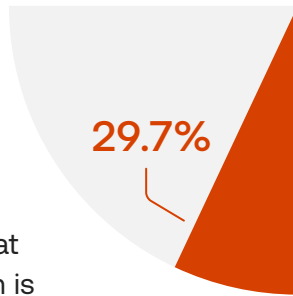
Companies that reporting a public commitment to provide remedy where the company has caused or contributed to adverse human rights impacts



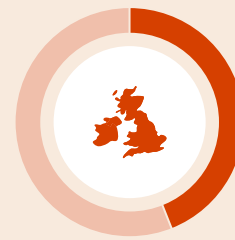
These commitments require companies to move beyond issue-specific protections and engage with the full scope of the UN Guiding Principles on Business and Human Rights²⁵ — a substantially more demanding governance proposition. As roughly half the sample has not yet made these commitments suggests that, for many companies, human-rights governance remains anchored to specific regulatory requirements rather than to a principled, comprehensive framework. For investors, this means that a substantial share of portfolio companies may not have the governance capacity to anticipate or respond to human-rights risks outside current mandates.

Companies that report a shared parental leave policy that exceeds the statutory minimum

At the top of the ladder, a shared parental leave policy that exceeds the statutory minimum is reported by just 29.7% of companies.



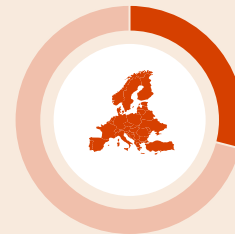
In many European jurisdictions, statutory parental leave provisions are already generous by global standards, which reduces both the incentive and the practical scope for companies to exceed them. Europe's rate of 29.1% sits below Latin America's and the United Kingdom's — a pattern that likely reflects the statutory baseline rather than actual generosity.



UK
44.8%



Latin America
45.3%



Europe
29.1%

By contrast, the Financials sector stands out roughly 2.3 times the rate in Materials, consistent with talent-market competition in knowledge-intensive sectors driving enhanced benefits.



Financials
48.7%



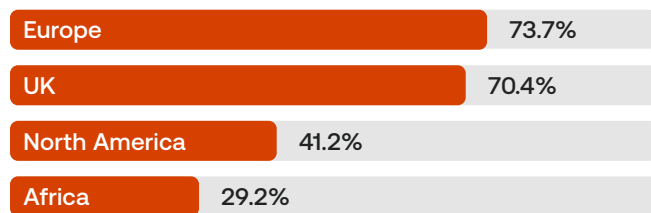
Materials
21.0%

The hierarchy is clear. Anti-discrimination and forced labour commitments form a floor that most companies have reached. Human rights and remedy commitments mark the transition to advanced practice. For investors, the presence of workforce policies is an insufficient signal — it is the scope and ambition of those policies that differentiates governance leaders from the compliant majority.

Regional and regulatory drivers shape the commitment landscape

Regional patterns in the data are likely to reflect a combination of influences, including regulatory context, corporate governance norms, investor expectations and the extent to which human rights principles are embedded in mainstream business practice.

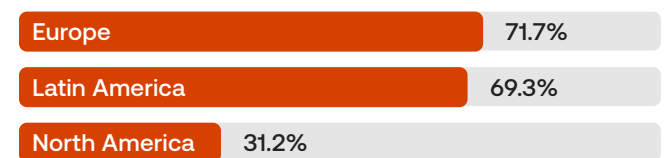
Human rights commitments



On human rights commitments, Europe leads decisively at 73.7%, followed by the United Kingdom. North America trails at 41.2%. The roughly 1.8-times gap between Europe and North America may partly reflect the effect of impending EU regulation which has reinforced expectations around formal human rights disclosure, as well as the broader uptake of the UN Guiding Principles across many European jurisdictions. The regional differences are also likely to be shaped by wider institutional factors, including stronger investor stewardship norms, more established expectations of non-financial disclosure, and a corporate governance environment in which human rights commitments are more often treated as a core element of responsible business practice. In regions where these pressures are less consistently embedded, companies may be less likely to formalise such commitments publicly.

The starkest regional gap in the policy data is on remedy commitments, and it warrants attention.

Remedy commitments



The divergence sharpens further on remedy. A commitment to remedy is a core pillar of the UNGPs' "protect, respect, remedy" framework, and its near absence in North America indicates that the concept has not yet been embedded in the region's corporate governance norms. For investors with North American holdings, this highlights a material governance gap with direct implications for risk and preparedness. In practical terms, it suggests that many companies may be under-equipped to respond effectively when human-rights harms occur, heightening the likelihood of weak grievance handling, slow escalation, reputational exposure and more costly remediation down the line.

This gap provides clear priorities for engagement: reinforcing expectations around board-level oversight, encouraging the adoption of formal human-rights policies and escalation pathways, and promoting stronger grievance mechanisms that enable earlier identification of issues and more timely responses.

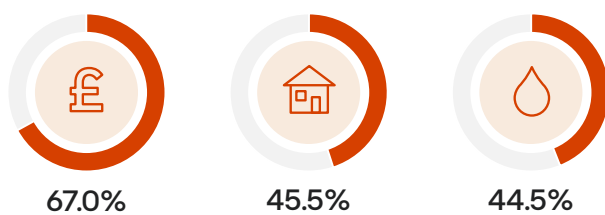
The disjunction between remedy commitment and remedy practice is also notable.

A roughly 20-percentage-point gap, between policy and practice, underlines that a commitment on paper does not guarantee operational follow-through. Investors should treat remedy commitments as a necessary but insufficient signal, and probe for evidence of actual remediation activity.



Sector dynamics add a further layer

On human rights commitments, the Financials sector leads at 67.0%, substantially ahead of Real Estate and Utilities. The pattern could reflect broader differences in how sectors organise governance.

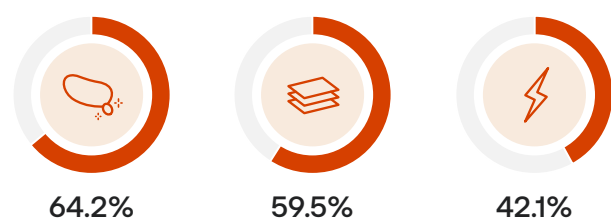


Financial institutions tend to operate with centralised risk-management functions, strong regulatory interfaces and established expectations around policy standardisation. This often results in clearer articulation of enterprise-wide commitments, even where the sector's operational footprint is indirect.²⁶

By contrast, Real Estate and Utilities frequently have decentralised operating models, with human rights impacts embedded in site-level decision-making — such as land acquisition, construction practices, community engagement and access to essential services — reflecting the sector's inherently local footprint and the decentralised nature of land and development governance.^{27 28} In such sectors, commitments may be more implicit or localised, making group-level statements less common even when real-world impacts are material. Lower disclosure, therefore, does not necessarily indicate lower exposure — but it does suggest

less institutionalisation of governance at the corporate level, which can lead to inconsistent practice across assets and geographies.

On remedy commitments, sector exposure profiles play a greater role. Consumer-facing sectors experience direct scrutiny from customers and civil society, driving clearer articulation of grievance and remediation expectations.²⁹ Materials companies, given their extensive labour-intensive supply chains and extraction activities, have long been the focus of NGO and investor pressure, which has accelerated the adoption of remedy frameworks.³⁰

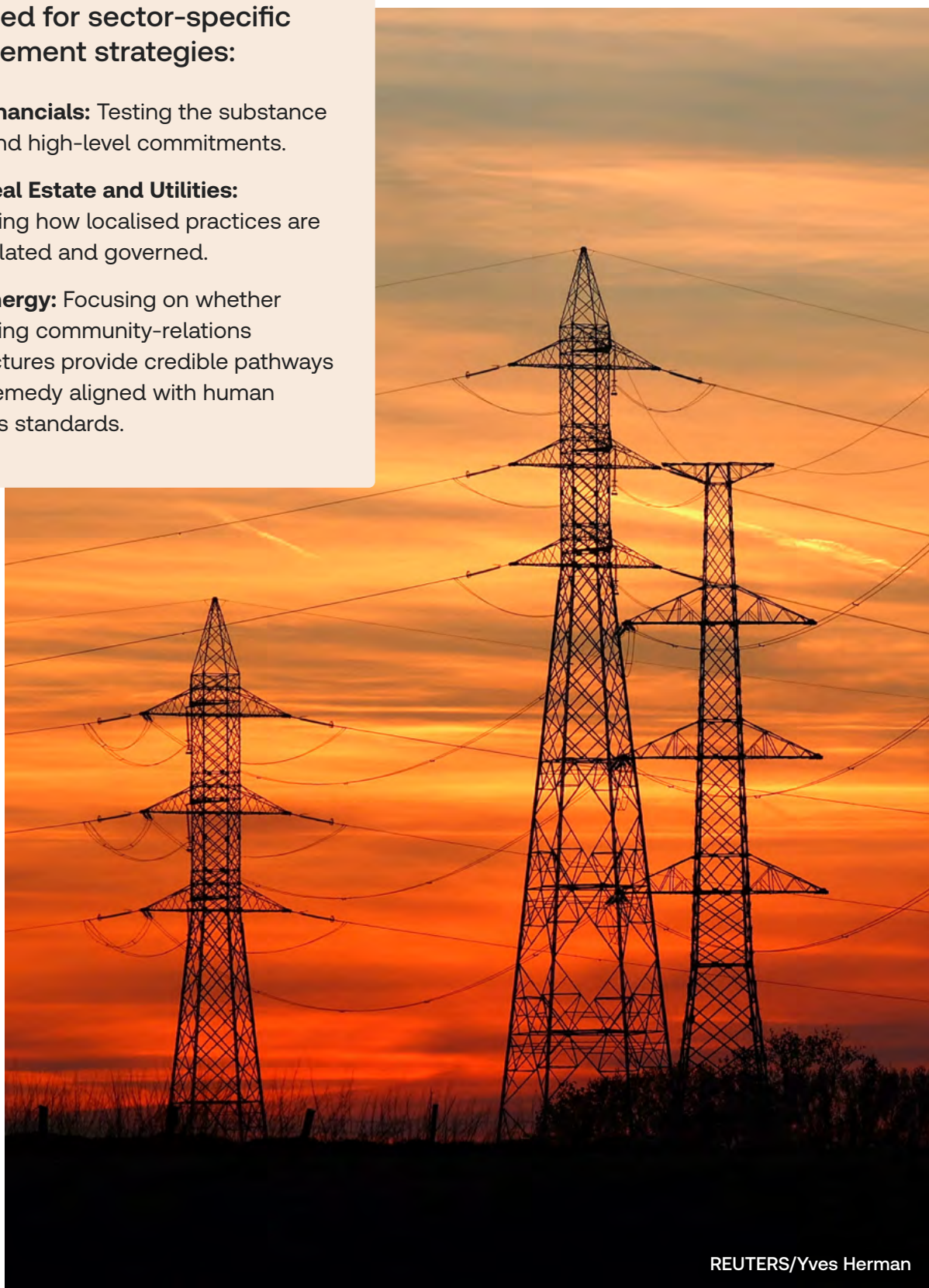


This can create gaps in how companies connect formal human rights commitments to operational processes for addressing harm, particularly in regions where regulatory oversight is weak or societal expectations are fragmented.

Collectively, these patterns highlight not just differences in disclosure but differences in governance maturity, exposure profiles and drivers of accountability.

For investors, this points to the need for sector-specific engagement strategies:

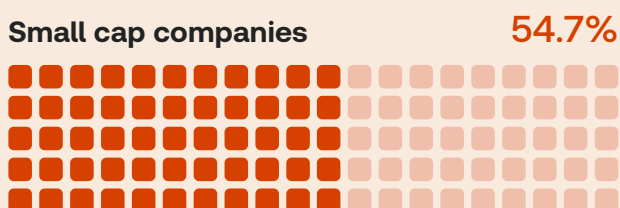
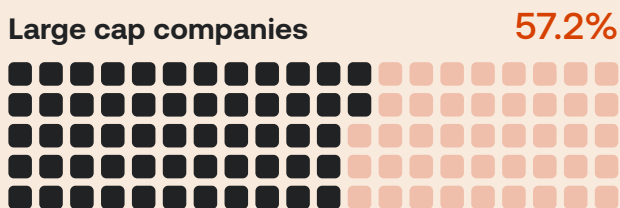
- **In Financials:** Testing the substance behind high-level commitments.
- **In Real Estate and Utilities:** Probing how localised practices are escalated and governed.
- **In Energy:** Focusing on whether existing community-relations structures provide credible pathways for remedy aligned with human rights standards.



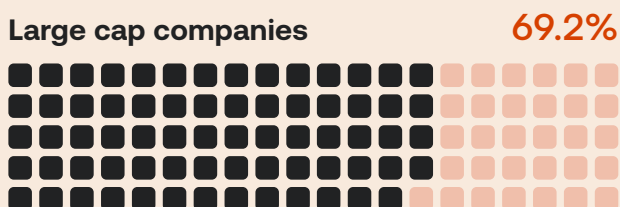
Commitment levels show little variation by company size

One of the more striking findings in the policy data is the near absence of a meaningful size gradient on the most substantive commitment indicators.

For human rights commitments, the spread between the largest and smallest companies is just three percentage points. This effectively flat distribution challenges the assumption that larger companies, with greater resources, are systematically more likely to adopt human-rights policies.



On forced labour commitments, the gradient is not absent but inverted: smaller companies report a higher rate than larger companies.



Large cap: having a market capitalisation > \$50 billion
Small cap: having a market capitalisation < \$2 billion

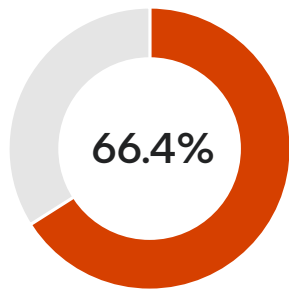
Both patterns suggest that organisational size, and therefore resourcing, is not indicative of company commitments on human rights and forced labour. A practical consideration of this for investors is that allowing market cap to influence due diligence process or engagement prioritisation may be a poor proxy for social risk management quality. Investors who apply a large-cap tilt on the assumption that larger companies have more robust commitments may misplace confidence — particularly on forced labour, where the pattern is reversed. Sector exposure or supply chain position may be more informative lenses for investor engagement.

A flat size gradient on commitments combined with a steep gradient on implementation suggests that smaller companies can make the right promises but may lack the capacity to deliver.

The contrast with HRDD adoption, where the size gradient is pronounced, makes the point sharply. Policy commitments require a public statement; due diligence requires operational infrastructure. The former is accessible to any company operating in a jurisdiction that expects it and the latter scales with resources. This distinction matters for how investors read the data.

When commitment rates are uniform across firm-size brackets, the primary driver is likely the regulatory or normative environment rather than company-level characteristics. This strengthens the case that mandatory frameworks, rather than voluntary initiatives alone, are the most reliable mechanism for raising the floor on corporate human-rights commitments.

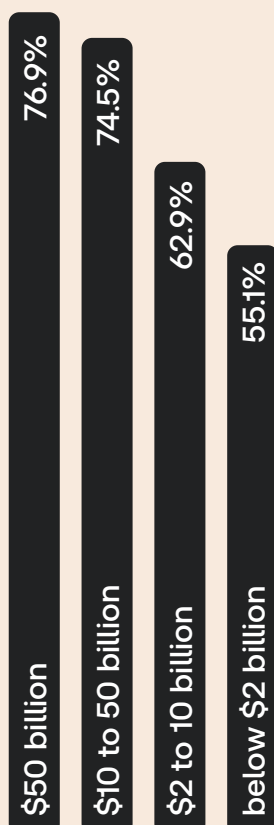
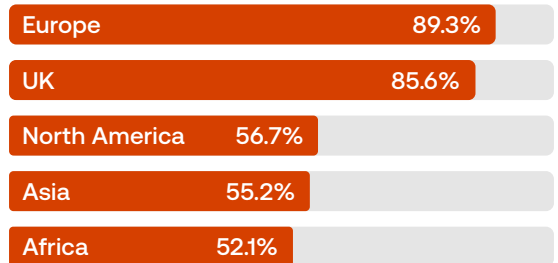
HRDD adoption is high on paper, but depth drops sharply



Companies that report conducting regular HRDD

Human rights due diligence represents the operational translation of policy commitments into practice — where companies move from declaring their intentions to systematically identifying, preventing, and mitigating adverse human rights impacts. More companies report conducting regular HRDD than many other rights-based indicators. Yet the headline figure masks considerable variation in depth, scope, and quality.

Regional patterns follow a now-familiar trajectory. Europe anchors the top at 89.3%, with North America and Asia both below the sample average. Africa is lowest at 52.1%, though the relatively small base limits inference. These patterns are consistent with European regulatory pressure.



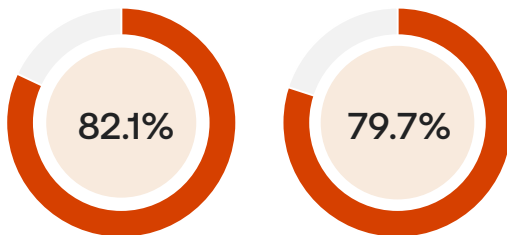
Unlike the policy commitment indicators, the size gradient for HRDD is pronounced. Companies above \$50 billion in market capitalisation report HRDD at 76.9%, falling progressively to 55.1% at below \$2 billion.

This is a meaningful departure from the flat size gradient observed for policy commitments and could reflect the greater investor scrutiny and media attention that larger companies tend to face — creating stronger reputational incentives to formalise HRDD processes. It may also partly reflect differences in internal capacity, with smaller companies often operating with fewer dedicated compliance, legal, or sustainability resources, or placing greater emphasis on short term commercial priorities.

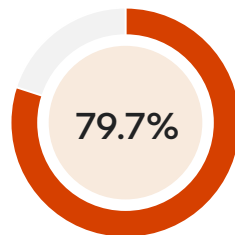
However, resource constraints should not be treated as a sufficient justification for weaker HRDD uptake, particularly given that smaller companies may still face significant³¹, and in some cases heightened, human rights risks through their operations or supply chains. In practice, the core elements of HRDD should be achievable at a scale proportionate to company size, suggesting that lower uptake is likely to reflect prioritisation as much as affordability.

Sector variation is wide but follows operational-risk lines.

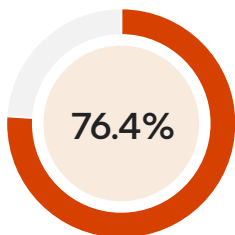
The highest HRDD rates are in Consumer Discretionary, Consumer Staples, and Financials. The lowest are in Utilities, Real Estate, and Communication Services.



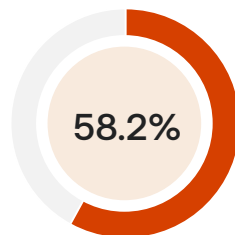
Consumer Discretionary



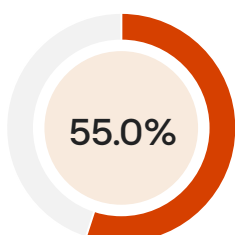
Consumer Staples



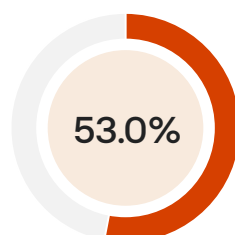
Financials



Communication Services



Real Estate



Utilities

The pattern reflects structural differences in value chain depth, geographic dispersion, and labour intensity.

Consumer Discretionary and **Consumer Staples** companies typically operate extended, multi-tier supply chains sourcing across diverse jurisdictions — the human rights risk surface is large by design, and formal due diligence follows that complexity.

Financials could rank high for a different reason: human rights exposure runs through financing relationships rather than direct operations, and HRDD frameworks increasingly capture this indirect portfolio-level risk.

The sectors demonstrating the lowest levels of disclosure of HRDD adoption share a more contained operational profile.

Utilities and **Real Estate** are asset-heavy, geographically anchored businesses with shorter, more homogeneous value chains and predominantly direct workforces.

Communication Services differs in character but arrives at a similar result — operations are largely service-oriented and domestic-skewing, with limited exposure to the labour-intensive offshore supply chains that drive HRDD complexity elsewhere.

Across all three, the risk surface is more legible, which reduces both exposure and the perceived need for formal HRDD processes.

Lower HRDD adoption in Utilities and Real Estate does not indicate a lower risk profile.

Both sectors face well-documented human-rights risks — including community safety responsibilities in Utilities³² and high rates of migrant-worker abuse in construction and engineering³³, which form a major part of Real Estate value chains. Where HRDD practices are less developed, the practical implication is reduced consistency in how companies surface and escalate impacts across projects or assets, increasing the likelihood of delayed issue recognition and uneven protection for affected workers and communities.

Value-chain coverage in workforce risk assessment procedures is a relative strength

84.8% of companies (2,520 of 2,972) cover both direct operations and the value chain in their workforce risk assessment procedures, compared with just 8.6% (255) for direct operations only and 0.3% (9) for value chain only.



84.8%

cover both direct operations and the value chain in their workforce risk assessment procedures

8.6%

cover direct operations only

0.3%

cover value chain only

This is an encouraging signal, suggesting the principle of value-chain responsibility has gained broad acceptance.

North America, however, is a clear outlier: 13.3% of North American companies (80 of 600) cover direct operations only, compared with just 2.5% in Europe (17 of 676).

This gap could suggest that the broader European governance environment, which calls for value-chain due diligence, is driving more systematic extension of workforce risk assessment beyond the company's own workforce.

Three-quarters of companies describe explicit stakeholder consultation as part of their workforce risk assessment processes while 19.6% (583) provide no explicit evidence of consultation. Most companies reporting having workforce risk assessment procedures do include a consultation element. Yet for the roughly one in five companies with no described consultation, the absence is significant: stakeholder engagement, particularly with affected workers and their representatives, is a core requirement of the UNGPs HRDD process and a key differentiator between workforce risk assessment as a meaningful governance and HRDD process.



● FINDING 3

Executive pay incentives prioritise safety and diversity and inclusion (D&I) over workforce turnover

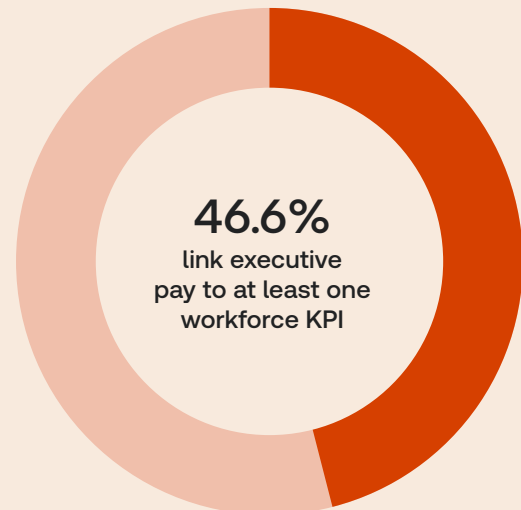
When companies tie executive compensation to workforce outcomes, they create a direct line of accountability between leadership pay and the conditions experienced by workers. In principle, this mechanism should drive improvement: executives who are financially rewarded for reducing injuries, closing pay gaps, or retaining talent have a clear incentive to invest in those outcomes. The structure of executive incentives reveals which workforce dimensions a company treats as strategic priorities, and, equally importantly, which it does not.

This finding tells a revealing story about corporate governance priorities: companies incentivise what is visible, regulated, and reputationally salient, not necessarily what matters most for long-term workforce resilience.

What companies incentivise: safety and D&I dominate, turnover is nearly invisible

Linking executive compensation to workforce outcomes could create a direct line of accountability between leadership pay and the conditions experienced by workers. Executives who are financially rewarded for reducing injuries, closing pay gaps, or retaining talent have a clear incentive to invest in those outcomes.

Nearly half of companies, 46.6% (1,385 of 2,972), link executive pay to at least one workforce KPI as part of their day-to-day management of workforce matters. Among respondents who provided an answer (2,625 companies), the rate rises to 52.8%. Roughly one in two companies now treat workforce-linked remuneration as a mainstream governance practice, but the composition of that linkage tells a far more selective story.



The workforce KPIs that companies link to executive pay:



The three categories of workforce KPI evaluated (safety, diversity and inclusion, and turnover) show dramatically different rates of adoption. Safety KPIs are the most common, linked to executive pay in 24.3% of companies. Explicit diversity and inclusion KPIs follow at 21.0%. But explicit turnover KPIs appear in just 3.1% of the sample.

This is the most striking imbalance in the incentive data: companies incentivise what is visible, regulated, and reputationally salient, not what matters most for long-term workforce resilience.

Workforce retention is a leading indicator of organisational health. High voluntary turnover erodes institutional knowledge, increases recruitment and training costs, and can signal deeper problems with working conditions, pay, or management quality. Yet fewer than one in 30 companies tie executive pay to turnover outcomes. Workforce stability is not yet treated as an executive accountability issue in most organisations.

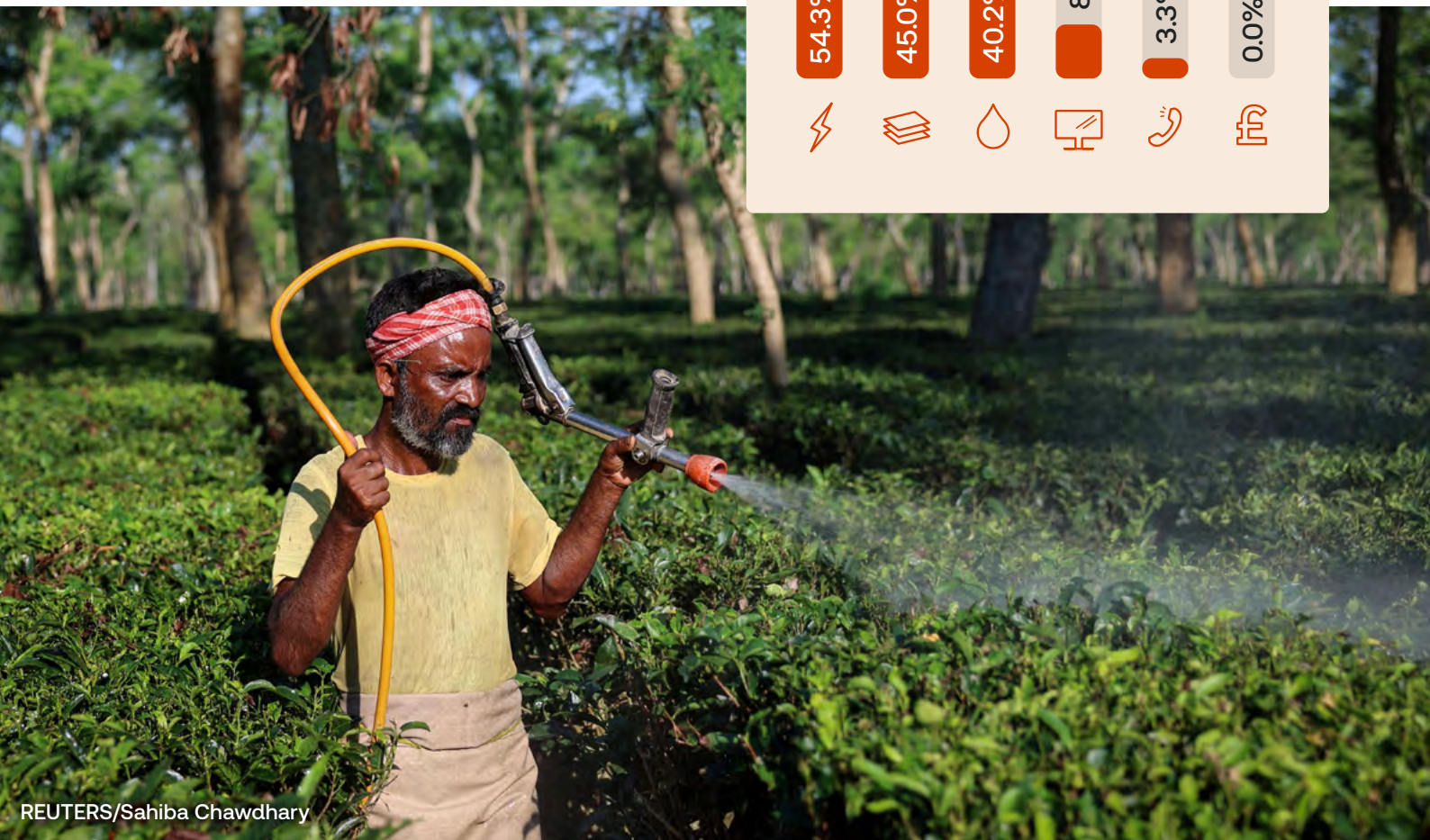
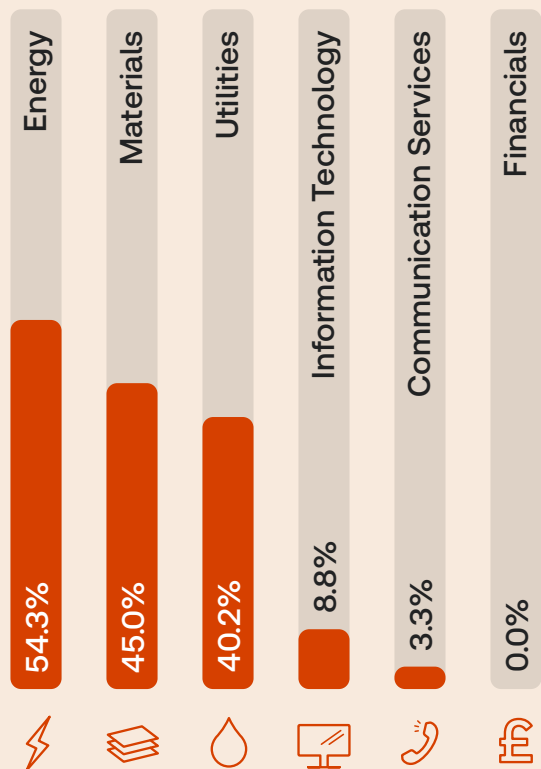
Sector patterns reflect risk profiles, not governance ambition

The sectoral distribution of workforce KPIs linked to executive pay maps closely onto operational risk profiles and talent-market dynamics. This is most visible in the safety KPI data, where the spread between the highest- and lowest-adopting sectors is the most extreme of any indicator in this theme.

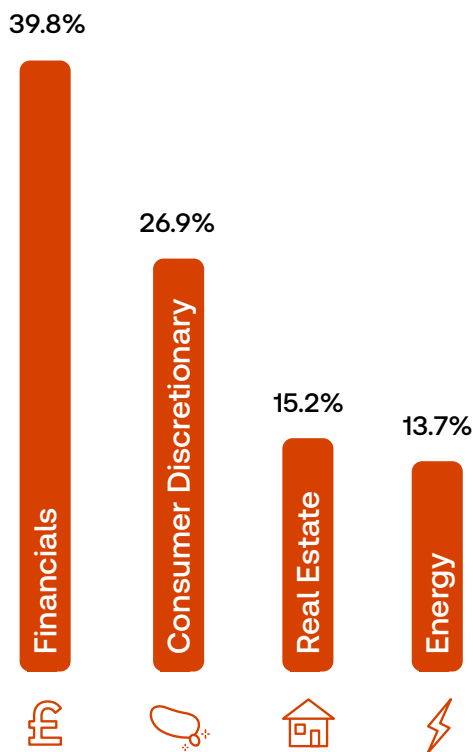
Energy leads on safety KPIs at 54.3% (151 of 278), followed by Materials at 45.0% (152 of 338) and Utilities at 40.2% (132 of 328). At the other end, Financials reports 0.0% (0 of 191), Communication Services 3.3% (8 of 244), and Information Technology 8.8% (31 of 354).

This reflects the physical-risk profile of extractive and heavy industries rather than governance quality. The absence of safety KPIs in office-based sectors is expected: where workplace injuries are rare and primary workforce risks are psychosocial, tying executive pay to recordable injury rates would be neither meaningful nor appropriate.

SAFETY KPIS LINKED TO EXECUTIVE PAY BY SECTOR



DIVERSITY AND INCLUSION KPIS LINKED TO EXECUTIVE PAY, BY SECTOR



Diversity and inclusion KPIs present a different sectoral pattern, shaped by talent-market competition and regulatory pressure rather than physical risk. The concentration of D&I incentives in financial services is consistent with the sector's high sensitivity to talent-market dynamics, investor stewardship expectations, and regulatory frameworks such as the UK's Women in Finance Charter.³⁴ Consumer Discretionary sector's relatively strong performance may partly reflect the commercial significance of female and LGBTQ+ consumers in retail, leisure, and hospitality, sectors, where workforce diversity is increasingly interpreted as a signal of brand alignment with core customer demographics. This includes the wider "pink economy," a term used to describe the market influence and spending power of LGBTQ+ communities, estimated at \$3.7 trillion globally.³⁵

Do sectors that incentivise these KPIs show better outcomes? The picture is mixed. Physical-operations sectors that concentrate safety KPIs, Energy, Materials, Industrials, do record higher absolute injury rates than office-based sectors, as expected given their operational context. The presence of safety incentives should be read as a response to elevated baseline risk rather than evidence that incentives are failing. On pay gaps, the picture is more revealing: Financials, the sector with the strongest D&I incentive adoption (39.8%), also reports the widest median gender pay gap of any sector at 20.1%.

Interestingly, the sector most likely to incentivise diversity also shows the largest pay gap. It suggests that the financial sector's relatively strong adoption of D&I incentives is better understood as a response to a recognised and persistent problem rather than evidence of sector-wide progress. Investors should be cautious about interpreting high D&I incentive adoption rates as a proxy for good practice; in the case of financials, the incentives coexist with the widest gender pay gap in the dataset.

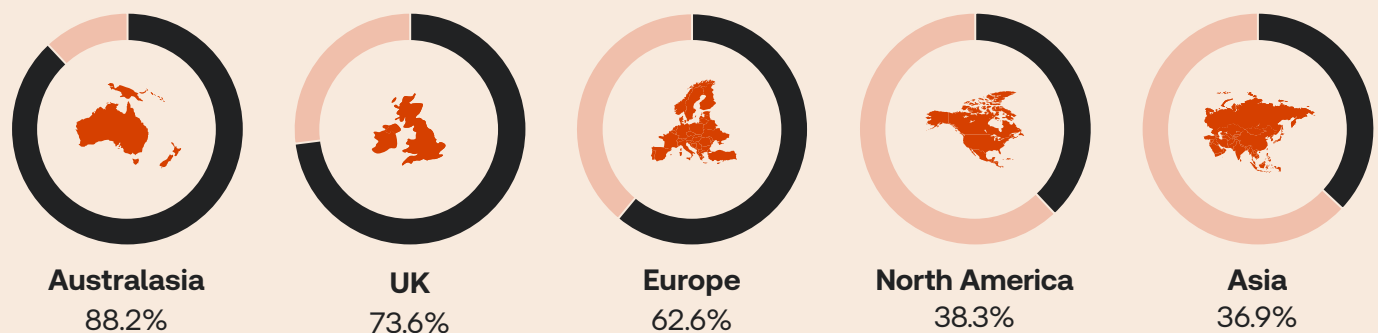
The structural dynamics of the financial sector (high base salaries, significant bonus components, and persistent underrepresentation of women in senior, high-compensation roles) create a pay gap that incentive structures alone are unlikely to close quickly.

It is also important to note that the reported gender pay gap figures may understate the true scale of the disparity. There is no evidence that the pay gap data captures full variable compensation, including bonuses, which in the financial sector can represent a substantial proportion of total remuneration. Given that bonus pools tend to be concentrated in senior, male-dominated roles³⁶, the inclusion of variable pay could widen the reported gap. For investors, this means the 20.1% headline figure should be treated as a floor rather than an accurate measure of the full compensation disparity.

Regional and size patterns: regulation and visibility drive incentive adoption

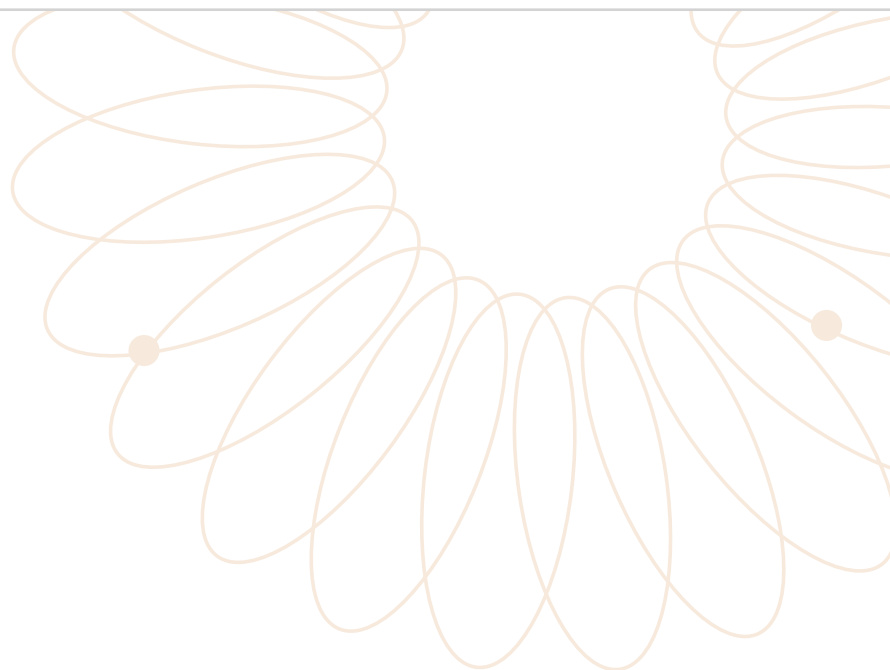
Regional differences in workforce KPI-linked pay align closely with regulatory environments and governance cultures — there is an approximately 2.4-times gap between Australasia and North America.

KPI-linked executive pay by region



The regions with the greatest adoption are also those with the most developed governance expectations around workforce KPIs in executive pay. Australasia's high adoption rate reflects the ASX Corporate Governance Principles and Recommendations³⁷, which explicitly encourage companies to link remuneration to performance on material sustainability risks. The UK's is consistent with its remuneration committee culture, where the UK Corporate Governance Code³⁸ requires remuneration committees to consider workforce-related factors when setting executive pay. These regulatory drivers create a ratchet effect: once workforce KPIs are expected, companies face reputational pressure to include them regardless of whether the metrics drive operational improvement.

North America, with roughly half the rate of Australasia and the UK, reflects a governance environment that places greater emphasis on shareholder value maximisation and less prescriptive requirements around non-financial KPIs. On the other hand, Asia's similar rate (36.9%) could reflect a different set of structural factors, such as concentrated ownership among family-controlled and state-linked enterprises — for example, in India and Hong Kong SAR, around 70% of listed companies are family-owned³⁹. This limits the influence of independent remuneration committees, alongside stewardship codes that, while present across the region, remain voluntary and have yet to generate the investor pressure driving adoption in more regulated markets.



The size dimension adds a further layer

Overall linkage scales with company size, as expected: 55.2% of companies with a market capitalisation above \$50 billion (165 of 299) link pay to workforce KPIs, compared with 34.2% of those below \$2 billion (182 of 532). But this headline gradient conceals divergent patterns by KPI type.

Safety KPIs show a flat or slightly inverted relationship with size: 17.7% among the largest companies versus 20.7% among the smallest. This makes sense as safety KPIs are driven by operational risk profile, which is a function of industry rather than firm size. Smaller companies in heavy industry face the same physical hazards as their larger counterparts.

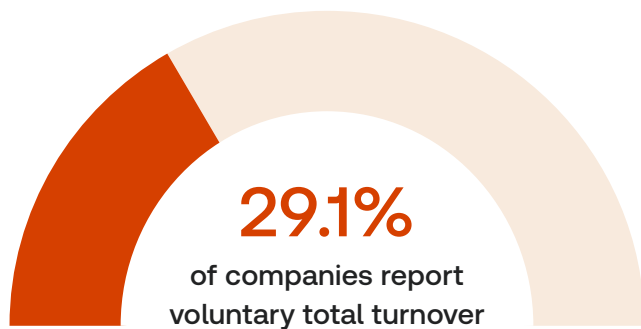
Diversity and inclusion KPIs, by contrast, show a steep size gradient: 31.8% among companies above \$50 billion compared with just 12.0% among those below \$2 billion. Larger companies face greater public attention, more active investor engagement on diversity issues, and more developed governance infrastructure to design and monitor D&I-linked incentives. Smaller companies may lack both the external pressure and the internal capacity to embed D&I metrics in executive pay, even where they face the same underlying workforce composition challenges.

Workforce KPI linkage by company size and KPI type

Market capitalisation	Overall linkage	Safety KPI	D&I KPI
>\$50 billion	55.2% (165/299)	17.7% (53/299)	31.8% (95/299)
<\$2 billion	34.2% (182/532)	20.7% (110/532)	12.0% (64/532)
Multiplier (large/small)	~1.6×	Flat/inverted	~2.7×

The turnover gap: incentives mirror the disclosure deficit

The near-absence of turnover-linked executive incentives, at just 3.1% of the sample, raises an immediate question: is this because companies do not value retention, or does it reflect a deeper structural gap in how companies measure workforce stability?



Turnover data is disclosed by a minority of companies. Only 29.1% of the full sample (866 of 2,972) report voluntary total turnover, and half the sample provides no turnover-trend information at all. For the vast majority of companies, turnover is not systematically tracked at a level that would support its inclusion in executive incentive

structures. If a company does not measure turnover robustly, it cannot set meaningful targets around it, and it cannot tie executive pay to it with any credibility.

The contrast with safety and D&I is instructive. Both benefit from well-established measurement frameworks: recordable injury rates are standardised across jurisdictions and mandated by occupational health and safety regulation, while gender diversity metrics and pay gap calculations are increasingly required by frameworks such as the EU's Corporate Sustainability Reporting Directive. Turnover, however, does not yet have a comparable regulatory or reporting anchor.

Do workforce incentives improve outcomes? The evidence is weak

There is no statistically significant relationship between the presence of workforce-linked executive incentives and safety rates (recordable injuries and fatalities for both employees and non-employees), pay gaps (gender and ethnicity), or turnover rates (total and by contract type). The effect sizes are close to zero across all tested relationships. Nearly half of companies link pay to at least one workforce KPI, yet this linkage has no detectable relationship with outcomes.

The most likely explanation is that many workforce-linked incentives are symbolic rather than functional. A safety KPI that constitutes a small fraction of a bonus pool, or a diversity target set at an easily achievable level, ticks

the governance box without creating genuine accountability. It is also possible that incentives are preventing deterioration rather than driving improvement, holding a baseline rather than shifting the distribution, or that the causal chain from incentive to outcome is too long and indirect to detect in cross-sectional data.

If nearly half of companies link pay to workforce KPIs, but this linkage has no detectable relationship with outcomes, the question for investors is no longer "Does the company link pay to workforce KPIs?" but "Which KPIs? At what financial weight? With what level of target ambition? And with what evidence of impact?"



FINDING 4

Internal workforce governance is widespread, but explicit supply-chain governance remains sparse and regionally skewed

The governance of workforce matters within a company's own operations is now a near-universal feature of corporate practice. Most large companies have formalised structures for managing labour issues, including cross-functional teams, dedicated committees, or hybrid arrangements that distribute responsibility across HR, ESG, procurement, and operational functions. But the real test of governance maturity lies beyond the factory gate. When companies extend their workforce accountability into supply chains, where the majority of labour rights risks reside and where workers have the least visibility, the picture changes dramatically.

For investors, this finding raises a fundamental question: if a company cannot describe how it governs the workforce conditions in its supply chain, how much confidence should stakeholders place in its broader human rights commitments?

Most companies govern workforce matters through multi-function models, but smaller firms still rely on simpler structures

2,390 of companies of 2,972 have multiple departments responsible for workforce governance (multi-function model). Single-function models are rare. Procurement-led models are almost non-existent.

80.4% have multiple departments responsible for workforce governance (multi-function model).

4.0% have site-led models.⁴⁰

3.6% have HR-led structures.

2.5% have dedicated ESG committees.

0.1% have procurement-led models.

Where workforce governance exists, it is more likely to be cross-functional than siloed.



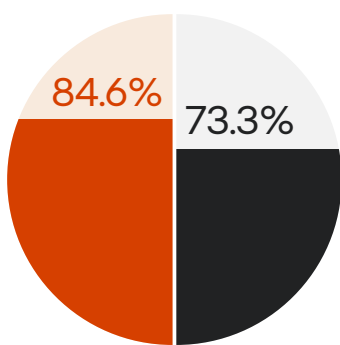
The size gradient here is notable

Among companies below \$2 billion in market cap, multi-function models is lower compared with those above \$50 billion. Smaller firms also report higher rates of HR-led and site-led approaches — where workforce governance is managed at the individual facility or operational site level rather than centrally — reflecting simpler organisational structures rather than weaker commitment.

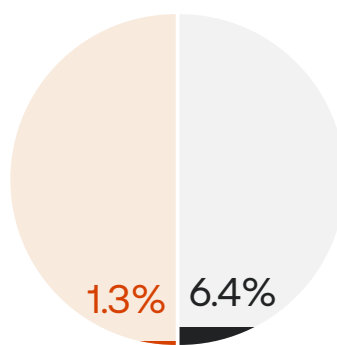
This pattern is consistent with broader evidence that ESG governance structure varies by company size, with staffing and organisational complexity as drivers.

■ Large-cap companies ■ Small cap companies

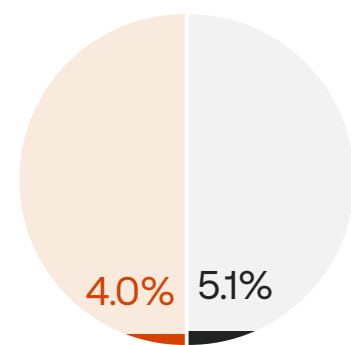
Percentage of companies with multi-function models:



Percentage of companies with HR-led structures:



Percentage of companies with site-led approaches:

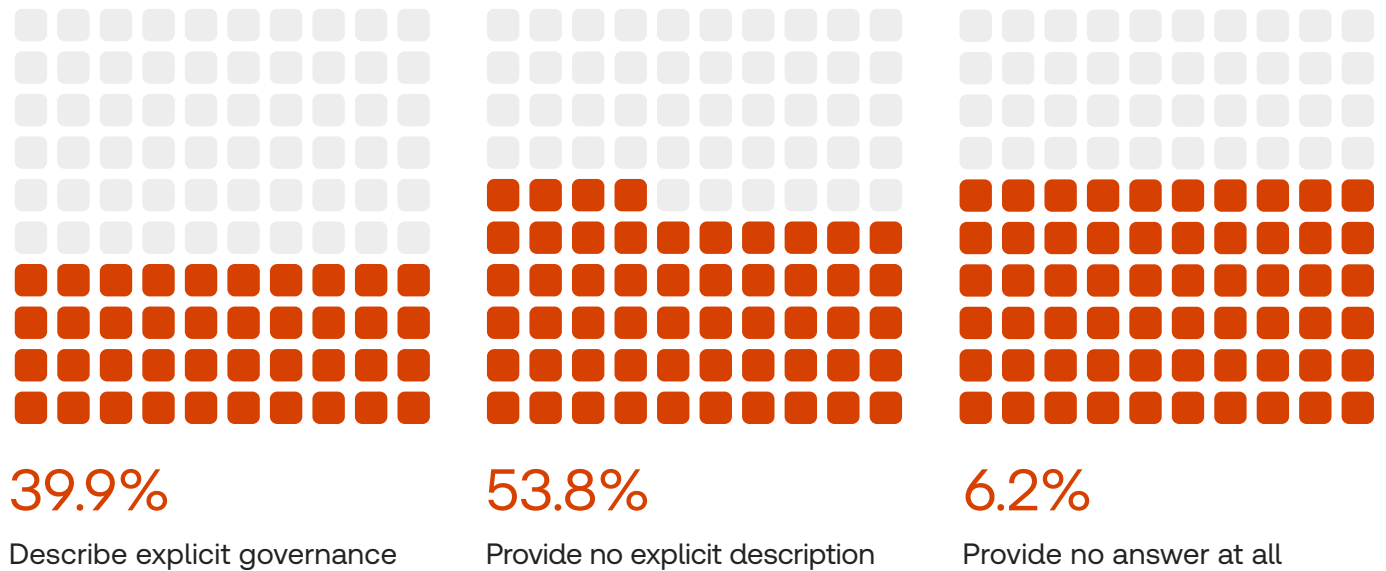


The prevalence of multi-function models among larger firms partly reflects the inherently cross-cutting nature of workforce risk — spanning labour practices, supply chain conduct, health and safety, and employee relations in ways that a single department cannot fully capture. However, coordination quality and mandate strength matter more than the number of functions involved, as clear senior accountability can be more effective than fragmented oversight.⁴¹

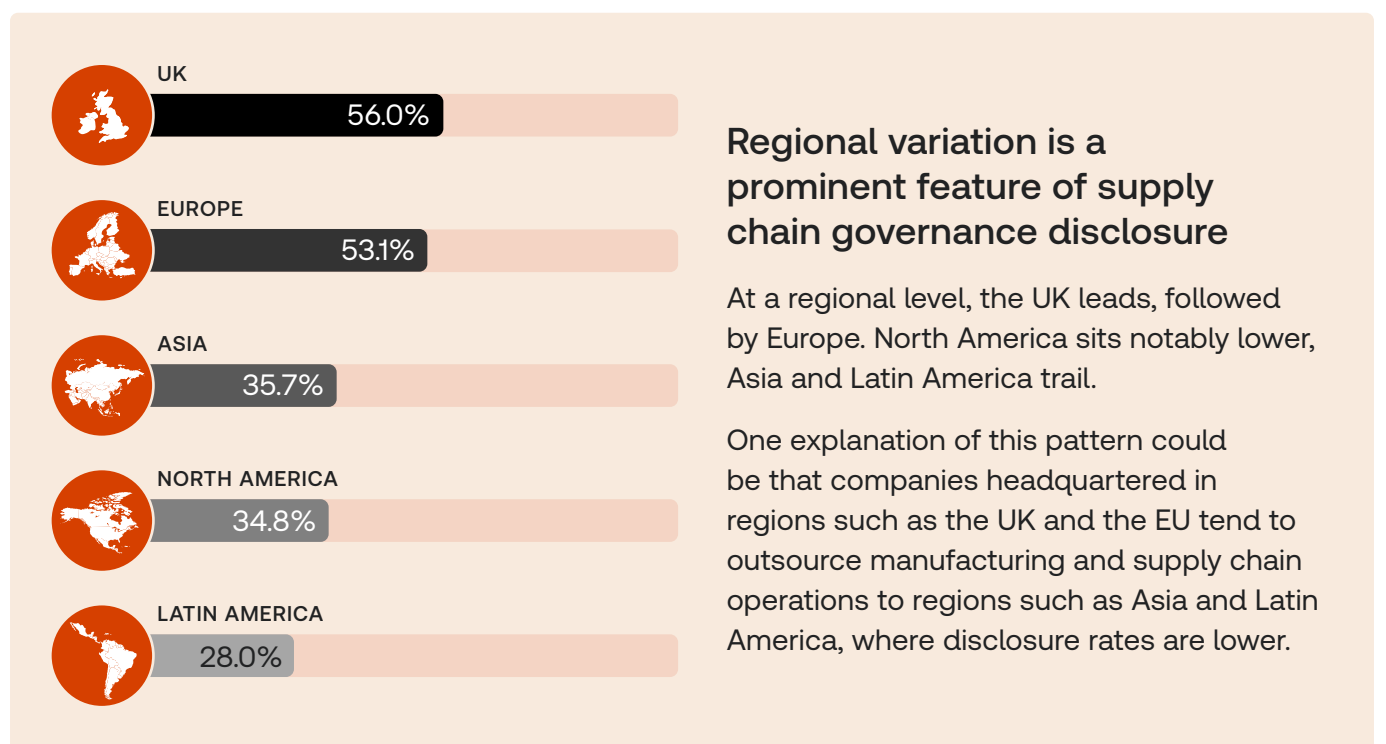
Disclosed governance structure should therefore be read by investors alongside evidence of board-level accountability and integration with enterprise risk management — with governance structure, not just governance existence, treated as a meaningful differentiator, particularly when assessing smaller companies.

Supply-chain governance remains the exception, not the rule

When asked to describe explicit governance of workforce matters in their supply chains:

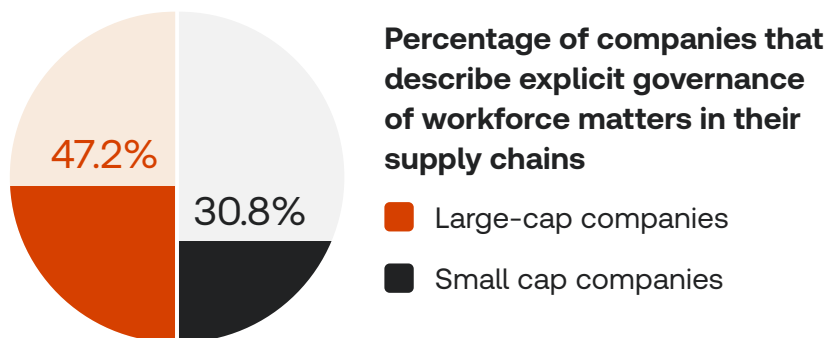


Despite the prevalence of internal governance structures, only 39.9% of companies (1,187 of 2,972) describe explicit governance of workforce matters in their supply chains. In other words, most companies have built the structures to manage their own workforce. Far fewer have extended that infrastructure to the parts of their value chain where workers are most vulnerable.

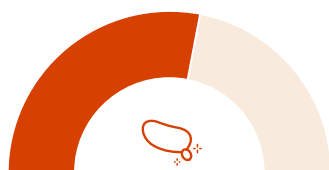


By comparison, the size gradient is moderate

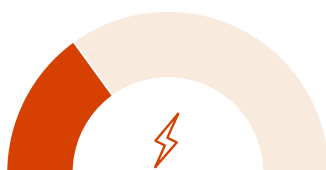
47.2% among companies above \$50 billion (141 of 299) versus 30.8% among those below \$2 billion (164 of 532). This pattern is consistent with human rights commitment data, where Europe and the UK also lead on public commitments to human rights standards.



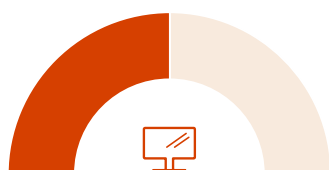
Sectors with complex, labour-intensive supply chains lead, but even uptake remains far from universal even among them



Consumer Discretionary: 56.1%



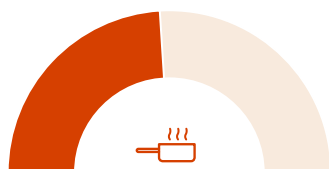
Energy: 30.9%



IT: 50.0%



Real Estate: 27.2%



Consumer Staples: 47.9%



Financials: 29.3%

Even in leading sectors such as Consumer Discretionary, IT, and Consumer Staples — where supply-chain labour risk is most visible — around half of companies still do not articulate explicit governance. Consumer pressure and reputational concerns help, but they are not enough on their own; regulation remains the more dependable driver.

Value-chain mapping: broad claims, limited depth

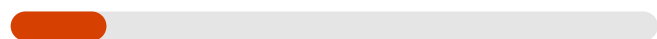
51.8% of companies (1,538 of 2,972) disclose some form of value-chain mapping. But the depth is limited: 72.8% (2,163 of 2,972) describe their supply chain only in broad upstream or downstream terms. 14.8% reference mapping Tier 1 only (439 companies), and only 5.4% (161 companies) reference mapping beyond Tier 1.



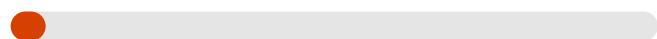
51.8% disclose some form of value-chain mapping



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14.8% reference mapping Tier 1 only

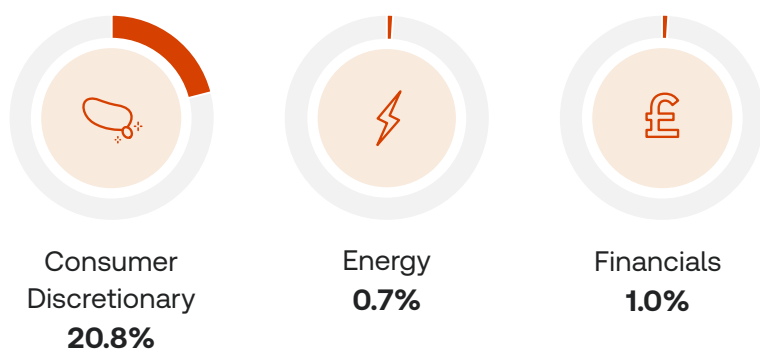


5.4% reference mapping beyond Tier 1

Of the 161 companies that reference mapping beyond Tier 1, 44 are Consumer Discretionary, 24 are Industrials, and 26 are Information Technology.

In this way, Consumer Discretionary proportionately maps deepest: 20.8% (44 of 212 companies) report mapping beyond Tier 1. Energy and Financials rarely do. Interestingly in comparison to Consumer Discretionary, only 4.6% of Consumer Staples companies are identified to map beyond Tier 1 (10 of 217 companies).

Percentage of sectors that map beyond Tier 1:



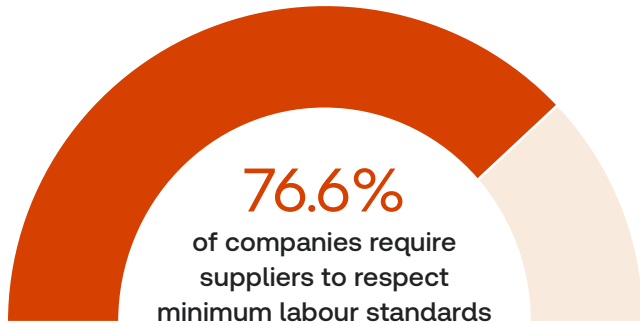
These gaps highlight clear sector variation in mapping depth

Notably, Consumer Staples and Energy display particularly limited supply-chain visibility, despite the fact that their underlying value chains — agri-food for Consumer Staples and extractives for Energy — are associated with well-established human-rights and labour risks,^{42 43} suggesting a disconnect between risks exposure and the depth of supply chain visibility.

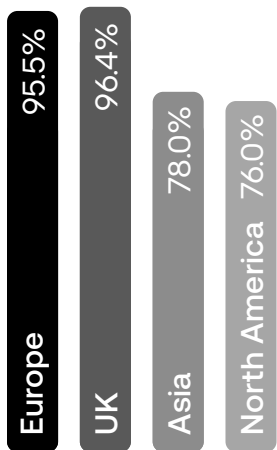
Regionally, the UK (12.8%) and Europe (7.7%) again lead, potentially as companies in these regions often operate as ‘buyers’, outsourcing products from supply chains in other regions — necessitating greater awareness of value-chain risks. Third-party mapping tools are used by 49.8% of companies with mapping activities (971 of 1,949), highest in the UK (62.2%) and Europe (59.1%), lowest in Asia (37.5%).

Mapping and monitoring reinforce each other ($r = 0.513$), but mapping activity and public disclosure of results are essentially uncorrelated ($r = 0.001$). Companies may be mapping for internal purposes without sharing the results, limiting the transparency for external stakeholders.

Supplier codes of conduct: widespread in principle, limited in specificity



76.6% of companies (2,277 of 2,972) require suppliers to respect minimum labour standards, reaching 83.2% among respondents (n = 2,736).



Europe and the UK report near-universal adoption, while North America and Asia are lower but still above three-quarters.

Across sectors, Industrials (83.0%) and Consumer Discretionary (82.8%) lead, while Energy (67.6%) and Communication Services (66.7%) lag.

The substance, however, is more revealing

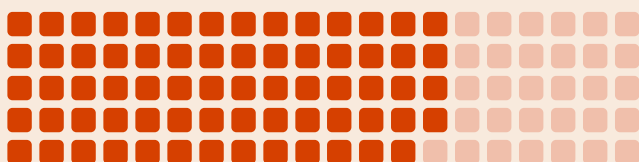


Living wage requirements are almost entirely absent. One explanation of this could be that unlike other elements such as forced labour and child labour prohibitions that carry clear legal and reputational consequences, living wage commitments lack a single enforceable legal standard and require geography-specific benchmarking that varies across supplier locations — making them structurally harder to embed in codes of conduct. For investors, the absence signals a gap between the ambition of responsible sourcing and the willingness of companies to embed cost-bearing commitments in their supply-chain relationships.

Most supplier codes function as baseline compliance instruments rather than tools for raising working conditions above minimum legal thresholds.

It is worth noting that most companies (2,042 of 2,972) extend their sourcing policies to third party labour providers (agency workers, logistics providers, cleaning staff, and security contractors).

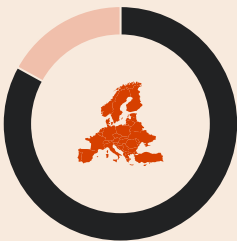
68.7% of companies extend their sourcing policies to third party labour providers



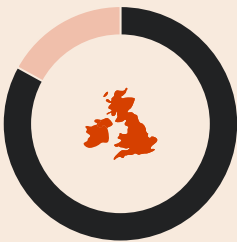
This gap matters: third-party labour providers are often the vector through which the most serious abuses enter supply chains.



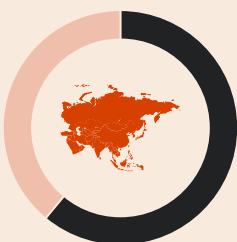
Latin America – 84%



Europe – 83.6%



UK – 83.2%



Asia – 61.1%



North America – 60%

Regionally, companies in Latin America, Europe, and the UK lead, while North America and Asia lag.

One explanation may be the degree to which third-party labour is treated as a distinct risk category rather than absorbed into broader supply chain policies. In Europe — where agency work is regulated under dedicated frameworks such as the EU Temporary Agency Work Directive — and in parts of Latin America, including Mexico, where subcontracting has been significantly restricted and reclassified as an employment relationship, companies may be more accustomed to formalising oversight of labour providers.^{44 45 46}

In North America, outsourced labour often sits within fissured workplace structures in which lead firms retain control over standards and outcomes while employment is fragmented across contractors, staffing agencies and other intermediaries, making accountability for worker protections harder to see and measure.⁴⁷

Whereas in parts of Asia, outsourced labour is often managed through labour contractors, private employment agencies and subcontracting chains, where legal coverage and enforcement are uneven; as a result, third-party workers may sit in a governance blind spot, formally linked to the supply chain but not consistently captured by sourcing policies that focus more on suppliers and service delivery than on labour intermediaries and worker protections.⁴⁸

For investors, extending sourcing policies to all categories of contingent and third-party workers is a fundamental responsibility of investment stewardship, regardless of whether these workers are deemed financially material in the short term. The absence of coverage creates blind spots and undermines the credibility of broader human rights commitments.

Most companies disclose multiple monitoring methods, but worker voice remains marginal

Of those that disclose a method, most companies describe multiple methods of monitoring or auditing supplier performance (33.0% of all companies/981 of 2,972 companies). 32.1% companies do not provide a response (955 of 2,972).

Critically, worker interviews are used by just 14.1% of companies (418 of 2,972). Audits capture compliance at a point in time and can identify missing fire exits or absent documentation. They are far less effective at detecting deliberately concealed violations: forced labour, coerced overtime, wage manipulation, or intimidation of workers who attempt to organise.

Most supply-chain monitoring remains management-facing rather than worker-centric, capturing the employer's version of compliance rather than the worker's experience of it.

Given this, it is not surprising that risk identification drives monitoring more effectively than the mere existence of a supplier code. There is a negligible correlation between requiring minimum standards and monitoring compliance ($r = -0.067$), but a relatively stronger link between identifying value-chain risks and monitoring suppliers ($r = 0.264$).

33.0%

describe multiple methods of monitoring or auditing supplier performance

32.1%

do not provide a response

14.1%

describe other methods

10.9%

describe only self-assessment methods

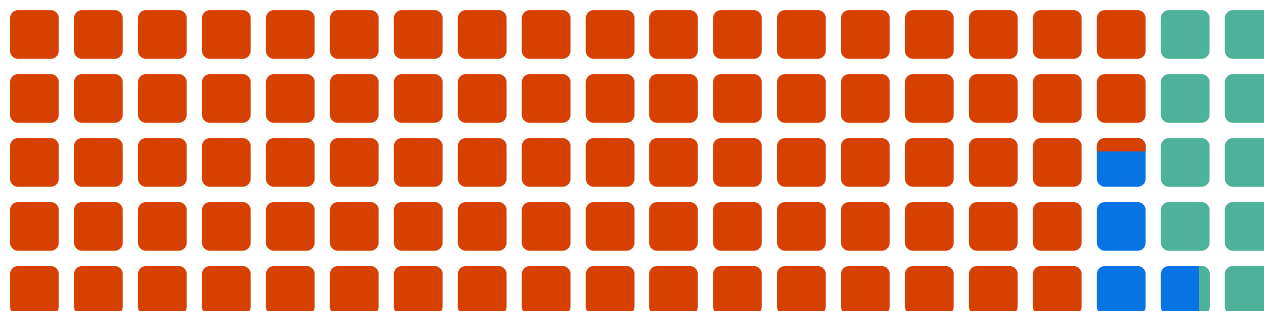
3.8%

describe only third-party certification



Low forced-labour detection rates signal weak methods, not absence of the problem

Against this backdrop, only 3.5% of companies (103 of 2,972) report identifying forced labour in their value chains. Prison labour is identified by just 0.9% (26 companies).



- **87.3%** report not identifying forced labour in their value chains.
- **3.5%** report identifying forced labour in their value chains.
- **9.2%** provide no response.

The International Labour Organization estimates that 27.6 million people were in forced labour on any given day in 2021 worldwide.⁴⁹ The 3.5% rate therefore reflects the limitations of detection methods, not the actual scale of the problem.

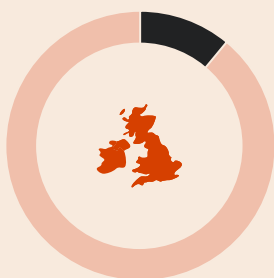
Consumer Staples	14.3%	██████████
Consumer Discretionary	11.3%	██████████
Financials	0.5%	██████████
Real Estate	0%	██████████

The size gradient here is steep

11.0% of companies above \$50 billion (33 of 299) identify forced labour, compared with 0.8% below \$2 billion (4 of 532).

The concentration of detection of forced labour in Consumer Staples and Consumer Discretionary likely reflects both their higher risk profiles, given exposure to agricultural and manufacturing supply chains, and their more developed monitoring infrastructure. These sectors have been subject to sustained public and regulatory scrutiny on forced labour, which has encouraged greater investment in supply-chain due diligence, traceability, and detection capabilities.⁵⁰

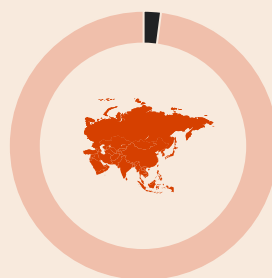
This steep size gradient reinforces the finding that low detection rates reflect the limitations of detection methods rather than the absence of the problem. Larger companies, with more developed monitoring infrastructure and greater resources for supply-chain auditing, have a greater detection ability. The near-zero detection rate among smaller companies should not be read as evidence that forced labour is absent from their supply chains, but rather that they lack the tools to identify it.



UK – 11.2%



Australasia – 8.3%

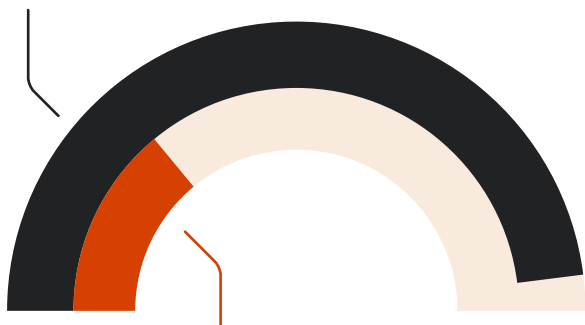


Asia – 1.6%

Regionally, the UK reports 11.2% (12 of 107 respondents) and Australasia 8.3% (seven of 84) — both jurisdictions with Modern Slavery Acts. Asia, by contrast, reports just 1.6% (18 of 1,158 respondents), despite the Asia-Pacific region hosting the largest estimated number of people in forced labour globally.⁵¹

This disconnect underscores that low detection rates should not be interpreted as evidence that forced labour is absent; rather, they point to gaps in monitoring capacity and the inherent difficulty of detecting deliberately concealed practices.

95% of companies where forced labour is identified report remediation plans.



28.6% assess the effectiveness of their improvement measures.

Where forced labour is identified, approximately 95% of the 103 companies report remediation plans. But fewer than a third assess the effectiveness of their improvement measures.

The feedback loop is largely absent: most companies that identify forced labour and initiate remediation do not subsequently assess whether their interventions have been effective, leaving stakeholders unable to determine whether the remediation was meaningful or procedural.



REUTERS/Gary Hershorn

Regulatory alignment remains a minority practice, concentrated in Europe

Only 16.1% of companies (477 of 2,972) reference regulation in HRDD disclosures.

Regionally:

Europe dominates with:

- **30.0%** of general HRDD references (143 of 477)
- **48.9%** of supply chain mapping references (85 of 174)
- **50.6%** of audit references (80 of 158).

Australasia is also notable at 49.5% (46 of 93)

Of the regulations cited:

- the Modern Slavery Act is most frequent (**2.8%**/84 companies);
- followed by Germany's LkSG⁵² (**1.4%**/41 companies);
- then France's Duty of Vigilance⁵³ (**1.1%**/34 companies).
- Strikingly, just nine companies (**0.3%**) publicly reference the CSDDD.

As with supply-chain governance, regulatory referencing depends more on jurisdiction than size:

- Among companies above \$50 billion, 14.4% (43 of 299) reference regulation;
- among those below \$2 billion, 18.0% (96 of 532).

Where a company operates matters more than how large it is.

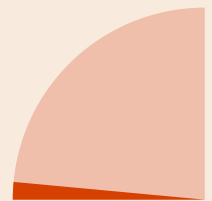
16.1%

reference regulation in HRDD disclosures



5.9%

reference supply chain mapping



5.3%

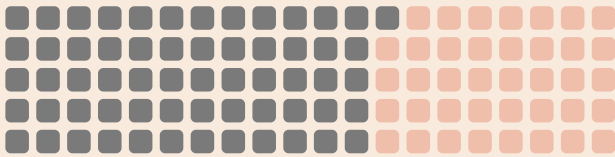
reference undertaking audits



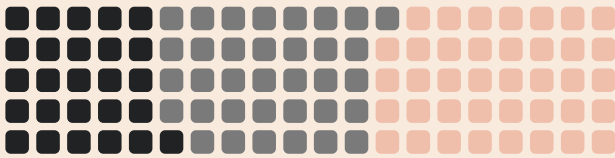
Capacity building: mostly one-way communication, rarely performance-linked

61.1% of companies (1,816 of 2,972) report using multiple capacity-building activities (training, standards and guidance, and/or another form of activity) to incentivise supplied progress, but only 25.1% (747 of 2,972) report using KPIs or performance incentives in supplier engagement.

61.1% report capacity-building activities



25.1% report using KPIs or performance incentives in supplier engagement



- 13.0% report using both KPIs and performance incentives
- 3.5% report using KPIs only
- 8.7% report using incentives only

Among the 327 companies classified by KPI type, audit and rating KPIs lead, followed by coverage and participation KPIs (71 companies) and corrective action KPIs (48 companies). Incentives split between commercial penalties (220 companies) and rewards (292 companies).

Europe again dominates, accounting for 26.2% of KPI users (101 of 386) and 56.3% of incentive users (58 of 103), far exceeding its 22.7% share of the sample.

Most supplier engagement remains one-way communication; companies telling suppliers what standards to meet. Performance-linked mechanisms that make compliance consequential remain the exception.

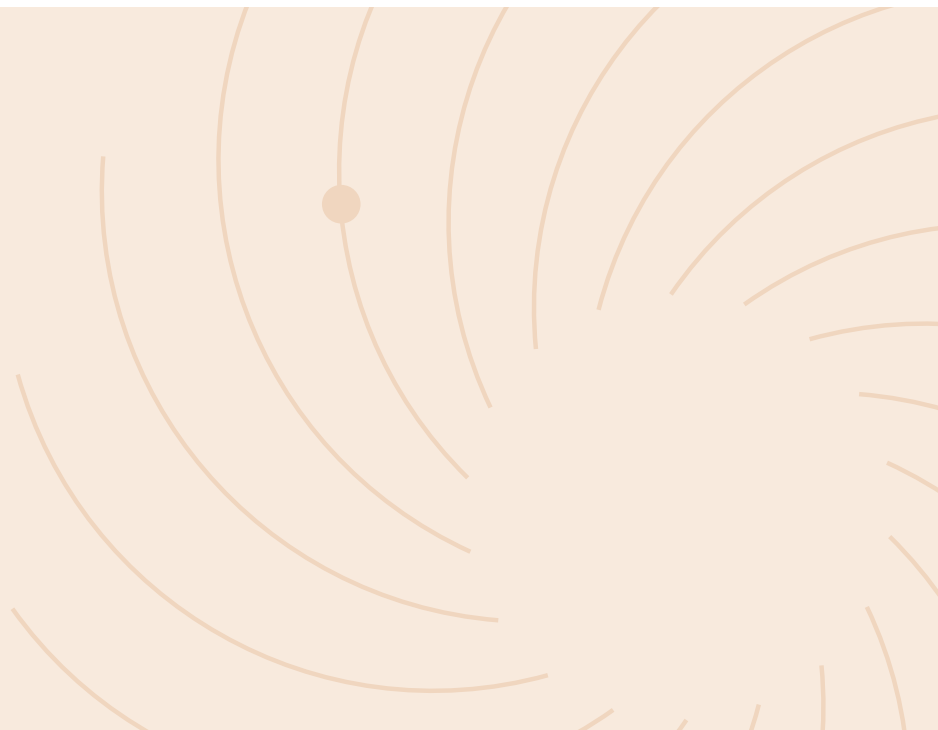


The correlation between day-to-day management and supply-chain practices reveals a governance dividend

Positively, companies with stronger internal governance are more likely to extend it into supply chains. Day-to-day management correlates positively with monitoring ($r = 0.327$) and mapping ($r = 0.254$). But there is a negative relationship with static compliance measures: supplier assessments ($r = -0.173$) and minimum standards ($r = -0.206$). Companies with more mature governance appear to move beyond baseline compliance towards more active, operational oversight.

This negative relationship with static compliance could suggest that as governance matures, companies shift from relying on minimum-standard requirements and supplier assessments towards more proactive forms of engagement. For investors, this could imply that the presence of a supplier code alone may be a less reliable indicator of governance quality than evidence of active monitoring and operational oversight.

The next frontier is not more policies but better feedback loops - deeper mapping, worker-voice mechanisms, and accountability structures that make supply-chain compliance consequential rather than aspirational.





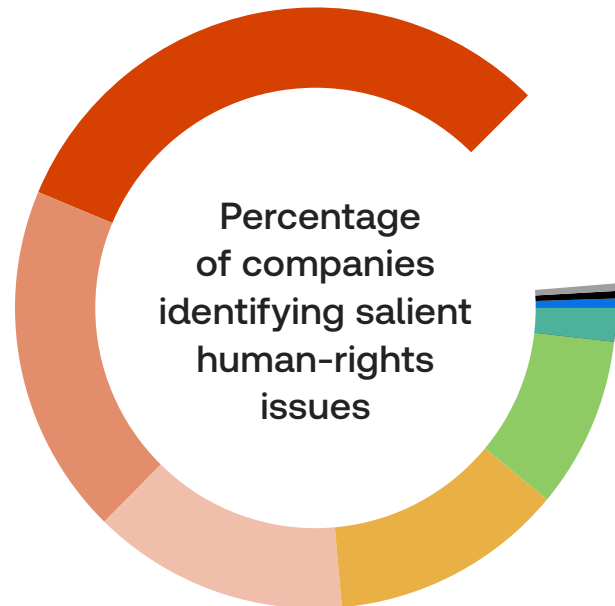
● FINDING 5

Health and safety is the most identified human rights issue, but worker consultation and follow-up actions decline beyond this

The identification of salient human rights issues sits at the heart of credible human rights due diligence. Under the UN Guiding Principles on Business and Human Rights, companies are expected not merely to catalogue generic risks, but to identify those issues that are most severe for the people affected and then to demonstrate that they have consulted stakeholders, taken meaningful action, and tracked the effectiveness of their response.

Saliency, in this context, is explicitly a human-centred concept: it asks which rights are most at risk of the most serious harm through a company's operations, supply chains, or business relationships, rather than which risks pose the greatest financial or reputational exposure to the business itself. This distinction matters in practice. A company that prioritises issues by business impact alone may satisfy a narrow reading of disclosure requirements while overlooking severe harms experienced by workers or communities with little ability to raise concerns. Robust salience analysis therefore requires genuine stakeholder engagement, including with groups who may be hardest to reach, and the results should visibly inform both the company's priorities and its reporting, rather than sitting as a separate internal exercise disconnected from what is disclosed publicly.

Health and safety dominates — but is measurability driving salience?



Health, safety and well-being was identified as a salient human-rights issue by 31.2% of companies, the single largest category by a wide margin. At the other end of the distribution, several categories are rarely identified. The near absence of just transition as a salient issue is striking given the scale of workforce disruption expected from both climate change and artificial intelligence.

As industries decarbonise and automation reshapes job markets, the failure to identify just transition as a human-rights issue suggests that most companies have not yet connected their climate and technology strategies to their workforce governance. For investors, this represents a forward-looking risk that current frameworks are not capturing.

Health and safety is not only the most immediately visible workforce risk, it is also the most measurable and widely regulated, with frameworks such as the United States' Occupational Safety and Health Act (OSHA)⁵⁴, which requires employers to provide workplaces free from recognised hazards and sets standards across general industry, construction, maritime, agriculture, and hazardous chemicals, and Australia's Work Health and Safety Act 2011⁵⁵ and associated codes of practice. Companies in almost every jurisdiction already track injury rates, fatalities, and lost-time incidents, and the

data infrastructure to quantify and report on health and safety exists in most firms.

By contrast, issues such as freedom of association, living wages, or the impacts of sourcing practices on communities are harder to measure, lack established evidence of direct financial materiality to companies, and are more politically sensitive to disclose, potentially leading to low tracking/disclosure rates.

This is not to suggest that health and safety is not important. For workers in extractive industries, manufacturing, construction, and logistics, health and safety risks are among the most immediate threats to their lives. But the near-absence of categories such as just transition, governance, and sourcing practices raises questions about whether companies are engaging with the full spectrum of human-rights risks or defaulting to the issues for which disclosure frameworks already provide a clear template.

Sector and regional patterns reflect structural risk, and regulatory pressure

Sectoral patterns

Consumer Staples has the highest concentration of companies that identify modern slavery and child labour as a salient human-rights issue, at 22.7% (63 of 277 total times), consistent with its exposure to agricultural and commodity supply chains.

Financials identifies diversity and inclusion most frequently of all, at 19.4% (41 of 211 times), reflecting persistent gender-equity challenges in the financial sector, particularly the impact of bonus structures — where high variable pay is concentrated in senior, male-dominated roles — and the continued underrepresentation of women at board and executive levels, with multiple analyses showing that a pronounced glass-ceiling effect remains in place.^{56 57}

Labour rights appears disproportionately in sectors with large workforces exposed to collective-bargaining, working-hours, and contract-status risks: Industrials (146 times), Information Technology (137 times), and Materials (158 times).

Regional patterns

Regionally, companies in Asia account for 36.6% of times modern slavery and child labour is identified, consistent with the concentration of global manufacturing supply chains.

Europe and the United Kingdom together contribute a significant share, reflecting the maturity of modern-slavery disclosure regimes — most notably the UK Modern Slavery Act and the emerging EU Corporate Sustainability Due Diligence Directive.

North America's relatively higher share of diversity and inclusion tags may reflect a greater tendency among North American companies to frame social issues through internal workforce policies and organisational culture.

Salient-issue identification is shaped as much by regulatory and market context as by intrinsic risk. The absence of an issue identified should not be read as the absence of a risk, it may instead reflect the absence of a disclosure framework or institutional signal strong enough to compel identification.

Consultation gaps: identifying risk without engaging those affected

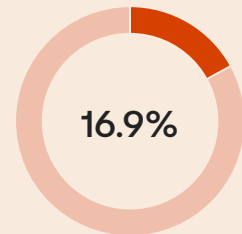
A key test of HRDD quality is whether companies consult the people affected by the issues they identify. Under the UNGPs, consultation with affected stakeholders is integral to the process, not an optional add-on. Without it, companies risk identifying issues from a corporate perspective rather than from the perspective of workers whose rights are at stake and designing interventions that address corporate risk rather than worker harm.

For the issue that companies identify as their primary salient issue, workers are the most commonly consulted group, with a further 8.5% (253 companies) consulting multiple stakeholder categories. It is therefore concerning that 7.8% (233 companies) provide no answer on consultation, and a further 8.1% (240) provide insufficient information. Taken together, these categories account for approximately 16% of the sample, meaning that for roughly one in six companies, there is no evidence of consulting anyone about the salient issue they identified.

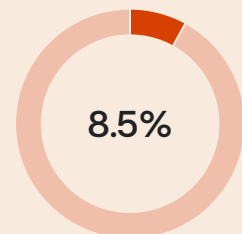
Companies that do not consult workers may overlook the issues workers see as most important.

Critically, consultation is the mechanism through which companies test whether their understanding of a salient issue aligns with the lived experience of affected workers. It is also a precondition for effective remedy: without engaging affected stakeholders, a company is unlikely to design remedial actions that address root causes rather than symptoms.

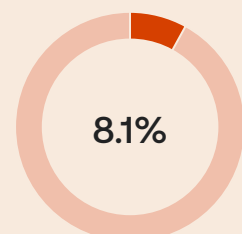
This concern is reinforced by the correlation data. There is only a weak positive correlation ($r = 0.144$) between identifying salient issues and consulting workers. Identification and consultation are functioning as separate, loosely connected activities rather than as integrated steps in a coherent due diligence process.



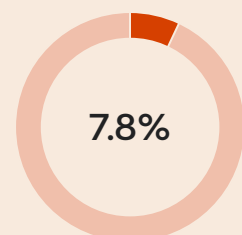
Consult workers



Consult multiple stakeholder categories



Provide insufficient information



Provide no answer on consultation

Disclosure degrades beyond the primary issue — evidence of compliance storytelling

Companies can identify up to three salient issues, and disclosure quality degrades consistently across them. For follow-up actions, the “no answer” rate rises from 13.0% for Issue 1, to 14.9% for Issue 2, and 16.6% for Issue 3.

Issue 1: 386 companies

Issue 2: 443 companies

Issue 2: 493 companies

That 3.6% rise represents approximately 107 additional companies providing no information on their second or third salient issue compared with their first.

This pattern is consistent with what might be termed compliance storytelling. Companies invest effort in disclosing the primary salient issue, the one most likely to be scrutinised by investors, regulators, and civil society, but treat subsequent issues as lower-priority disclosures where the reputational cost of incomplete reporting is lower.

Where a company identifies three salient human-rights issues but provides meaningful disclosure only on the first, the second and third function less as evidence of comprehensive due diligence and more as signals of compliance.

For investors assessing HRDD quality, the depth and consistency of disclosure across all identified issues may be a more informative indicator of genuine commitment than the mere fact of having identified multiple issues.



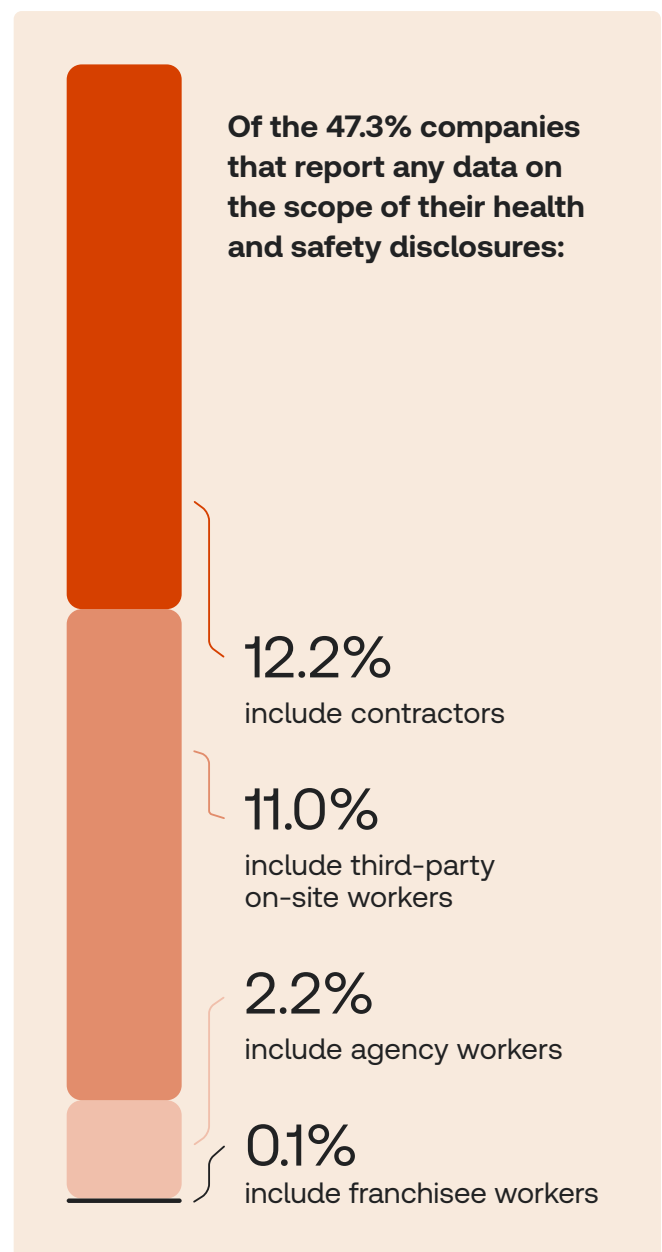
Health and safety identification: Scope of coverage for non-employee workers

A significant proportion of the workforce in many sectors consists of non-employee workers (contractors, agency staff, third-party on-site workers, and franchisee employees) who are often excluded from the protections available to permanent employees. For companies identifying health and safety as their primary salient issue, a key test of credibility is whether their protections extend to these categories.

The gap between contractor and third-party inclusion (approximately 11-12%) and agency and franchisee inclusion (approximately 0.1-2.2%) is stark. Physical on-site presence appears to be the primary driver of health and safety scope extension: companies are most likely to cover non-employees who are physically present in their workplaces, and far less likely to extend protections to agency staff and franchisee workers who are part of their operations but not co-located.

The workers most exposed to health and safety — those in precarious employment, with less bargaining power, and fewer formal protections — are often the least likely to be covered.

Against this backdrop, the gap between identification and coverage scope represents a material weakness in the due diligence chain. It suggests that companies are identifying risk at a headline level but not following through with the operational scope needed to address it comprehensively. Until health and safety protections extend meaningfully to all categories of workers within a company's operations, the identification of health and safety as a salient issue will remain narrower in practice than it appears on paper.





FINDING 6

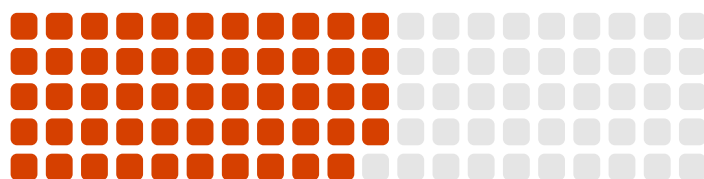
Remedy is the central credibility test: while over half of companies express a commitment to provide remedy, concrete evidence of remedy actions remains scarce, especially beyond direct operations

Remedy is where governance commitment meets its sternest test. A company can publish a human rights policy, conduct due diligence, and establish a grievance mechanism, but unless it can demonstrate that it has remedied harm when it occurs, the entire architecture of responsible business conduct rests on an untested foundation. Under the UN Guiding Principles on Business and Human Rights, the obligation to provide remedy is not discretionary: where a company has caused or contributed to an adverse impact, it should provide for or cooperate in the remediation of that impact through legitimate processes.

This finding maps the gap between remedy as a stated intention and remedy as an observable corporate practice.

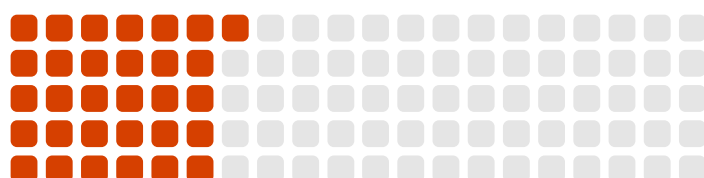
The commitment-to-practice gap: remedy in principle versus remedy in fact

More than half of companies commit to remedy in principle, but only a third can point to evidence of remedy in practice.



54.1%

report a public commitment to provide or cooperate in remedying adverse human rights impacts.



31.4%

provide any categorisable information on the type of remedy delivered through their direct operations.

On its face, a working majority of the corporate universe has accepted the remedial obligations set out in the UNGPs. But when the lens shifts from commitment to practice, the picture changes fundamentally.

Of these, 7.0% are identified to disclose no grievances raised, and a further 6.3% give no substantive response. The rate if substantive, detailed disclosure on actual remedy type is therefore lower than the 31.4% headline suggests.

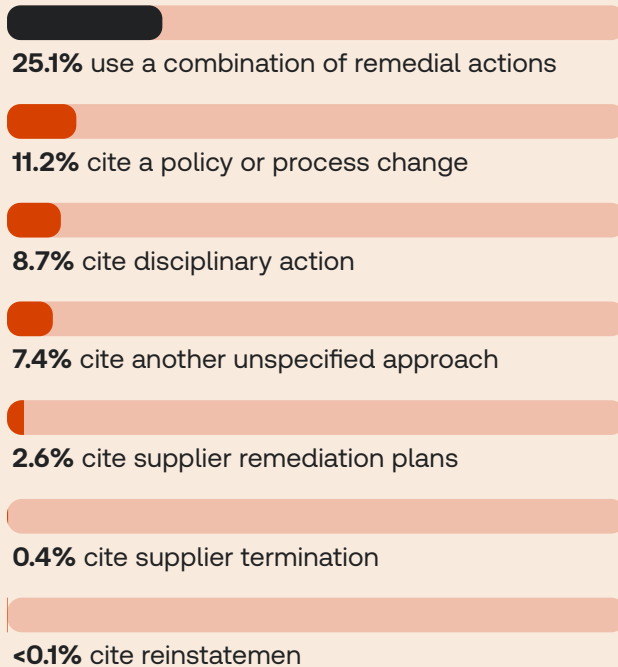
A remedy commitment unaccompanied by evidence of remedy in practice is, at best, an aspiration —at worst, a governance claim that cannot be verified.

For investors, the question is not whether a company has a remedy commitment, but whether it can demonstrate what it has done when harm has occurred.



Where remedy is disclosed, process remedies dominate over restorative ones

Of the companies that do disclose remedy:



Among companies that do disclose remedy type, a clear hierarchy emerges, and it raises important questions about whose interests remedy is serving. The most common response is a combination of approaches (a policy or process change, disciplinary action, and/or other actions), indicating more than one type of remedial action. For companies with one identified approach, most disclose a policy or process change of any one approach, followed by disciplinary action and another unspecified approach.

These are fundamentally process remedies: revised policies, amended procedures, sanctions against individuals. They address the conditions that allowed harm to occur and may reduce recurrence, but they do not, in themselves, restore the position of the worker who was harmed.

Restorative remedies are rare. Financial compensation is cited by just 1.9%, followed by supplier remediation plans and supplier termination. Reinstatement, the most direct form of remedy for workers unfairly dismissed, is cited by one company across the entire sample (less than 0.1%).

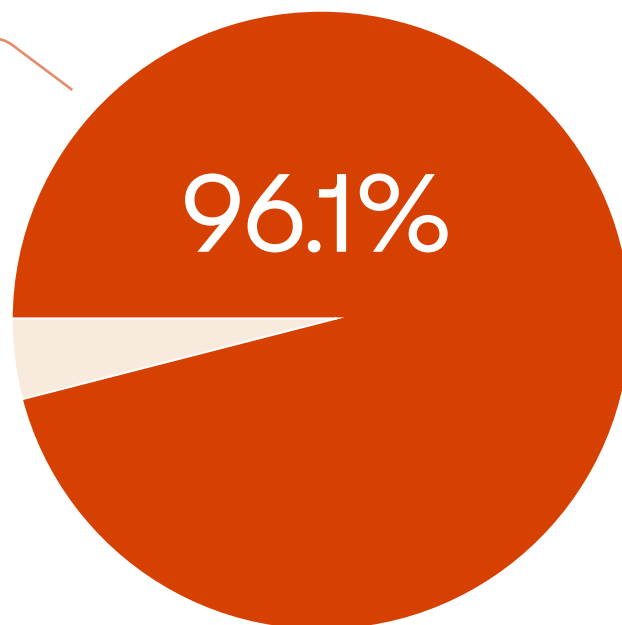
Process remedies protect the company. Restorative remedies help the worker. The overwhelming dominance of the former over the latter suggests that remedy, as currently practised, is oriented toward corporate risk management rather than the restoration of rights.

In other words, the primary beneficiary of most disclosed remedy actions is the company itself, through reduced institutional risk and strengthened compliance, rather than the individual worker whose rights were affected. The type of remedy matters as much as the fact of remedy.



Value-chain remedy is almost entirely absent

96.1% of companies provide no evidence on the type of remedy provided in their value chains



If direct-operations remedy disclosure is thin, value-chain remedy disclosure is, non-existent.

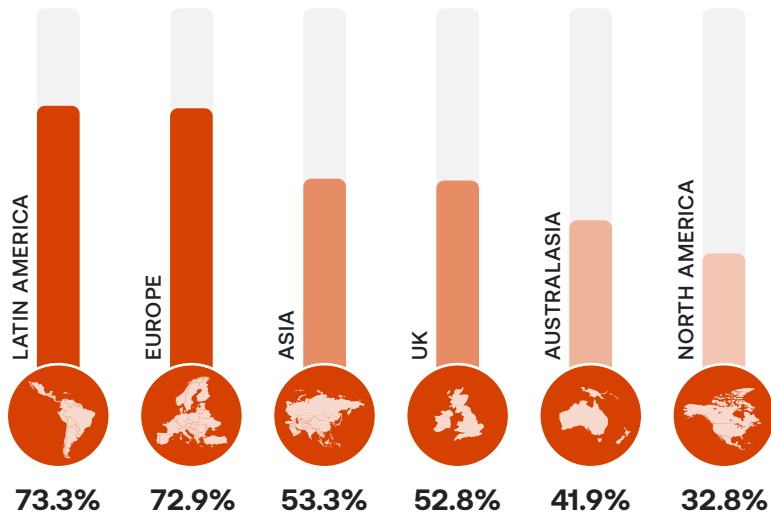
The workers most exposed to human rights risks, those in lower tiers of global supply chains, are the least likely to have access to remedy when harm occurs.

Even companies with sophisticated direct-operations governance have almost no infrastructure for remedying harms in their supply chains. The consistency with the grievance data reinforces this concern: only 217 companies report non-zero value-chain grievances, and value-chain grievance reporting is dominated by zero counts (82.2% of those providing a numeric figure).

Against this backdrop, investor expectations and customer-driven supply chain requirements mean that value-chain remedy infrastructure is increasingly a condition of market access, irrespective of regulatory threshold. Companies that cannot demonstrate even basic value-chain remedy infrastructure today face material compliance and reputational risks as these obligations take effect.



Regional patterns: Europe leads, North America trails significantly



The regional distribution of remedy commitments follows a pattern now familiar across WDI governance indicators, but the scale of the gaps on remedy is among the widest observed.

Latin America leads fractionally (110 of 150 companies) and North America trails (197 of 600).

Europe's lead reflects the business environment that legislative momentum creates. The EU's due diligence frameworks — CSRD and CSDDD — have established HRDD as a standard expectation for companies operating in or supplying into European markets, shaping how human rights programmes are structured and whether remedy is treated as integral or peripheral. European companies report HRDD at 89.3%, the highest rate in the dataset, and their remedy commitment rate of 72.9%. That this holds even as the CSDDD has faced revision and implementation delays suggests the regulatory environment has durably shifted expectations beyond what a piece of legislation requires.

North America's 32.8% commitment rate is striking in context. North American companies also report lower HRDD rates (56.7%) and lower grievance data disclosure (only 13.0% provide numeric grievance counts for direct operations). The consistency across remedy commitment, HRDD, and grievance disclosure points to a structural pattern, potentially reflecting the comparatively lower financial materiality typically attached to human rights risks and the limited availability of quantitative indicators for measuring human rights performance.⁵⁸

On the practice side, the gap widens further. North America's meaningful remedy example rate stands at just 9.7% of companies. This suggests that, in North American reporting, remedy commitments often remain aspirational, expressed as policy positions rather than backed by the operational substance required for meaningful implementation.

A paradox: more grievances do not mean more remedy evidence

Intuitively, companies with higher grievance volumes should be more likely to provide evidence of remedy — more grievances should generate more occasions for remedial action.

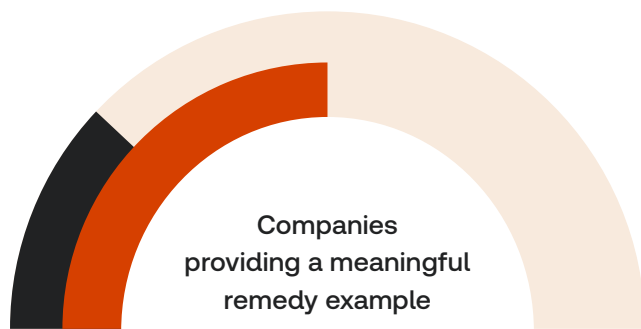
- The data points in the opposite direction: a weak negative correlation ($r = -0.233$) between the number of grievances reported and the provision of a specific remedy example.
- A similar pattern holds for discrimination and harassment incidents, which show a weak negative correlation with remedy examples ($r = -0.206$).

Several explanations are plausible. Companies with high grievance volumes may address remedy through operational processes not captured in structured disclosure. Alternatively, high volumes may overwhelm remedy capacity, making it harder to resolve each case and document the outcome. Most concerning, high-grievance companies may be systematically under-reporting remedy because remedial actions are incomplete or because disclosure would draw attention to unresolved complaints.

Grievance volume alone is not a reliable proxy for remedy performance. Companies reporting large numbers of grievances may warrant closer scrutiny on whether those grievances are being resolved.



Self-disclosure reveals more, but also exposes the data gap



■ **52.8%** of self-disclosed companies

■ **23.6%** of companies from public disclosure



■ **50.4%** of self-disclosed companies

■ **5.9%** of companies from public disclosure

The distinction between companies that actively responded to the WDI survey (“self-disclosed”) and those whose data was assembled from public sources provides a revealing window into remedy evidence. Among the 142 self-disclosed companies, 75 (52.8%) provide a meaningful remedy example. Of the 2,830 companies whose data was publicly sourced, only 669 (23.6%) do so - a gap of approximately 30 percentage points.

This divergence is the largest self-disclosed versus publicly sourced data gap observed in the remedy theme. Remedy commitments are readily captured from public sources — annual reports, sustainability reports, and human rights policies routinely state whether a company commits to remedy. Remedy examples, by contrast, require the kind of concrete, case-specific detail that is far more likely to surface through structured survey responses. Remedy examples and evidence of remediation in practice, by contrast, are less likely to appear

in public disclosures. Companies may view case-specific remedy details as sensitive or commercially confidential, whereas voluntary, structured disclosure channels can help to fill this gap, providing investors with information that public reporting alone does not capture.

Critically, this means the overall remedy example rate of 25.0% (744 of 2,972 companies) likely understates the true incidence of remedy practice. But it also reveals something more sobering: among companies that do provide remedy, most are not disclosing the details publicly. Remedy practice is not yet treated as a core element of public accountability.

A similar self-disclosure effect is visible across the grievance mechanism theme. Self-disclosed companies assess grievance mechanism effectiveness against the UNGPs at far higher rates, confirming that voluntary disclosure captures a qualitatively richer picture of governance practice.



● FINDING 7

There is limited disclosure on contingent workers and turnover rates, implying overlooked outcome indicators

Every company relies on people who do not appear on its payroll. Contractors maintain infrastructure, agency workers staff production lines, and outsourced teams deliver services that are indistinguishable from those provided by permanent employees. For investors seeking to understand workforce risk, these workers matter: they are exposed to the same operational hazards, contribute to the same productivity outcomes, and carry the same reputational implications as directly employed staff.

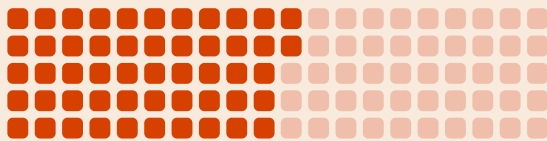
This finding maps the disclosure gap between the workforce that companies present to investors and the workforce that actually operates the business.

The workforce most investors can't see: contingent labour disclosure is thin

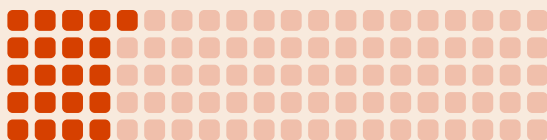
Nearly half of companies leave investors unable to determine the basic employment composition of the workforce. For almost four in five, the contingent labour force is entirely opaque.

Of the 2,973 companies in the dataset, only 52.5% (1,562) report any breakdown of their workforce into permanent and fixed-term categories. Non-employee data is far thinner.

52.5% of companies report any breakdown of their workforce into permanent and fixed-term categories.



21.4% report any information on contingent workers.



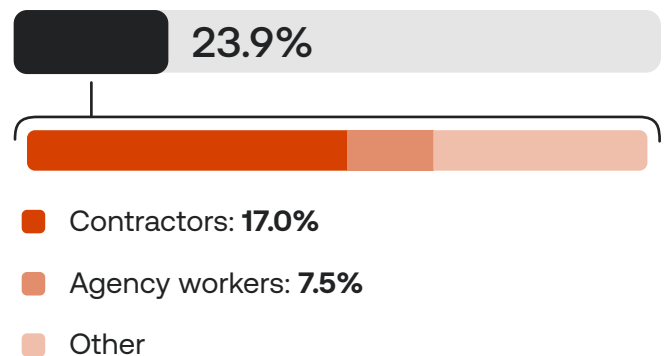
Where companies do report, permanent employment dominates the direct workforce

Among the 1,562 companies disclosing the split, the mean share of indefinite or permanent employees is 89.6% (median 95.7%). Fixed-term workers average 9.0% (median 4.1%), with the interquartile range running from 1.2% to 9.7%. While most companies cluster near single-digit temporary shares, a substantial minority rely on temporary labour for a quarter or more of their workforce.

The non-direct employee⁵⁹ picture is more revealing

Among the 637 companies that disclose, the mean total non-direct employee share is 23.9% (median 11.1%), indicating roughly one in ten to one in four workers sit outside the direct employment relationship. Contractors are the largest non-direct employee category, averaging 17.0% (median 5.4%; 345 companies reporting), followed by agency workers at 7.5% (median 2.7%; 252 companies reporting). For companies that choose to disclose, contingent labour is a material component of their operating model.

Non-direct employee share:

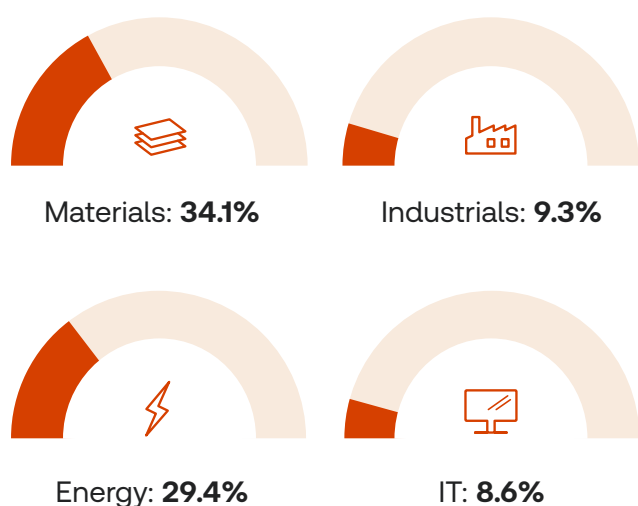


This means investors assessing workforce risk, from health and safety exposure to labour rights compliance to operational resilience, are working with an incomplete picture for the vast majority of companies. A firm reporting 50,000 employees may rely on 60,000 or 70,000 people to deliver its operations, with 10,000 to 20,000 invisible in its headline workforce data.

Extractive and asset-heavy sectors rely most on contractors

Contingent labour concentrates in sectors where project-based work, remote operations, and specialised technical skills drive the business model. In the Materials sector, mining and construction projects are typically time-bound and location-specific, requiring large temporary workforces that scale with project phases.^{60 61 62} Energy companies rely heavily on contractors for exploration, drilling, and infrastructure activities, while remote and offshore operations often depend on rotational workforces because these sites are isolated and subject to transport and accommodation constraints.^{63 64}

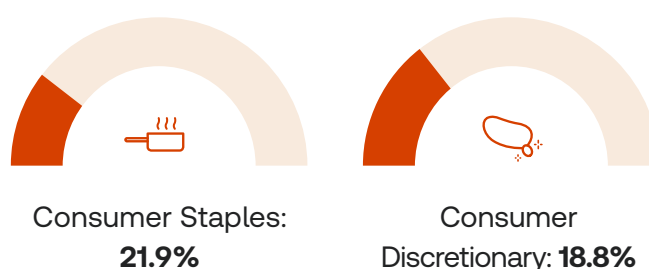
Contractor share by sector



Materials reports the highest mean contractor share at 34.1% (median 35.2%; 51 of 338 companies reporting), followed by Energy at 29.4% (median 21.8%; 46 of 278).

By contrast, Information Technology is relatively low at 8.6% (median 2.0%; 42 of 354) and Industrials at 9.3% (median 2.0%; 38 of 351), despite popular assumptions about gig-economy reliance in technology.

Agency workers share by sector



Agency workers show a different pattern, concentrated in consumer-facing and supply-chain-intensive sectors. Consumer Staples leads at 21.9% (median 9.0%; 18 of 217 companies), followed by Consumer Discretionary at 18.8% (median 9.7%; 20 of 212). These figures reflect staffing models built around retail, warehousing, and food production, where temporary labour provides flexibility against seasonal and demand-driven fluctuations.

The industries with the highest contingent labour shares are those where workforce protections are most critical — mining, energy, and consumer supply chains.

Regionally, the United Kingdom stands out on agency reliance specifically, with a mean of 20.9% (median 5.0%; 17 of 125 companies), consistent with the UK's large temporary staffing industry.

The finding that the sectors and regions most reliant on workers outside the direct employment relationship are also those where physical risks and labour exploitation are most acute should prompt investors to ask whether governance frameworks keep pace with operating models.

Asia's workforce is measurably less permanent

Regional patterns are equally marked

Asia reports a mean permanent share of 85.6% (median 94.7%; 620 of 1,273 companies), compared with Latin America at 95.7% (median 98.7%; 106 of 150) and North America at 94.6% (median 99.8%; 169 of 600). Europe sits at 91.4% permanent (median 94.3%; 548 of 676), with fixed-term employment averaging 6.9%, lower than Asia's 13.1%.

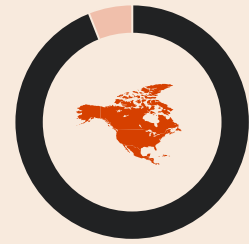
These differences reflect distinct labour market structures: many Asian jurisdictions have historically had more flexible contract arrangements and less restrictive termination protections, making fixed-term employment a structural feature rather than an exceptional practice.

For investors, Asia's high level of informal employment carries human rights implications. Workers in informal and less secure forms of employment are often more vulnerable, less likely to benefit from formal protections, and harder to reach through standard corporate oversight and due diligence systems⁶⁵.

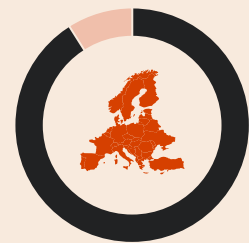
The higher proportion of non-permanent workers in the region signals greater exposure to workforce-related risks that may not be adequately captured by governance frameworks designed primarily around permanent employment.



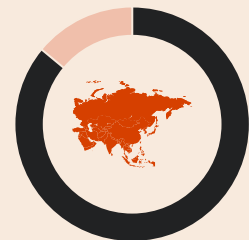
Latin America – 95.7%



North America – 94.6%



Europe – 91.4%

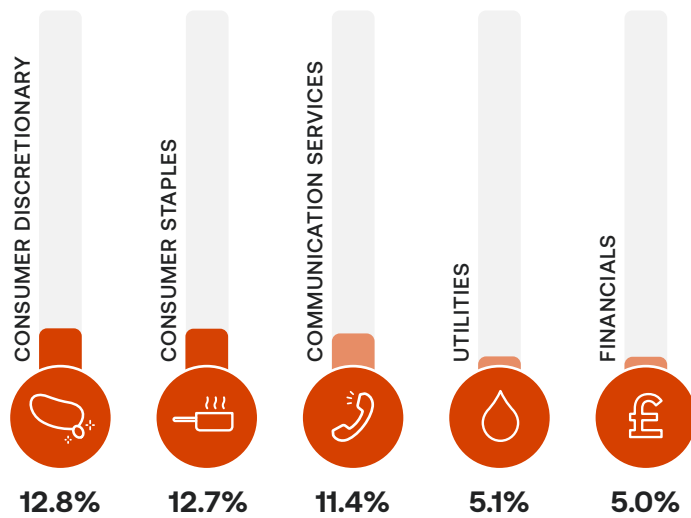


Asia – 85.6%



Fixed-term reliance in consumer-facing sectors

Fixed-term reliance varies markedly by sector



Consumer Discretionary reports the highest mean fixed-term share at 12.8% (median 8.0%; 112 of 212 companies), closely followed by Consumer Staples at 12.7% (median 6.4%; 119 of 217) and Communication Services at 11.4% (median 5.7%; 125 of 244). At the other end, Utilities reports just 5.1% (median 2.1%; 144 of 328) and Financials 5.0% (median 3.5%; 116 of 191).

By comparison, the size gradient is modest

Companies with a market capitalisation above \$50 billion average 93.3% permanent employees (median 96.4%; 123 of 299), compared with those below \$2 billion at 87.3% (median 95.2%; 314 of 532). The difference is more about disclosure than composition: larger firms are more likely to report data, but their workforce mix is not dramatically different once they do.



Turnover data: a minority metric with significant implications

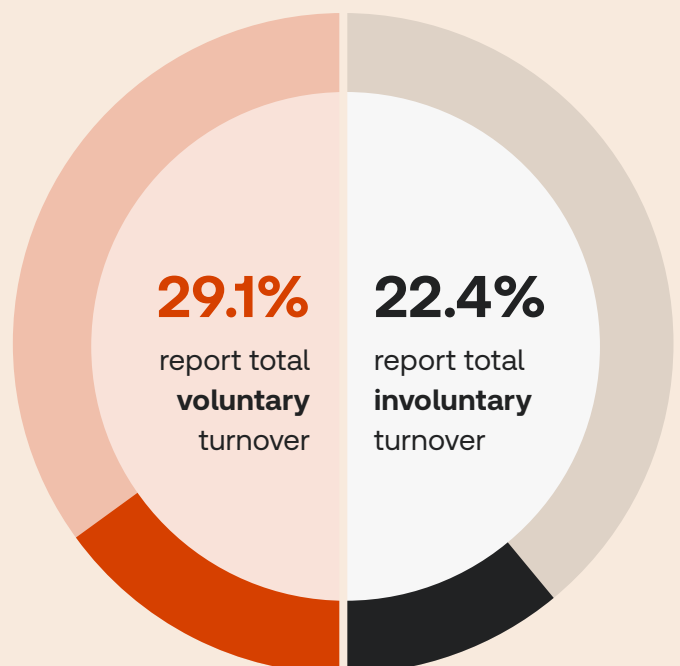
With fewer than three in ten companies reporting voluntary turnover, stability benchmarking across the market is effectively impossible.

Workforce turnover is one of the most decision-useful metrics available to investors, yet the WDI 2025 data shows disclosure is remarkably thin. Only 29.1% (866 of 2,972 companies) report voluntary total turnover. Among those that do, the mean is 9.3% and the median 6.9%.

The gender split is even: female and male voluntary turnover both average 10.6%, though the female median is slightly higher at 7.2% compared with the male median of 6.3%. The remaining 70.9% of companies either do not disclose or do not calculate voluntary turnover.

Involuntary turnover, reported by 22.4% (665 companies), runs at roughly half the voluntary rate: mean 4.9%, median 3.8%. This roughly 1:2 ratio of involuntary to voluntary turnover is broadly in line with developed-market norms, suggesting that where data exists, companies are not experiencing disproportionate restructuring relative to normal attrition.

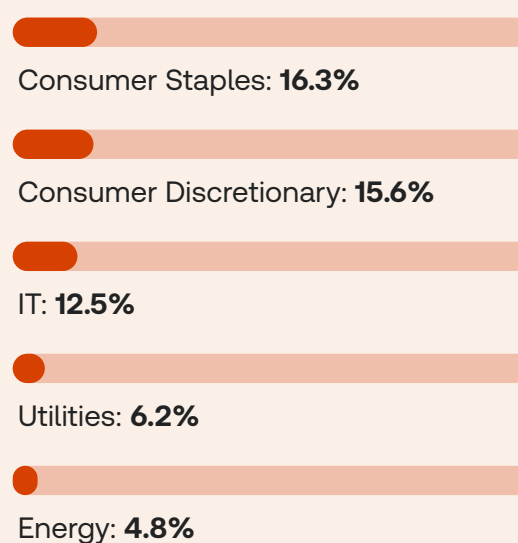
It is notable that companies are more likely to report voluntary turnover (29.1%) than involuntary turnover (22.4%). This suggests that companies are more comfortable disclosing attrition that reflects individual worker choices than turnover that may raise questions about restructuring, workforce management, or labour disputes. For investors, the relative opacity around involuntary turnover creates a blind spot: it is this category that may signal operational disruption, labour relations tensions, or governance weaknesses that affect workforce stability and long-term value.



Labour-intensive with high workforce flexibility churn fastest; capital-intensive sectors retain staff more readily

Sector patterns in voluntary turnover are pronounced. Consumer Staples leads with a mean of 16.3% (median 9.7%; 52 of 217 companies), followed by Consumer Discretionary at 15.6% (median 11.5%; 48 of 212) and Information Technology at 12.5% (median 7.8%; 110 of 354). At the other end, Energy reports just 4.8% (median 4.4%; 89 of 278) and Utilities 6.2% (median 4.0%; 99 of 328). The higher turnover in Consumer Staples and Consumer Discretionary could reflect the nature of their workforce, with large numbers of retail, warehouse, and production workers in roles with lower barriers to switching. For IT, tighter competition for specialised technical talent is a more plausible driver. Capital-intensive, regulated sectors such as Energy and Utilities retain staff more readily, potentially reflecting the specialised skills required, stronger union presence, and more structured career pathways.

Voluntary turnover by sector:



Regional variation follows a similar logic

The United Kingdom reports the highest mean voluntary turnover at 11.8% (median 8.9%; 56 of 125 companies), consistent with its flexible labour market and high service-sector weighting. Asia follows at 9.8% (median 6.8%; 358 of 1,273), Europe at 9.1% (median 7.0%; 192 of 676), and North America at 8.6% (median 6.4%; 161 of 600). Africa reports the lowest mean at 4.8% (median 4.3%; 17 of 48), though the small sample size limits the strength of this observation.

Smaller companies experience higher voluntary turnover, consistent with lower retention capacity

Companies below \$2 billion in market capitalisation report a mean of 10.7% (median 7.6%; 127 of 532), while those above \$50 billion report 7.7% (median 6.1%; 99 of 299). The gradient is modest but directionally clear, potentially reflecting compensation packages, career development infrastructure, and more comprehensive worker welfare programmes at larger firms.

Temporary workers face dramatically higher turnover

Perhaps the most significant turnover finding concerns the gap between permanent and temporary workers. Total turnover among permanent employees averages 12.5% (median 11.3%; 467 companies), but temporary-worker turnover is dramatically higher at a mean of 26.4% (median 9.0%), though reported by only 58 companies. The wide gap between mean and median signals extreme right-skew: a few companies churn through temporary workforces at very high rates, dragging the average well above the typical experience.

Contingent workers are both less protected and less stable, with limited visibility into either dimension.

This disparity matters on two fronts.

- High temporary-worker turnover imposes real costs, in recruitment, training, quality control, and operational continuity, that are rarely quantified in corporate reporting.
- It signals that contingent workers experience fundamentally different employment conditions: shorter tenures, less investment, and weaker attachment to the employer.

Total turnover among temporary employees:

26.4%

Total turnover among permanent employees:

12.5%

Where companies describe turnover trends, decreases outnumber increases by roughly 1.6 to 1. Of the 1,470 companies data to inform trends, 35.9% (527) indicate a significant decrease, while 22.0% (323) indicate a significant increase. However, half the sample (1,502 of 2,972 companies) provides no information to inform turnover trend at all, limiting the reliability of any market-wide conclusions about directional movement.



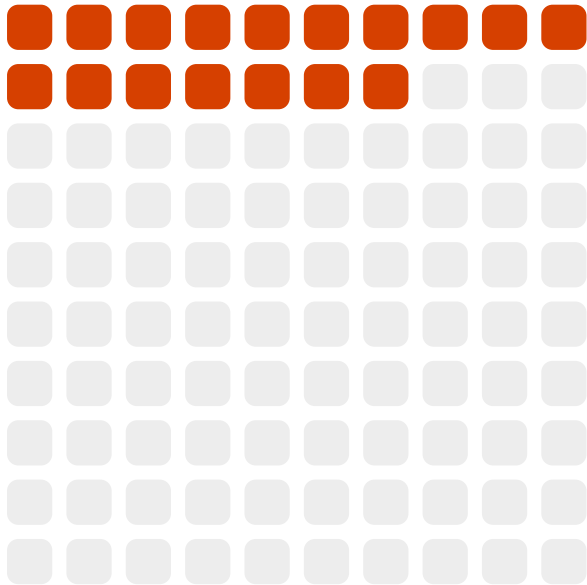
REUTERS/Francis Mascarenhas

Contingent workers receive materially fewer protections

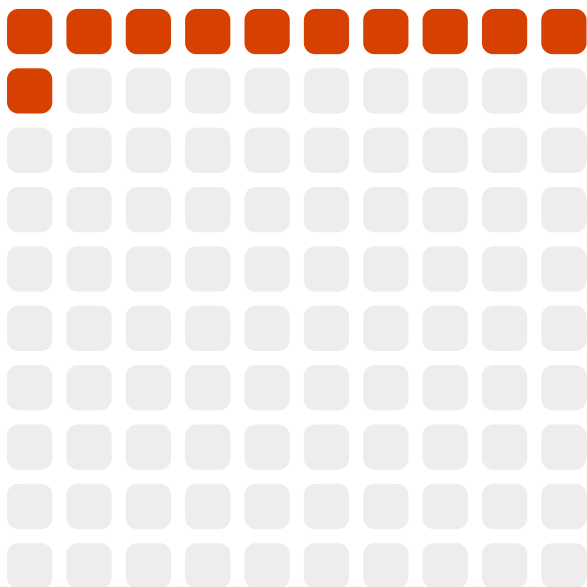
If the disclosure gap makes it difficult to see contingent workers, the protections data makes clear that even where companies can see them, they are not treating them equally. A set of proxy measures, covering health and safety scope, well-being programme eligibility, grievance channel access, and responsible sourcing policy applicability, paints a consistent picture: contingent workers face similar workplace risks but receive far fewer protections.

Well-being programme coverage: a 17-to-1 gap

17.3% have a well-being programme that covers **permanent employees**



10.7% have a well-being programme that covers **fixed-term employees**



The starkest disparity appears in well-being programme coverage. Of 2,972 companies, 17.3% (515) report that their well-being programme covers permanent employees. This falls to 10.7% (317) for fixed-term workers. For workers outside the direct employment relationship, coverage collapses: 1.1% (32 companies) cover contractors, 0.9% (27) cover agency workers, 0.8% (24) cover third-party workers, 0.6% (18) cover non-guaranteed hours employees, and just 0.1% (four) cover franchisee workers.

A contractor working alongside a permanent employee, in the same facility, facing the same risks, is roughly one-seventeenth as likely to be covered by the company's well-being programme.

This represents a 17-to-1 ratio between permanent and contractor coverage, and a 19-to-1 ratio for agency workers. Even among fixed-term employees, who have a direct employment relationship, coverage is 38% lower than for permanent staff.

The pattern is heavily concentrated in Asia, which accounts for 99.0% (510 of 515) of permanent-employee well-being programme reports, suggesting that the data reflects regionally specific disclosure practices as much as global policy differences.

Grievance access: if you can't complain, harms go unreported

Percentage of companies that report access to grievance channels for:



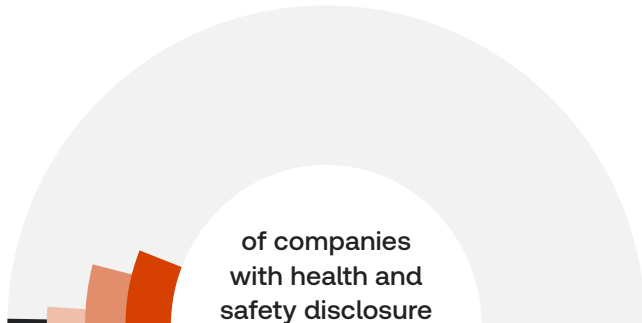
Access to grievance mechanisms is a foundational element of remedy. Of 2,972 companies, 29.1% (866) report that employees can access grievance channels. Only 13.9% (413) extend this access to non-employee workers in direct operations, and 20.8% (617) to value chain workers. Non-employee workers are roughly half as likely to have formal grievance access as directly employed staff.

Strikingly, the relatively higher rate for value chain workers (20.8%) likely reflects supply-chain grievance mechanisms mandated by due diligence legislation, rather than a deliberate policy of extending protections to contingent workers in direct operations. The most common model extends coverage to employees and the supply chain or value chain (48.9%/1,445 companies), while 13.6% (403 companies) operate employee-only mechanisms and just 55 extend coverage to employees and contractors.

Europe leads on supply-chain reach, with 66.3% of European reporters (417 of 629) describing mechanisms extending to the value chain, while North America has a higher share of employee-only mechanisms (24.4% of reporters; 113 of 464).

For investors, the implication is clear: companies that rely heavily on contingent labour and provide limited grievance channels may report fewer worker complaints not because issues are absent, but because workers have fewer avenues to raise them. Low complaint volumes can therefore signal invisibility, not stability. Over time, unreported grievances can accumulate and emerge as workforce disruption, regulatory action, or heightened reputational risk.

Health, safety, and responsible sourcing: partial extension, policy without practice



- 12.2% include contractors
- 11% include third-party on-site workers
- 2.2% include agency workers
- 0.1% include franchisee workers

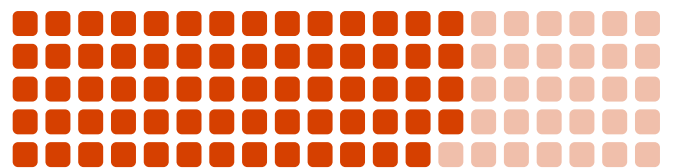
Health and safety disclosure explicitly covering non-employee workers remains a minority practice. Among the 47.3% (1,405 companies) reporting any health and safety scope data, 12.2% (364) include contractors, 11.0% (328) include third-party on-site workers, 2.2% (66) include agency workers, and just 0.1% (four) include franchisee workers. The gap between contractor inclusion (roughly 11-12%) and agency or franchisee inclusion (roughly 0.1-2.2%) suggests that physical on-site presence drives health and safety scope extension.



Responsible sourcing policies present a more encouraging headline

68.7%

of companies report that responsible sourcing policies apply to third-party labour providers.



Of 2,972 companies, 2,042 report that responsible sourcing policies apply to third-party labour providers, with **Industrials** (73.5%; 258 of 351) and **Materials** (74.9%; 253 of 338) leading. However, policy applicability signals intent rather than outcomes — a company can state that its responsible sourcing policy applies to labour agencies while having no mechanism to verify whether agency workers actually receive the protections that policy describes.

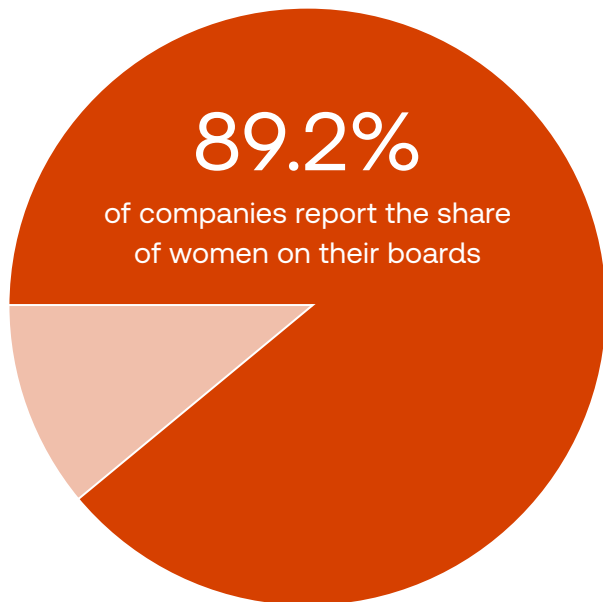


● FINDING 8

Diversity and inclusion disclosure remains uneven, and governance commitments show no measurable link to pay equity

Political pressure on corporate diversity programmes has intensified, but the underlying business case rests on factors that have not changed. Diverse talent pipelines reduce attrition and broaden the pool from which companies can draw future leadership, reducing groupthink and potential blind spots in risk assessment at the governance-level. Diversity of thought is an operational resilience consideration. For investors seeking to assess them, the quality of disclosure determines the quality of oversight. Without comparable, consistent data, commitments to workforce equity cannot be tested, progress cannot be tracked, and laggards cannot be distinguished from leaders.

Gender disclosure is mainstream, but the seniority funnel narrows sharply



Gender representation at board level has become one of the most widely disclosed workforce metrics globally. 89.2% (2,652 companies) report the share of women on their boards. Board gender diversity has featured in many ESG rating frameworks, investor engagement campaigns, and regulatory mandates for over a decade, giving companies a strong incentive to prioritise this metric.^{66 67} The mean share of female board members stands at 27.6% (median 28.6%), meaningful progress from the single-digit levels that prevailed in many markets a decade ago, but well short of parity.

Board-level gender disclosure is near-universal. But the pipeline from senior management into the most powerful operational roles remains constricted.

The picture changes as the lens moves from the boardroom into the executive pipeline. Executive committee female representation, reported by 2,309 companies, averages 21.3% (median 20%). Senior management, reported by 1,825 companies, averages 26.3% (median 26%). The pattern describes a seniority funnel: female representation is highest at board level, the most visible and most regulated tier, and narrows at executive committee level, the layer with the most direct operational authority.

Female representation across seniority levels

27.8%

Mean female representation in the board

21.4%

Mean female representation in the board

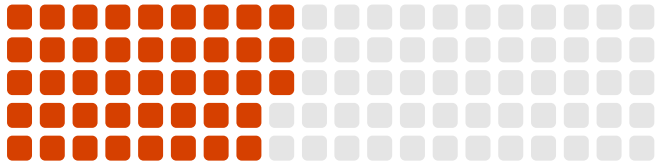
26.4%

That senior management sits slightly above the executive committee likely reflects the broader base of roles captured in that category. The narrowing at executive committee level suggests that board-level gains may partly reflect appointment dynamics, including non-executive roles, rather than a deep structural shift in how women advance through organisations.

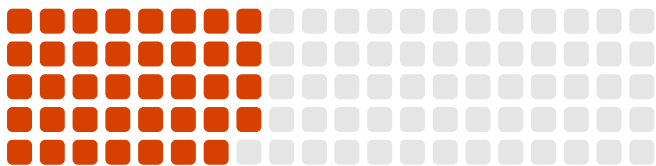
Regional patterns reveal the regulatory effect

FEMALE BOARD REPRESENTATION BY REGION:

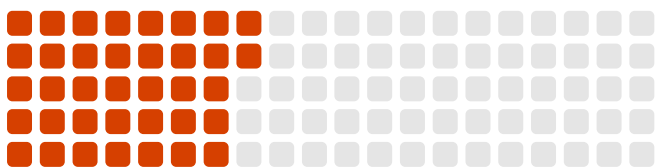
United Kingdom **42.8%**



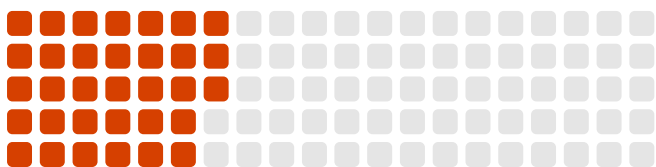
Australasia **39.1%**



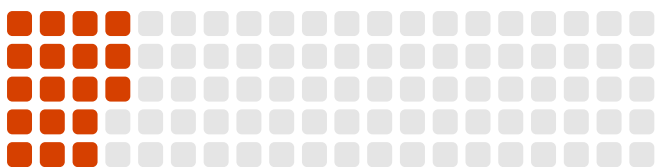
Europe **37.2%**



North America **33.1%**



Asia **18.5%**



The regional variation in the mean female board representation is stark, ranging from 18.6% in Asia to 42.8% in the United Kingdom, and likely reflects a combination of factors across markets.

The United Kingdom leads at 42.8% (114 companies), shaped by over a decade of voluntary targets (such as Davies Review, 2011; Hampton-Alexander Review, 2016; FTSE Women Leaders Review, 2022⁶⁸) combined with FCA comply-or-explain disclosure requirements introduced in 2022⁶⁹.

Australasia follows at 39.1% (88 companies) and Europe at 37.2% (625 companies), the latter primarily driven by binding national quota laws in Norway, France, Germany, and Italy; the EU's 2022 directive sets a 2026 compliance deadline and has yet to take full effect⁷⁰.

North America sits at 33.1% (504 companies), where Nasdaq's board diversity disclosure rule was a key driver up until December 2024.⁷¹

Asia averages only 18.6% (1,125 companies): roughly half the UK rate, and consistent at executive level (15.4% versus 32.2%). This gap could reflect structural and cultural factors: much of Asia's listed universe comprises family-controlled or state-owned enterprises where board appointments follow different logic, corporate leadership structures have traditionally favoured seniority-based progression, and institutional investor stewardship is less developed.

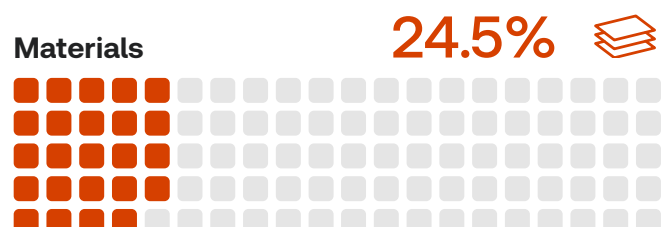
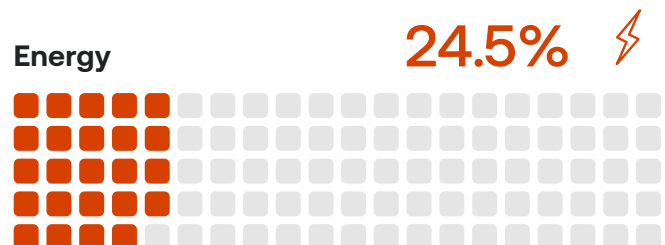
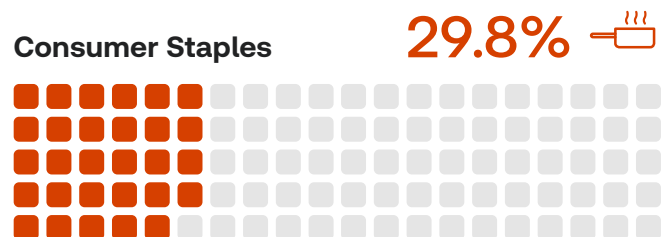
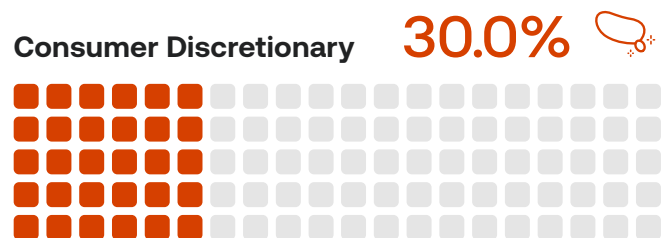
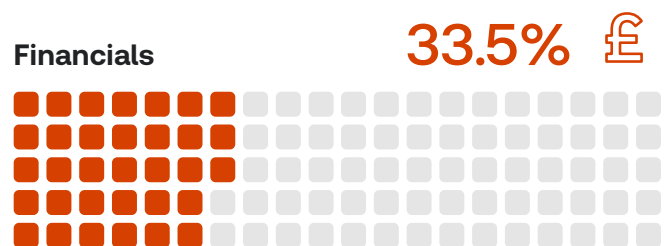
Sector dynamics: Financials lead, Energy and Materials trail

Sector patterns reinforce the link between visibility, scrutiny, and progress. Financials reports the highest mean female board share at 33.5% (median 36.4%; 171 companies), followed by Consumer Discretionary at 30.0% and Consumer Staples at 29.8%. Energy and Materials both sit at 24.5%.

Financial services may lead because the sector has faced stronger stakeholder pressure to improve gender representation, from investors, regulators, clients, and public accountability initiatives such as the UK's Women in Finance Charter⁷².

By contrast, the Energy and Materials face a structural constraint that begins well before the boardroom. Senior leadership is predominantly drawn from engineering and operational functions where women account for less than 20% of graduates and under 17% of the workforce⁷³, limiting the rate at which diversity can translate into senior roles. A narrow pipeline of women into executive roles heightens long-term talent and capability risks. Companies may find it harder to build leadership teams with the breadth of experience and perspective needed to navigate complex operational and strategic challenges.

SHARE OF FEMALE BOARD SHARE BY SECTOR



Ethnicity and disability: the missing dimensions of D&I accountability

The level of gender disclosure supports meaningful benchmarking. Ethnicity and disability do not, and until they do, these dimensions will remain structurally opaque.

Only 26.4% (784 of 2,972 companies) report any workforce-level ethnicity breakdown, dropping to 16.0% (476 companies) at board level, roughly one-fifth as prevalent as gender disclosure. The 476 companies disclosing board ethnicity are heavily concentrated in North America and the United Kingdom, where race and ethnicity categories are more culturally established and where initiatives such as the Parker Review have created specific pressure.⁷⁴



Disability representation is the least-reported dimension.

At workforce level, 32.4% (962 companies) report disability data, with a mean disability share of 1.87% (median 1.15%). At board level, just 4.7% (139 companies) disclose, a figure so low it precludes meaningful sector or regional analysis. The mean board disability share among those 139 companies is 0.47% (median zero); at senior management level, the mean is 1.11%. The seniority gradient is clear: disability representation thins at every step up the hierarchy, and the data available to track it thins even faster. A significant caveat applies to disability data: in many jurisdictions, companies are legally prohibited from collecting or disclosing employee disability status. The low reporting rates observed here may therefore reflect legal constraints as much as corporate disclosure choices, and drawing conclusions about the state of disability inclusion from data availability alone risks conflating absence of disclosure with absence of action.

Investors seeking to assess whether companies are making genuine progress on ethnic or disability inclusion have, for the vast majority of the market, no data against which to evaluate commitments. The contrast with gender, where 89.2% of companies provide board-level data, is stark.

Beyond the three core dimensions, tracking of non-traditional diversity categories is emerging but uneven.

Regional dynamics

European and North American companies are most likely to collect data on sexual orientation and gender identity.

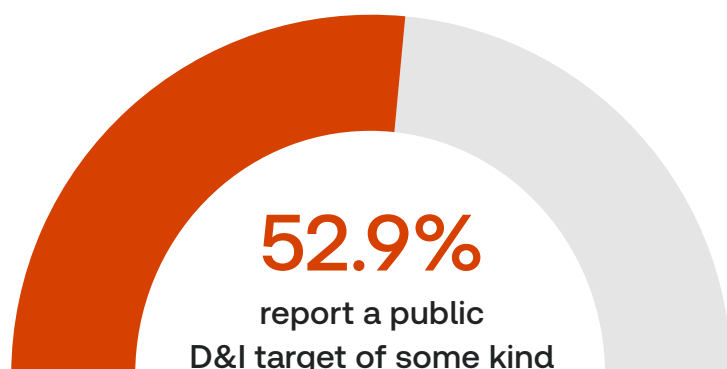
This regional pattern could partly reflect cultural and legal context: in some Asian jurisdictions, limited LGBTQ+ protections and social norms could reduce both employee willingness to self-identify and corporate appetite to collect data on sexual orientation and gender identity.

In Asia, religion and belief data is more common (46.8%; 274 of 585 companies tracking this dimension). Internal mobility data for underrepresented groups is thinner still: only 7.4% (221 companies) report female internal hire rates, and just 50 report ethnicity-based internal hire data.

Among those 221 companies, female internal hire rates average 39.0% compared with 58.0% for men, suggesting that where data exists, internal pipelines still favour men by a material margin.



D&I targets are common for gender but rare for ethnicity and disability



Setting public targets is a critical step in translating diversity aspirations into measurable commitments. Of the 2,972 companies in the dataset, 52.9% (1,573) have a public D&I target of some kind. Among respondents (2,683 companies), the rate rises to 58.6%. Gender targets are the dominant form: 47.2% (1,402 companies) report an explicit gender target, or 52.3% of respondents.

Regionally

Europe leads in absolute terms, contributing 470 of the 1,402 gender-target companies (33.5%).

Australasia has the highest rate relative to its size: 84.9% (79 of 93 companies) report a gender target, reflecting the strong institutional and regulatory environment for gender equity in Australia and New Zealand.

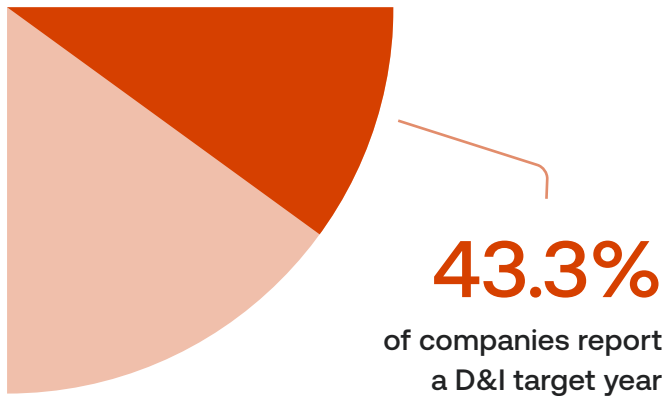
D&I target prevalence

Target dimension	Companies with target	% of sample	% of respondents
Any public D&I target	1,573	52.9%	58.6%
Gender target	1,402	47.2%	52.3%
Ethnicity target	243	8.2%	9.1%
Disability target	152	5.1%	5.7%
Other diversity target	315	10.6%	-

Just 8.2% of companies set ethnicity targets and 5.1% set disability targets, underscoring how far these dimensions remain from the governance mainstream.

Ethnicity and disability targets are far less common. Only 8.2% (243 companies) have an explicit ethnicity target and 5.1% (152) a disability target. Among respondents, the rates are 9.1% and 5.7% respectively. The geographic concentration is notable: 26.3% (64 of 243) of ethnicity-target companies are UK-based, and North America accounts for 31.7% (77). Together, these two regions represent nearly 60% of all ethnicity targets in the dataset.

Time-bound targets: where deadlines thin, accountability weakens

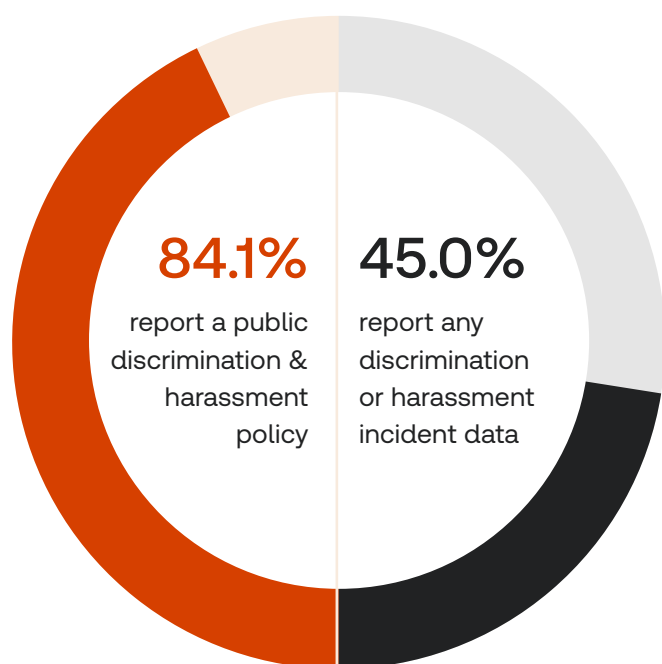


A target without a deadline is a statement of aspiration, not a governance commitment. Fewer than half of all companies set time-bound D&I targets: 43.3% (1,287 companies) report a target year, or 48.0% of respondents. Given that 1,573 companies report having a public target, roughly 18% of target-setting companies have not attached a deadline to their commitment.

The absence of time-bound framing weakens interpretability for investors: without a timeframe, it is impossible to assess whether a company is on track, behind schedule, or has quietly abandoned its target.



Incidents reported versus incidents occurring: the zero-incidents paradox



Discrimination and harassment policies are near-universal: 84.1% (2,499 of 2,972 companies) report having a public policy, rising to 88.2% among respondents. Europe leads at 96.3% of respondents, followed by North America at 92.0%. At the sector level, Financials (95.2%), Consumer Discretionary (94.1%), and Consumer Staples (93.6%) top the table, while Energy (83.5%) and Communication Services (83.6%) trail slightly.

Zero reported incidents may reflect a safe and inclusive workplace, or a culture in which workers feel unable to report. Without data on reporting channel accessibility, zero-incident data is ambiguous at best.

Incident data tells a more complex story.

Fewer than half of companies (45.0%; 1,338) report any discrimination or harassment incident data. Among those that do, 42.6% (570 of 1,337) report zero incidents, 28.1% (376) report one to 10 incidents, 20.9% (279) report 11 to 100, and 8.4% (112) report more than 100.

Resolution rates among those who do report appear high. Among 482 companies with resolution data, the mean resolution rate is 87.7% (median 100%). Two-thirds (67.0%; 323 of 482) report full resolution of all incidents. Only 10 companies (2.1%) report a zero resolution rate. Where incidents enter the formal system, companies are generally resolving them, but resolution of reported incidents does not address incidents that were never reported.

The correlation analysis provides additional context.

Discrimination and harassment incidents show a moderate-to-strong correlation with general human rights grievances ($r = 0.573$), suggesting that companies with higher reported discrimination incidents also tend to have higher grievance volumes more broadly. A weaker positive correlation with general employee turnover ($r = 0.196$) suggests some link between incident volumes and workforce instability. The absence of any meaningful correlation between incidents and turnover by contract type ($r = 0.017$) suggests the turnover signal, where it exists, is diffuse rather than concentrated in particular employment categories.

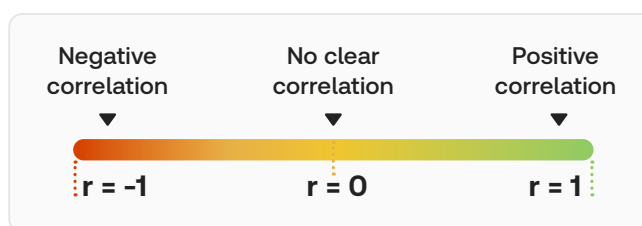
Does better representation or stronger commitments translate to smaller pay gaps?

The question at the heart of D&I governance is whether the structures companies build, targets, leadership programmes, public commitments, produce measurable outcomes.



REUTERS/Rupak De Chowdhuri

Female leadership does not predict smaller gender pay gaps



The correlation between female representation in leadership (executive committee level) and the median gender pay gap is effectively zero ($r = -0.003$). Companies with higher shares of women in leadership are no more likely to have narrower gender pay gaps than those with lower female representation at the top.

Gender pay gaps are driven primarily by the distribution of men and women across pay bands, not by the gender composition of the most senior roles. Among the 1,029 companies reporting a gender pay gap figure, the mean gap is 12.6% (median 11.1%), with men paid more.

Financials and **Real Estate** report the widest gaps (mean 18.3% and 19.0% respectively), and this gap may be wider considering bonus compensation may not be included in this statistic.

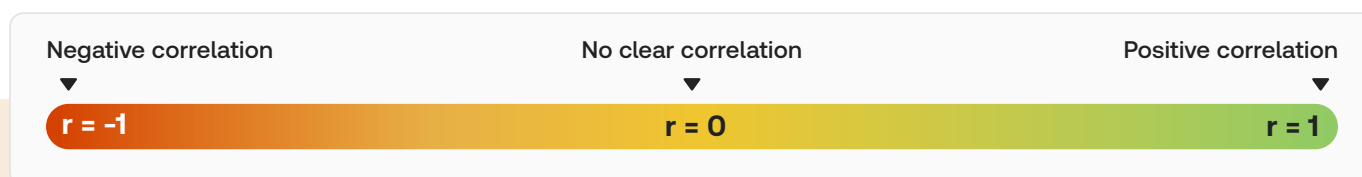
It is also notable that the strongest relationship within the gender diversity correlation set is a negative correlation between female leadership representation and disability leadership representation ($r = -0.207$). While modest, this suggests progress on gender at leadership level does not spill over into disability inclusion, and may, in some cases, come at the expense of attention to other diversity dimensions.

Governance intent is strong; measurable outcomes are absent

Companies that are most active on D&I governance are no more likely to have smaller pay gaps than those that are less engaged. The architecture is producing programmes without demonstrably producing equity.

The correlation between a general commitment to D&I action and targeted actions for leadership diversity is strong ($r = 0.745$). A similarly robust correlation exists between D&I commitments and pay gap actions ($r = 0.659$). What this suggests: companies that commit to diversity are more likely to take visible, process-orientated actions such as publishing diversity reports, setting KPIs, adjusting recruitment practices, and conducting pay equity audits. The commitment primarily translates into structural and procedural activity around leadership and diversity.

But the key question is whether this activity produces measurable outcomes. Here, the data is unambiguous: there is almost zero correlation between companies' commitment to D&I action and the actual size of the gender pay gap. Companies with extensive D&I commitments are no more likely to have narrower pay gaps than those with minimal commitments. This disconnect suggests that current D&I governance is oriented towards demonstrating effort, such as leadership appointments, policy commitments, reporting frameworks, rather than delivering the structural changes needed to close pay gaps. For investors, D&I commitment scores and governance frameworks cannot be used as reliable proxies for actual workforce equity outcomes. The two should be assessed independently.



Statistically significant correlations in D&I data

CORRELATION TESTED	R VALUE	INTERPRETATION
Female leadership vs gender pay gap	-0.003	No relationship
Female leadership vs disability leadership	-0.207	Weak negative
D&I commitment vs leadership diversity actions	0.745	Strong positive
D&I commitment vs pay gap actions	0.659	Strong positive
D&I commitment vs actual pay gap data	≈0	No relationship
Discrimination incidents vs human rights grievances	0.573	Moderate positive
Discrimination incidents vs employee turnover	0.196	Weak positive

Textual insights: sentiment analysis

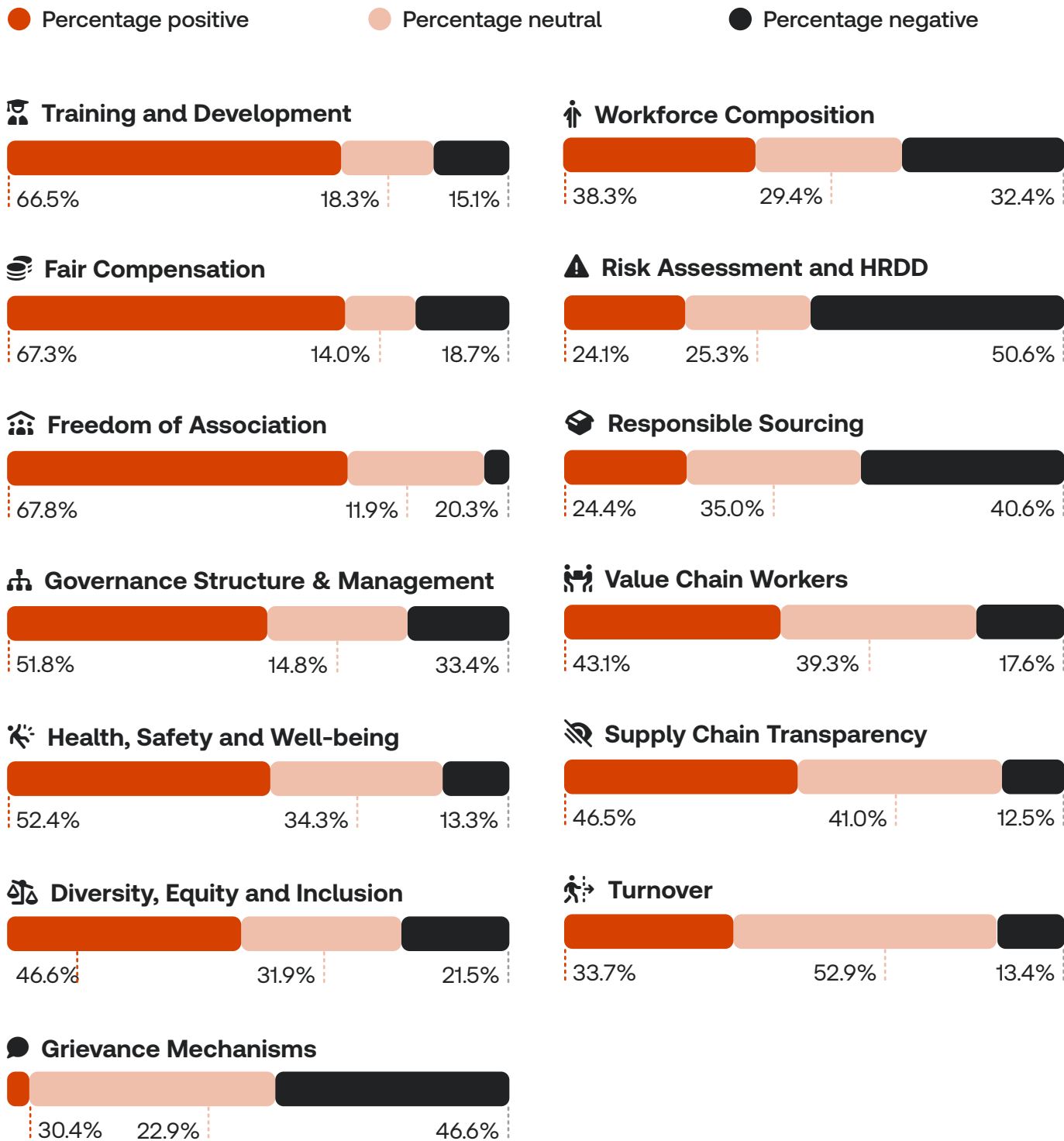
This analysis applies natural language sentiment analysis to the qualitative text of full WDI dataset. Using the CardiffNLP Twitter-RoBERTa model, each response is assigned a sentiment score ranging from -1 (most negative) to +1 (most positive), enabling systematic comparison of how companies communicate across 13 thematic sections and 121 individual questions. The dataset covers 148,426 scored responses across 2,972 companies.

Sentiment scores offer a distinct and complementary lens to structured data: they reveal not just what companies disclose, but the confidence, candour, and tone with which they do so. High positivity in a section may reflect genuine performance, but it can also signal narrative confidence rather than substantive governance. Low or negative sentiment, conversely, often surfaces where companies are disclosing limitations, acknowledging gaps, or answering questions they find difficult to address.



Section-level insights

The table below ranks all 13 substantive sections by average sentiment score, with scores and distributions across positive, neutral, and negative classifications.



Note: Scores range from -1 (most negative) to +1 (most positive). Green = positive (≥ 0.05); Red = negative (≤ -0.05).
 Model: cardiffnlp/twitter-roberta-base-sentiment-latest.

Where companies communicate most positively

Training and Development (avg +0.19) and **Fair Compensation** (+0.14) are the two highest-scoring sections, with roughly two-thirds of responses classified as positive. **Freedom of Association** (+0.11) also scores well, with over two-thirds positive and fewer than 12% negative.

These are areas where companies have well-developed programmes and narratives and tend to report on them with assurance.

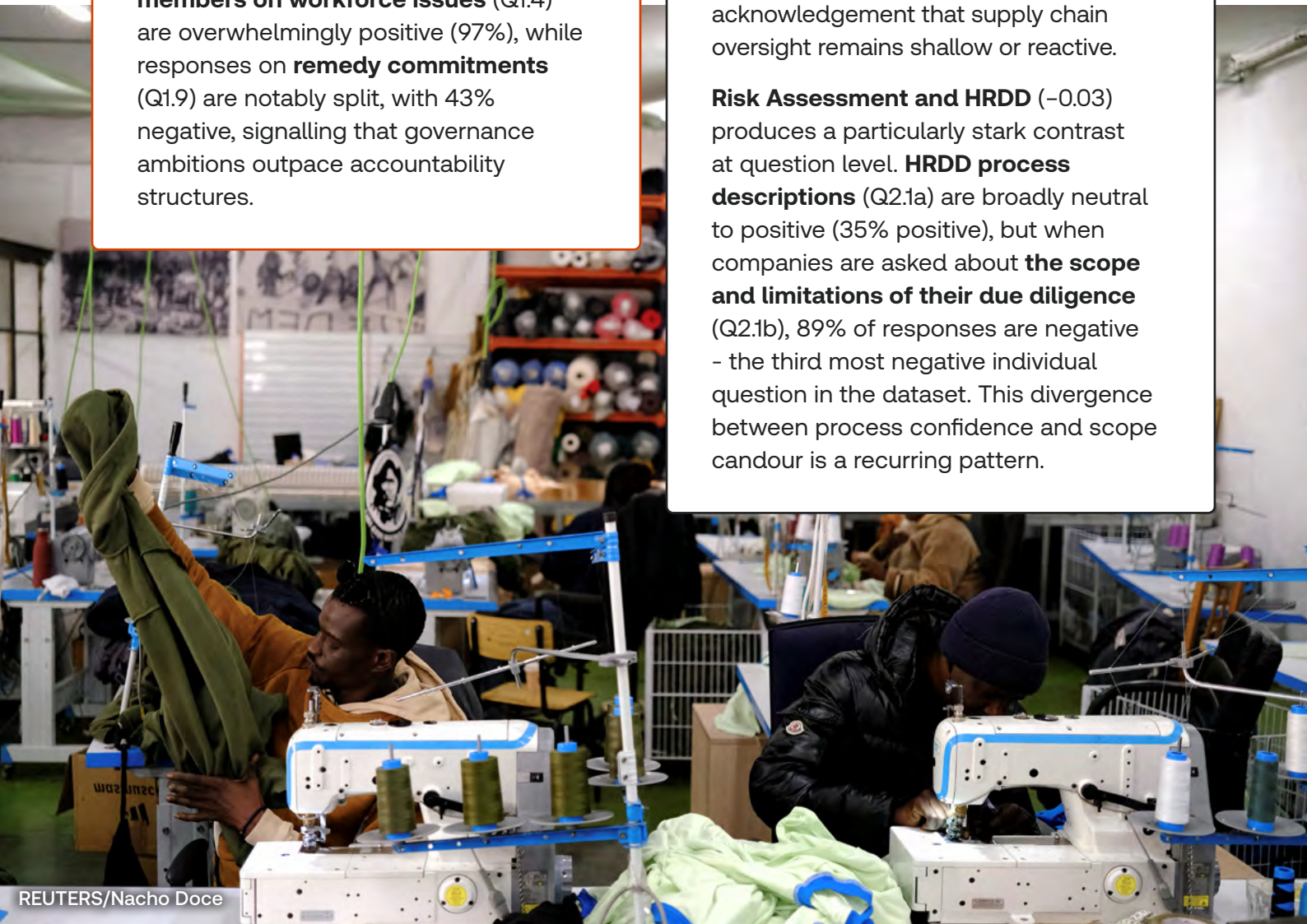
Governance Structure and Management (+0.05) sits close to neutral overall, but this masks a meaningful divergence at question level. Responses on **training board members on workforce issues** (Q1.4) are overwhelmingly positive (97%), while responses on **remedy commitments** (Q1.9) are notably split, with 43% negative, signalling that governance ambitions outpace accountability structures.

Where communication turns negative

Turnover (avg -0.10) is the most negative section in the dataset, with 53% of responses scoring negatively. Companies consistently struggle to present positive narratives around attrition, and disclosures tend toward acknowledgement of high rates without clear context or remediation plans.

Supply Chain Transparency (-0.07) and **Responsible Sourcing** (-0.05) also score in negative territory. High negativity is concentrated in questions about **due diligence gaps and audit limitations**: Q11.9 (whether companies conduct audits of supply chain labour conditions) yields 93% negative responses, and Q11.8b (whether audits are unannounced) returns 97% negative, reflecting widespread acknowledgement that supply chain oversight remains shallow or reactive.

Risk Assessment and HRDD (-0.03) produces a particularly stark contrast at question level. **HRDD process descriptions** (Q2.1a) are broadly neutral to positive (35% positive), but when companies are asked about **the scope and limitations of their due diligence** (Q2.1b), 89% of responses are negative - the third most negative individual question in the dataset. This divergence between process confidence and scope candour is a recurring pattern.



Key insights

1

The confidence-evidence gap

The most consistent pattern across the dataset is a divergence between programme confidence and outcome evidence. Sections focused on internal policies, commitments, and processes - training strategies, pay equity policies, D&I governance — attract strongly positive sentiment. Sections requiring companies to evidence impact, report quantitative outcomes, or disclose limitations attract negative sentiment.

This is most visible in Diversity, Equity and Inclusion, where overall sentiment is mildly positive (+0.04) but masks extreme polarity: D&I commitment and leadership development questions score above +0.43, while questions on data collection gaps (Q4.12b: 96% negative) and why certain diversity metrics are absent (Q4.14b: 94% negative) plunge sharply. Companies are highly articulate about what they are trying to do; they are much less comfortable with disclosing what they cannot yet measure.

2

Regulation drives tone as well as substance

The findings report identifies regulation as the primary driver of governance depth, and this relationship extends to sentiment. Questions covering areas subject to regulatory scrutiny — freedom of association, occupational health and safety disclosures, and executive pay linkages - attract more positive sentiment because companies operating in well-regulated environments have more developed practices and more confident language to draw on.

Conversely, areas lacking regulatory floors — contingent worker protections, value chain labour conditions, and remedy commitments in North American markets — produce significantly more negative or guarded disclosures. Q13.4b (whether companies have policies covering value chain workers' rights beyond direct employees) produces 88% negative responses across the full sample.

3

Grievance & remedy disclosures reveal systemic gaps

Grievance Mechanisms (-0.03) scores below neutral, driven by high negativity in outcome-focused questions. Q10.5, covering whether grievance cases resulted in concrete remedy, produces 86% negative responses — among the most negative in the survey. Companies report having grievance channels but express much lower confidence when asked to evidence what those channels have delivered.

This is consistent with the findings report's conclusion that only 31% of companies provide evidence of remedy in practice, despite 52% committing to it in principle. The sentiment data adds texture: where companies do address remedy outcomes, the language is predominantly negative, suggesting that disclosures tend toward acknowledgement of limitations rather than evidence of resolution.

4

Health and safety disclosures are highly polarised

Health, Safety and Well-being (+0.02) presents the widest variance of any section (std dev 0.42), indicating that responses span the full spectrum from strongly positive to strongly negative. Questions on safety certifications and fatality disclosures (Q8.11a: 95% positive, avg +0.62) and safety management systems (Q8.9a: 88% positive) attract high positivity — areas where formal, auditable standards exist. In contrast, questions on fatality reporting acknowledgements (Q8.10: 97% negative), absence of safety certification (Q8.11b: 100% negative), and why safety data is not reported (Q8.2b: 98% negative) generate among the most negative responses in the entire dataset.

The implication for investors is that headline safety sentiment is an unreliable signal. A high average score in this section can coexist with a substantial tail of companies disclosing serious safety governance gaps, and the two groups require different engagement strategies.

5

Supply chain remains the weakest disclosure domain

Across Supply Chain Transparency, Responsible Sourcing, and Value Chain Workers, sentiment consistently clusters in negative or guarded territory. Companies appear more willing to acknowledge supply chain governance limitations than to describe credible oversight mechanisms. The sentiment data suggests that many disclosures in this domain are reactive, explaining why comprehensive data is unavailable, why audits are limited in scope, or why protections do not extend beyond tier-one suppliers, rather than proactive accounts of meaningful governance.

Implications for investor engagement

Taken together, the sentiment analysis points to three practical implications for investors using WDI data in stewardship:

1. Treat high positivity with scrutiny:

Strongly positive sentiment in governance and programme sections often reflects narrative confidence, not substantive performance. The correlation between D&I governance scores and actual pay-gap outcomes is near zero in the findings data; the sentiment data is consistent with this — positive language in D&I is not predictive of positive outcomes.

2. Use negative sentiment as a targeting tool:

Sections and questions generating high negativity identify where companies are disclosing limitations or acknowledging gaps. These are the most productive areas for direct engagement: remedy evidence, HRDD scope, supply chain audit depth, contingent worker protections, and turnover.

3. Look for sentiment divergence within sections:

The most informative signal is not average section sentiment but the gap between high-positive and high-negative questions within the same section. Where companies score strongly positive on policy questions but strongly negative on evidence or outcome questions, the divergence itself is the finding — indicating governance architecture without demonstrable impact.

Analysis covers 148,426 scored responses across 2,972 companies using the CardiffNLP Twitter-RoBERTa sentiment model. Scores: positive > 0.05; negative < -0.05.

Appendix





Methodology

1. Data sourcing and collection

WDI collects data from both publicly available corporate disclosures and company responses to the survey. Public materials, including annual and Environmental, Social and Governance (ESG) reports, and diversity reporting, were identified for each company.

These documents were analysed using a large language model to parse content against the WDI framework. The model was instructed to populate survey response fields only where information was explicitly and clearly evidenced in the source material. Where the model identified content that required interpretation, inference, or contextual judgement, this information was not placed in the formal response field but was recorded separately in a “More Details” supporting field to inform engagement and review.

Human-in-the-loop quality assurance was embedded throughout the process. During model development and testing, outputs were reviewed by analysts to validate alignment with the framework and refine prompts. In production, spot checks were conducted on no less than 10 per cent of the sample, with manual review used to assess accuracy, consistency, and appropriate treatment of ambiguous information.

Companies were invited to review, validate, and supplement the resulting dataset through direct survey participation, so the analysis reflects both what’s publicly disclosed and what companies can explain about their own workforce policies and practices.

2. Company selection

The target list was constructed through a risk-based and market-representative approach.

- **Risk-based sector weighting:**

Proprietary research was conducted to assess each industry's exposure to workforce and human rights risks. This produced an industry-level risk score, which was aggregated into sector-level risk weightings. These weightings were used to define each sector's proportional share of the overall sample.

- **Company selection within sectors:**

Within each sector allocation, companies were selected by ranking firms based on market capitalisation and number of employees, prioritising larger and more influential companies on the basis that they are likely to have the greatest workforce footprint.

- **Market balance and country-level adjustment:**

Following the initial selection, a market-balancing adjustment was applied to ensure global representativeness. Market classification followed London Stock Exchange Group (LSEG) definitions of Developed, Emerging, and Frontier markets. To avoid structural over-concentration in large developed markets, the sample was calibrated towards an approximate 60 per cent Developed Markets and 40 per cent Emerging Markets, with Frontier Markets included on a limited basis within the Emerging/ Frontier allocation.

Within this structure, country-level allocations were adjusted using LSEG-adjusted social risk indicators to inform how the Emerging/ Frontier portion was distributed across countries with differing risk profiles.

- **Investor nomination and final refinement:**

Investors were invited to nominate companies of strategic relevance. The nominated list was cross-checked against the sample and, where nominated companies were not already included, they were added by replacing lower-ranked companies, while maintaining the overall sector and market balance described above.

- **Final sample size:**

While the initial target was 3,000 companies, the final dataset covers 2,972 companies. In a limited number of cases, sufficient information could not be identified to enable reliable mapping to the WDI framework, and these companies were therefore not included to maintain data quality and consistency.

3. Data processing and classification

Qualitative responses were processed using a structured coding framework aligned with the survey's thematic pillars, including Human Rights Due Diligence, Workforce Governance, Diversity and Inclusion, and Health and Safety, among others. Narrative disclosures were mapped to analytical categories capturing implementation levels, governance arrangements, and risk controls. Where information addressed multiple dimensions, more than one category could be assigned.

4. Analytical approach

Our analysis for this report focused on identifying patterns across regions and sectors rather than evaluating individual companies.

- **Treatment of partial and missing information:**

Consistent with the data collection approach, only explicitly evidenced statements were used to populate structured response fields. Where disclosures were incomplete, ambiguous, or relied on inference, responses were coded as “insufficient information.” Potentially relevant contextual material was retained in the More Details field to support engagement without overstating maturity or assuming absence of practice.

- **Qualitative categorisation and text analysis:**

Open-text responses were translated into structured categories aligned with the survey themes. The detailed classification framework and coding rules will be provided upon request.

- **Quantitative analysis:**

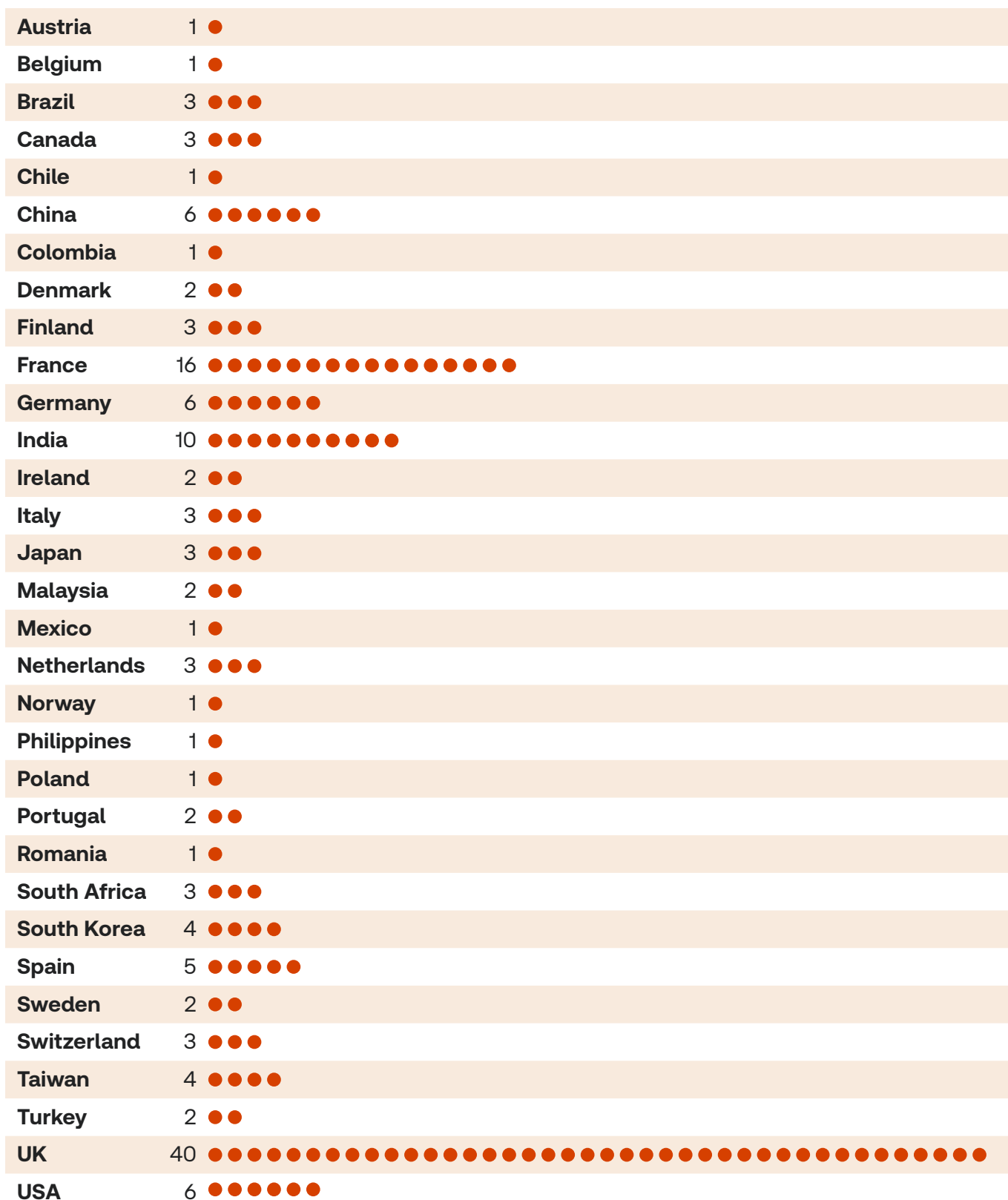
Descriptive statistics and cross-tabulations were used to compare results across sectors, regions, and market capitalisation. Spearman’s Rank Correlation explored relationships across workforce management practices and outcome indicators. Sentiment analysis of textual responses complemented structured indicators with insight into narrative tone.

Findings are presented in aggregate to highlight trends and emerging practices.



Country breakdown of WDI 2025 responding companies

NUMBER OF COMPANIES THAT SUBMITTED BY COUNTRY





REUTERS/Eldson Chagara

Percentage of survey completion varies by region and sector

AVERAGED PERCENTAGE OF SURVEY COMPLETE BY REGION OVER THE YEARS

Sector	2025	2024	2023	2022
Africa	75%	57%	37%	65%
Asia	62%	64%	57%	63%
Europe (Excluding UK)	60%	60%	62%	66%
Latin America	56%	52%	47%	88%
North America	25%	67%	42%	55%
UK	73%	73%	71%	75%

AVERAGED PERCENTAGE OF SURVEY COMPLETE BY SECTOR OVER THE YEARS

Sector	2025	2024	2023	2022
Communication Services	63%	63%	69%	74%
Consumer Discretionary	72%	66%	60%	66%
Consumer Staples	67%	71%	71%	73%
Energy	63%	76%	66%	86%
Financials	64%	62%	64%	67%
Health Care	56%	61%	66%	66%
Industrials	52%	56%	65%	63%
Information Technology	57%	54%	48%	56%
Materials	54%	59%	58%	64%
Real Estate	68%	70%	65%	70%
Utilities	67%	62%	57%	83%

2025 responding companies' responses in previous years

Highlighted companies provided the most data to the WDI survey, or came in the top ten per cent in terms of the completeness of their response this year.

R – Responded

D – Declined

? – No answer

/ – Not requested

Company	2025	2024	2023	2022	2021	2020	2019	2018	2017
A2A	R	R	/	/	/	/	/	/	/
AAK AB (publ)	R	/	/	/	/	/	/	/	/
Acer	R	R	?	?	/	/	/	/	/
Adani Energy Solutions Limited (AESL)	R	R	R	/	/	/	/	/	/
Adani Power	R	R	R	/	/	/	/	/	/
Agnico Eagle Mines	R	?	R	R	?	?	?	/	/
Air Liquide	R	R	R	R	R	?	?	R	/
Aksa Enerji Uretim AS	R	/	/	/	/	/	/	/	/
Alibaba Group	R	R	R	D	?	?	?	?	/
Anglo American	R	?	?	D	?	D	R	R	R
Assa Abloy	R	R	R	R	R	R	R	/	/
Associated British Foods (ABF)	R	R	R	R	R	R	R	R	R
AstraZeneca	R	R	R	R	R	R	R	R	R
AT&T	R	R	R	R	R	R	R	R	/
Atos	R	R	R	R	R	R	R	R	/
BAE Systems	R	R	R	R	R	R	R	R	?
BASF	R	/	/	/	/	/	/	/	/
Bayer	R	R	R	R	R	R	R	D	/
BNP Paribas	R	R	R	R	R	R	R	R	/
Burberry	R	R	R	R	R	R	R	R	R
Capgemini	R	R	R	R	R	R	R	?	/
Carlsberg	R	R	R	R	R	D	D	D	/
Carrefour	R	R	R	R	?	?	?	?	?

CD Projekt SA	R	/	/	/	/	/	/	/	/
Cellnex Telecom	R	R	R	R	R	?	/	/	/
Cementos Argos SA	R	/	/	/	/	/	/	/	/
Centrica	R	R	R	R	R	R	R	R	R
CESC LTD	R	R	?	/	/	/	/	/	/
Compass Group	R	R	R	R	R	R	R	R	R
ConvaTec	R	R	R	R	R	R	R	R	/
Cosco Shipping Ports	R	R	R	/	/	/	/	/	/
CPDC	R	/	/	/	/	/	/	/	/
CPFL Energia	R	R	R	R	?	/	/	/	/
CPI Europe AG	R	/	/	/	/	/	/	/	/
Cranswick	R	R	R	R	?	R	R	R	/
Crédit Agricole	R	R	R	R	R	R	?	?	/
Croda International	R	R	R	R	R	R	R	?	/
Danone	R	R	R	R	?	D	D	D	/
EDP	R	/	/	/	/	/	/	/	/
Enagás	R	/	/	/	/	/	/	/	/
Enel Chile	R	/	/	/	/	/	/	/	/
Engie	R	R	R	R	R	R	?	R	/
Fast Retailing	R	R	R	R	R	R	?	/	/
Federated Hermes	R	R	R	?	/	/	/	/	/
Firstsource Solutions Limited	R	R	/	/	/	/	/	/	/
Fresenius SE & Co. KGaA	R	R	R	R	R	R	/	/	/
Fresnillo	R	R	R	R	R	R	?	?	?
GlaxoSmithKline (GSK)	R	R	R	R	R	R	R	R	R
Grainger	R	R	R	R	R	R	?	/	/
Green Cross	R	/	/	/	/	/	/	/	/
Greentown China Holdings	R	/	/	/	/	/	/	/	/
Greggs	R	R	R	R	?	D	R	D	/
Gruppo TIM	R	?	?	D	R	?	?	?	/

Nuclearelectrica	R	/	/	/	/	/	/	/	/
Softcat	R	R	R	R	R	?	/	/	/
Spin Master	R	/	/	/	/	/	/	/	/
Spirax Group	R	R	R	R	R	R	/	/	/
SSE	R	R	R	R	R	R	R	R	R
St. James's Place	R	R	R	R	R	R	R	?	/
Stellantis	R	?	?	?	?	/	D	?	/
STMicroelectronics	R	R	R	D	?	?	?	?	/
Sun Art Retail Group	R	R	R	R	/	/	/	/	/
Taiwan Semiconductor Manufacturing Company	R	?	?	?	R	?	?	/	/
Tata Consultancy Services	R	?	?	?	?	D	D	?	/
Tata Steel	R	?	?	?	?	/	/	/	/
Taylor Wimpey	R	D	R	D	R	D	R	R	/
Tecan	R	R	R	R	/	/	/	/	/
Telecom Plus	R	R	R	/	/	/	/	/	/
Telefónica	R	R	R	R	R	R	?	?	/
Teleperformance	R	R	D	R	R	/	/	/	/
Tesco	R	R	R	R	R	R	R	D	D
Top Glove	R	R	/	/	/	/	/	/	/
TotalEnergies	R	R	R	R	R	R	?	?	/
Tüpraş	R	/	/	/	/	/	/	/	/
Umicore	R	R	R	R	R	R	D	/	/
United Utilities	R	R	R	R	R	R	R	R	/
UPM-Kymmene	R	R	R	R	R	R	R	?	/
Vale	R	D	R	D	R	D	R	/	/
Veolia	R	R	R	R	R	R	R	R	/
Vinci	R	R	R	R	R	R	R	?	R
Vodafone	R	R	R	R	R	R	?	D	D
Yinson Holdings Berhad	R	/	/	/	/	/	/	/	/
Samsung E&A	R	/	/	/	/	/	/	/	/

Endnotes

- 1 The dataset includes 2,972 companies, comprising 142 companies that responded directly to the survey and 2,830 companies for which data were compiled from publicly available sources.
- 2 Khalid, A., & Syed, J. (2024). Mental health and well-being at work: A systematic review of literature and directions for future research. *Human Resource Management Review*, 34, Article 100998. <https://doi.org/10.1016/j.hrmr.2023.100998>
- 3 Anthropic. (2026, March). Labor market impacts of AI: A new measure and early evidence. <https://www.anthropic.com/research/labor-market-impacts>
- 4 Reuters. (2025, October). Amazon to lay off about 14,000 roles in 2025. <https://www.reuters.com/sustainability/amazon-lay-off-about-14000-roles-2025-10-28/>
- 5 PWC (2025). The Fearless Future: 2025 Global AI Jobs Barometer. <https://www.pwc.com/gx/en/issues/artificial-intelligence/job-barometer/2025/report.pdf>
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Email: WDI@thomsonreuters.com

Website: wdi.trust.org

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