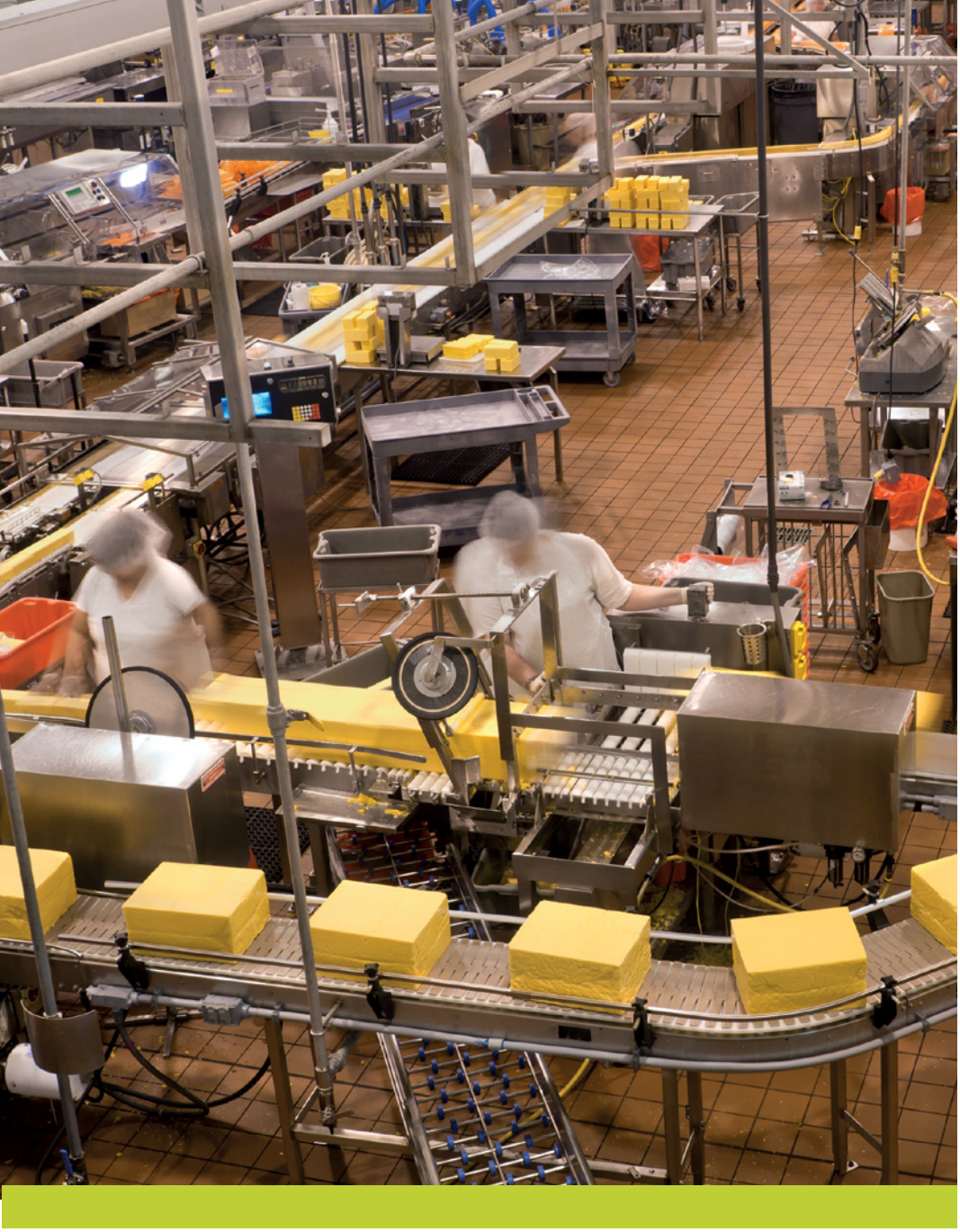

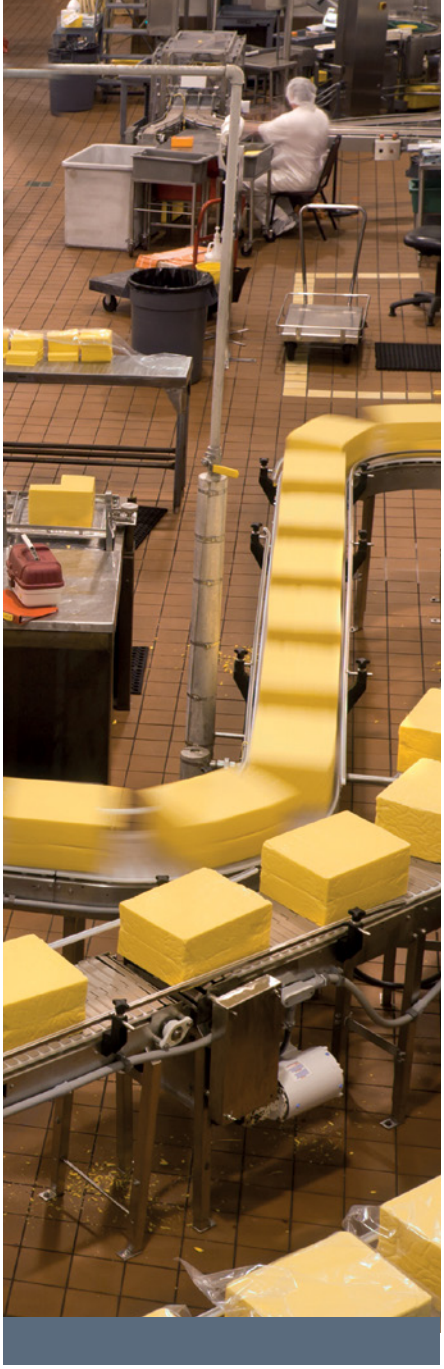

How Do Canadian Consumer Goods Manufacturing Companies Measure Up?

Valuing Decent Work

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ACKNOWLEDGEMENTS

This report was funded by the Jarislowsky Fraser Partners Foundation. The goal of this report is to increase the visibility of decent work as an investor consideration and identify areas where Canadian companies can improve their disclosure of employment policies and practices.

JARISLOWSKY FRASER
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SHARE
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SHARE mobilizes investor leadership for a more sustainable, productive and inclusive economy. We do this by building responsible investment leadership among asset owners and amplifying investor voices in support of improved corporate sustainability practices and better rules and regulations that govern capital markets.

This paper is part of SHARE's VALUING DECENT WORK INITIATIVE – with support from the Atkinson Foundation we are mobilizing investors to support stronger workplace policies and practices by companies.

For more information on SHARE, please visit: www.share.ca

Introduction

'Our people are our greatest asset' is a phrase commonly used by business leaders. But it is often hard to ascertain how companies are protecting this asset and evidence suggests that, in many cases, the important role that workers play in building successful companies is being neglected.

At the same time, poor quality and precarious jobs remain prevalent. In Canada, precarious employment has increased by nearly 50% in the last 20 years.[1] A recent CPA Canada study found that Canadians younger than 25 or older than 65 are also significantly more likely to be employed in situations that may be precarious.[2] This growth in precarious work has also been coupled with wage stagnation. Between 1981 to 2011, Canada's GDP per capita grew by 50% but the real median hourly wage grew by just 10% indicating that the benefits of growth are not being distributed equally and in particular are not being felt by middle-earners.[3]

The trends observed in Canada emulate similar trends in other parts of the world – growing income inequality, stagnant wages and precarious work. The United Nations has recognized the importance of tackling precarious and low-wage work in its Sustainable Development Goals (SDGs) with Goal 8 calling for 'decent work for all.' Large corporations have a key role to play in meeting this goal, by providing decent work across their employment footprint – including permanent employees, contract and temporary workers and franchise employees employed directly or through third party contractors, as well as, workers throughout their supply chain

Evidence suggests that not only workers, but companies too can benefit from creating better quality jobs.

There is a growing body of empirical work showing that strong labour practices and smart human capital management is associated with better corporate performance. For example, research published by the Investor Responsibility Research Center (IRRC) and Harvard University assessed 92 studies on human capital management as it relates to corporate performance and found that the majority identified a positive correlation between companies' training and human resource policies and investment outcomes.[4] Another study found that companies listed in the '100 Best Companies to Work For in America' generated between 2.3% and 3.8% higher stock returns per year than their peers from 1984 to 2011.[5]

At the same time, as the global economy has become more knowledge-intensive and competitive, companies are under increasing pressure to adapt to new technologies and innovate. A company's workforce is fundamental for innovation. Leading companies recognize that their ability to innovate and adopt new technologies depends not only on their ability to access relevant technologies but also on their ability to maintain good relations with their workforce and attract and retain good people.[6]

Definition: Decent Work

The International Labour Organization (ILO) defines decent work as work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in decisions that affect their lives and equality of opportunity and treatment for all people.

Poor employment practices can also have significant negative consequences for companies. For example, companies with high levels of precarious work can experience problems such as high turnover leading to lower levels of productivity, poor operational performance and inflated administrative costs.[7] Poor management of labour issues can also lead to higher injury and accident rates in both direct operations and across supply chains.

Investors are beginning to pay more attention to company approaches to decent work in their investment analysis and stewardship practices. However, the lack of comparable data reported by companies remains a major barrier to this analysis. For this reason, some institutional investors are starting to actively seek improved workforce disclosure from companies. The Workforce Disclosure Initiative (WDI), for example, is a collaborative effort by a coalition of investors, requesting comparable data from companies via an annual survey (See Box 1).

This report seeks to contribute to these efforts by identifying gaps in corporate reporting in five areas of workforce management that are important to investors (see pages 10-11 for a full list of the indicators). The analysis looks at publicly available information from five Canadian and 5 international consumer product manufacturing companies operating in the food and beverage, pulp and paper and apparel sectors. The companies analyzed are from Canada, the UK, US, France and Finland. The research analyzed publicly available information from company sustainability reports, annual reports, websites and proxy circulars.

Box 1: The Workforce Disclosure Initiative

The Workforce Disclosure Initiative was launched in 2017 with the goal of improving the quantity and quality of disclosure from companies on their workforces. The WDI currently has over 90 signatories with $10 trillion in AUM. The pilot survey was sent in July 2017 to 76 global companies, including 10 Canadian companies listed on the TSX 60. Of the companies invited to participate, 24 of the 46 FTSE listed companies and 6 of the 8 European listed companies responded. However, only 3 of the 10 Canadian companies, 1 of the 8 US-listed firms and none of the 3 Asian listed companies disclosed data. The 2018 survey will go out to 200 global firms in June 2018. The WDI is an initiative of ShareAction and is delivered in partnership with Oxfam and SHARE.

SUMMARY FINDINGS

- Three of the 5 Canadian companies analyzed currently provide moderate workforce disclosure * across all five categories compared to 4 of the 5 global companies.
- Disclosure related to workforce issues in the supply chain is weak across the board, and Canadian companies lag their global counterparts in this area.
- The weakest area of reporting from companies is in the area of workforce stability including key metrics such as turnover rates and internal hiring.

Workforce Governance

- ✔ 90% of all companies provided some disclosure on their policies and oversight of workforce issues
- ✔ 2 of the 5 Canadian companies provided extensive disclosure on their workforce governance
- ▬ None of the companies provided information on which executive or non-executive directors hold responsibility for the workforce

Workforce Composition

- ✔ 100% of companies provided some disclosure on their workforce composition
- ✔ 30% of all companies disclosed information on their gender pay gap
- ▬ None of the companies disclosed the pay ratios between their highest and median pay
- ▬ No companies provided information on the number of workers employed through temporary agencies, franchises and/or independent contractors

Workforce Stability

- ▬ Only 30% of the companies analyzed provided information related to workforce stability such as workforce turnover and internal promotion rates

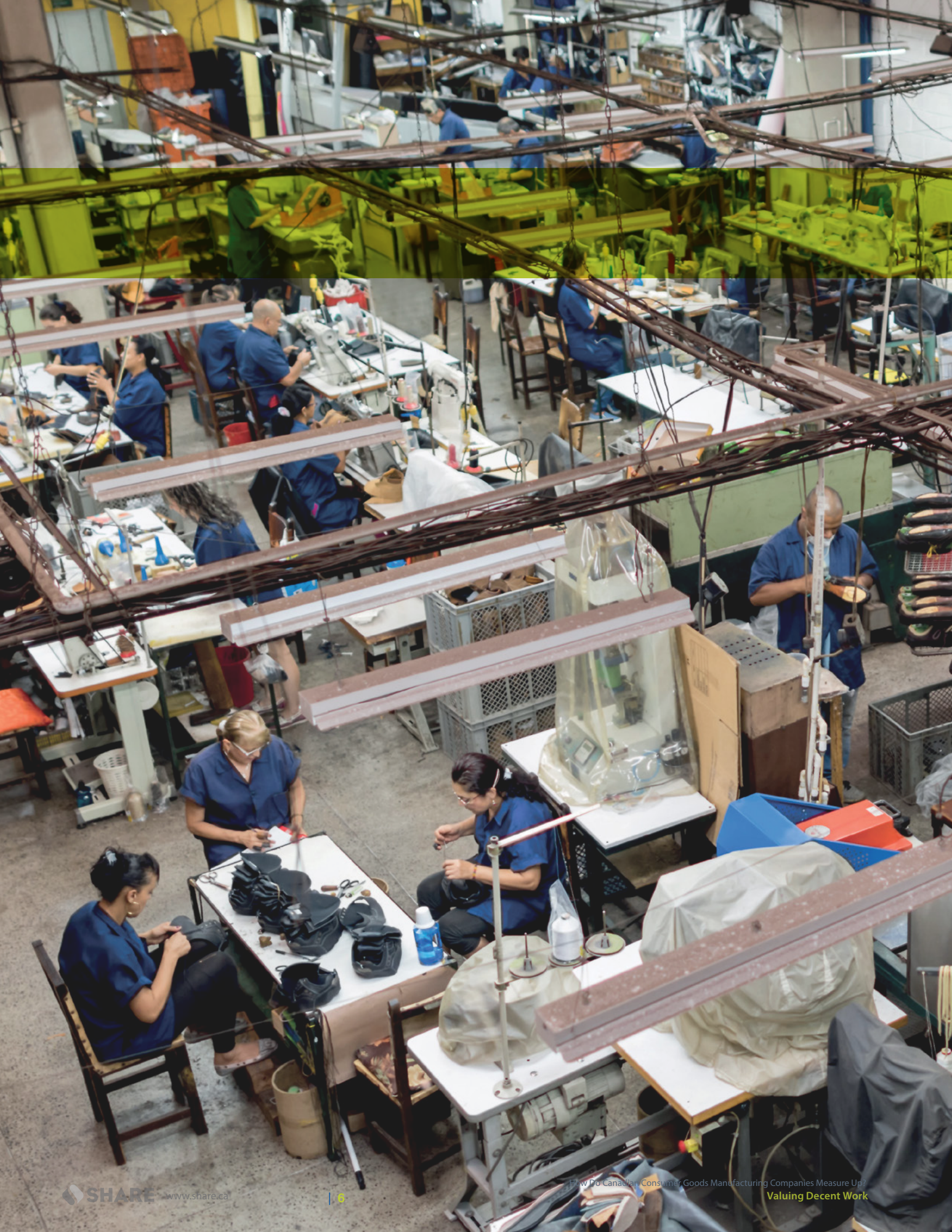
Workforce Training And Development

- ✔ 60% of all companies provided information on their approach to training and development including data points such as the average number of training hours

Workforce Wellbeing And Engagement

- ✔ 100% of companies provided basic or moderate levels of information on their approaches to workforce well-being and engagement
- ✔ 80% of all companies disclose meaningful OHS metrics
- ▬ One company reported that it requires its critical suppliers to provide grievance mechanisms to their workers

* Each metric category has a number of indicators as shown on pages 10-11. Companies that reported on more than 67% of indicators were scored as having "EXTENSIVE" disclosure. Companies that reported on between 34-66% of indicators were scored has having "MODERATE" disclosure. Companies that reported on 1-33% of indicators had "BASIC" disclosure..



THE CONTEXT: DECENT WORK IN THE CONSUMER GOODS MANUFACTURING SECTOR

CANADIAN MANUFACTURING SECTOR FACTS[8]

1.8 million people work in manufacturing in Canada

The average hourly wage for manufacturing and utilities workers is **$22.56**

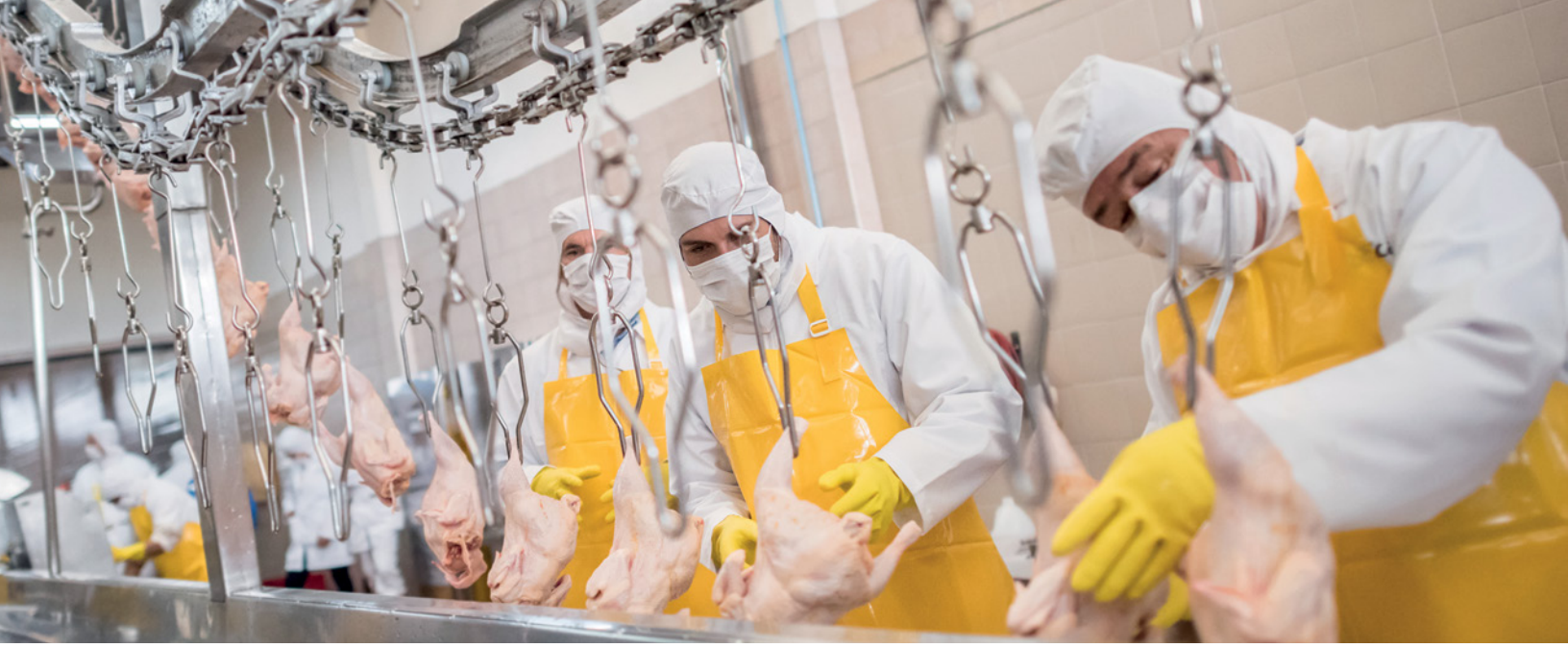
There were **144 fatalities** and **32,000 lost time claims** in the manufacturing sector in 2016

In Canada, approximately 1.8 million people are employed in the manufacturing sector.[9] The last ten years have seen some important labour market trends in manufacturing including job losses overall, declining unionization rates, automation and, as in other parts of the economy, increasing use of temporary workers.[10]

These trends have led to higher levels of precarious work in Canada's manufacturing sector, which can amplify the risks associated with poor workplace practices. For example, in the area of occupational health and safety (OHS), in 2016 there were over 32,000 lost time claims accepted by workers compensation boards and 144 fatalities in the manufacturing sector – the second highest among all sectors in Canada.[11]

Recent research suggests that strong safety management has a positive influence not only on safety performance but also on competitiveness and financial performance.[12] In order to ascertain how companies are managing these OHS risks, investors need meaningful information from manufacturers about their safety management systems as well as quantitative information about their overall OHS performance (e.g. lost time, accident rates and near misses).

Disclosure of workforce information can also provide investors with valuable information about other areas of risk management. For example, in the pulp and paper industry, analysis has shown that one of the most important factors in the prevention of major industrial losses, such as from fires, is operator training.[13] Information on training hours, as well as data on retention rates and internal hiring can provide investors with important inputs to analyze how pulp and paper companies are managing industrial loss risks.



> "The only unique asset that a business has for gaining competitive advantage over its rivals are the skills and dedication of its employees."
>
> Robert Reich, Former US Secretary of Labor

Consumer products manufacturing companies face potentially significant reputational risks and brand damage from poor working conditions in their direct operations and in their supply chains. These risks are augmented when companies manufacturing operations are located in jurisdictions with poor labour laws and enforcement. For example, Canadian apparel companies frequently source products manufactured in countries with weak labour standards like Bangladesh, Cambodia and Vietnam. In order for investors to understand how companies are managing these kinds of risks, they are seeking better disclosure about their oversight of workplace practices for their entire employment footprint including their supply chains.

At the same time, meaningful workforce disclosure is also important for investors because of the significant benefits that can be afforded to companies that have strong human capital management. Effective workforce management in manufacturing can help companies deliver safe, high quality products in a timely and cost-efficient manner. Investing in, and protecting, human capital is also fundamental to a company's capacity to innovate. Innovation requires intangible assets such as good relations within the workforce and the ability to attract and retain good employees alongside access to relevant technology.[14] In Canada's food processing sector, for example, innovation is seen as vital for the future competitiveness of the sector in the context of numerous plant closures over the past ten years.[15] A company's ability to meet this challenge depends to some extent on its approach to building a skilled, engaged and reliable workforce. Meaningful employee engagement is another area that is delivering positive performance outcomes for companies, including improving retention, contributing to fewer product quality incidents and higher productivity and profitability.[16]

OUR STUDY

We reviewed the public disclosures of five Canadian consumer goods manufacturing companies listed on the TSX and five global consumer goods manufacturing companies listed on other indices to compare their current reporting on workplace policies and practices. The companies were identified based on the following criteria: 1) Companies that operate in the consumer products and services sector; 2) Companies with value-added manufacturing operations; and 3) Companies with comparable market capitalization.

COMPANY NAME	INDUSTRY	MARKET CAP ($CAD)	NO. OF EMPLOYEES
Cott Corporation	Beverage	2.56 B	10,400
Domtar Corporation	Pulp & Paper	3.55 B	10,000
Gildan Activewear Inc.	Apparel	8.08 B	50,000
Maple Leaf Foods	Food	3.86 B	11,500
Saputo Inc.	Food	15.90 B	12,800
Britvic PLC	Beverage	3.33 B	4,848
Fromageries Bel SA	Food	5.27 B	12,750
Hanesbrands Inc.	Apparel	8.23 B	62,700
Metsa Board OYJ	Paper & Packaging	4.85 B	2,350
Sanderson Farms Inc.	Food	3.24 B	14,750

We reviewed the companies' disclosures using a broad set of indicators under five categories:

1) Workforce Governance

2) Workforce Composition

3) Workforce Stability

4) Workforce Training and Development

5) Workforce Well-being and Engagement

These categories, and the broad set of indicators in each, serve as a useful starting point for investors wanting to understand a company's approach to its workforce. They also reflect the indicators used by the Workforce Disclosure Initiative in their pilot year survey of 75 global companies. The method was developed in consultation with investors, companies, trade unions and civil society.

Our analysis looked at a number of indicators in each of the above five categories, as outlined on pages 10 and 11. Companies that reported on more than 67% of indicators were scored as having "EXTENSIVE" disclosure. Companies that reported on between 34-66% of indicators were scored has having "MODERATE" disclosure. Companies that reported on 1-33% of indicators had "BASIC" disclosure.

INDICATORS

1. Governance of Workforce Issues

a. Does the company disclose its policy commitments related to:
   - Fair compensation or living wages relevant to all employees
   - Working hours and scheduling
   - Recruitment practices
   - Equality and diversity
   - Training and development
   - OH&S
   - Health and wellbeing
   - Discrimination and harassment
   - Freedom of association and collective bargaining
   - Whistleblowing
   - Supply chain labour standards
   - Supplier recruitment practices

b. Does the company disclose any board Level KPIs to measure effectiveness in overseeing relevant workforce and supply chain policies?

c. Do any executive or non-executive directors of the company have responsibility for the company's workforce?

d. Does the company have a process for identifying and prioritizing workforce risks and opportunities in the company's direct operations?

e. Does the company have a process for identifying and prioritizing workforce risks and opportunities in the company's supply chain?

2. Workforce Composition

a. Does the company disclose its total number of employees?

b. Does the company provide information on the % of its overall workforce that are women?

c. Does the company provide information on the % of its overall workforce that are visible minorities and/or Aboriginal?

d. Does the company provide workforce composition information by level of seniority?

e. Does the company provide information on the number of employees that are permanent, temporary and/or on short-term contracts?

f. Does the company disclose information on the number of employees that are on part-time versus full-time contracts?

g. Does the company provide data on the number of workers employed through temporary agencies, franchises and/or independent contractors?

h. Does the company disclose the percentage of its workforce that earn the minimum wage?

i. Does the company disclose its pay ratio between the highest and median pay?

j. Does the company report on its gender pay gap?

k. Does the company provide details on its contributions to a company or industry pension fund for its employees?

l. Does the company disclose information on whether it offers employees shareownership schemes, profit sharing plans or other bonus systems?

m. Does the company disclose any information on the workforce composition for its supply chain workers?

3. Workforce Stability

a. Does the company provide any information on the rate of workforce turnover (voluntary and involuntary)?

b. Does the company provide data on the rate of workforce turnover by seniority and/or contract type?

c. Does the company provide information on the % of promotions that were made internally?

d. Does the company provide information on the average length of relationships with its critical suppliers?

4. Workforce Training and Development

a. Does the company describe its approach to training and development to ensure that its employees have the ability to meet the objectives of the company's overall business strategy?

b. Does the company provide information on the its investment in training and development such as the average number of training hours provided to employees?

c. Does the company provide information on its investment in training by gender and/or level of seniority?

d. Does the company provide training and capacity building to its critical suppliers?

5. Workforce Wellbeing and Engagement

a. Does the company disclose meaningful OHS metrics such as the injury rate, absentee rate, work-related fatalities, accident severity rate, lost days, near misses, types of injuries or occupational diseases?

b. Does the company have a grievance mechanism to provide employees with access to remedy?

c. Does the company report the number of grievances raised by employees during the reporting period?

d. Does the company report on its OHS management system providing details such as the number of hours of OHS training per employee and/or whether workers are represented on OHS committees?

e. Does the company provide the proportion of its employees that are covered by a collective bargaining agreement?

f. Does the company report on its labour relations including whether there have been any strikes in the company's operations, lockouts or pending litigation brought forward by employees?

g. Does the company report information on the percentage of employees who participated in company engagement surveys?

h. Does the company report any changes it has made based on the results of employee engagement surveys?

i. Does the company report efforts to monitor the OHS performance of its critical suppliers?

j. Does the company require that its critical suppliers provide grievance mechanisms for their workforces?

k. Does the company report on the proportion of critical suppliers' workforces that have collective bargaining agreements?

RESULTS AND DISCUSSION

Workforce Governance

- ✔ 90% of all companies provided some disclosure on their policies and oversight of workforce issues
- ✔ 2 of the 5 Canadian companies provided extensive disclosure* on their workforce governance
- ▬ None of the companies provided information on which executive or non-executive directors hold responsibility for the workforce

Our analysis found that, almost all of the companies we looked at have publicly available policies related to key aspects of workforce management, including in the areas of equality and diversity, occupational health and safety and discrimination and harassment as shown in Table 1 below. We found a fairly even spread amongst Canadian and international companies.

One area where policy frameworks could be improved is around due diligence related to labour recruitment practices by suppliers. This is a particularly important area because of the abusive practices being uncovered in many countries where recruiters are charging workers fees for their services, leading to high levels of indebtedness among workers and increasing their vulnerability to exploitative practices and working conditions.[17] This kind of disclosure is particularly relevant for companies operating in less vertically-integrated environments where they depend on a large number of suppliers. To address these risks, leading companies have established appropriate due diligence processes to ensure poor labour and recruitment practices are not emerging in their supply chains.

Table 1: Policy Commitments

Fair compensation or living wage relevant to all employees	70.0%
Working hours and scheduling	40.0%
Recruitment practices	70.0%
Equality and diversity	90.0%
Training and development	70.0%
Occupational Health and Safety	90.0%
Health and wellbeing	70.0%
Discrimination and harassment	90.0%
Freedom of association and collective bargaining	60.0%
Whistleblowing	50.0%
Supply chain labour standards	70.0%
Supply chain recruitment practices	20.0%

- NO DISCLOSURE — Did not report against any indicators
- BASIC DISCLOSURE — Reported against 1 – 33% of indicators)
- MODERATE DISCLOSURE — Reported against 34 – 66% of indicators
- EXTENSIVE DISLCOSURE — Reported against more than 66% of indicators

* Each metric category has a number of indicators as shown on pages 10-11. Companies that reported on more than 67% of indicators were scored as having "EXTENSIVE" disclosure. Companies that reported on between 34-66% of indicators were scored has having "MODERATE" disclosure. Companies that reported on 1-33% of indicators had "BASIC" disclosure..

Our analysis also found that workforce governance disclosure could be improved across the board with better information regarding who has responsibility for workforce issues at the board and senior management level and how their performance is being measured. Among the ten companies we looked at, only one provided information on the key performance metrics used to evaluate the board's effectiveness in overseeing workforce issues and none of the companies disclosed who had ultimate responsibility for the company's workforce.

Workforce Composition

- ✔ 100% of companies provided some disclosure on their workforce composition
- ✔ 30% of all companies disclosed information on their gender pay gap
- ▬ None of the companies disclosed the pay ratios between their highest and median pay
- ▬ No companies provided information on the number of workers employed through temporary agencies, franchises and/or independent contractors

The composition of a company's workforce provides investors with valuable information on the effectiveness of company policies. For example, while 90% of the companies analyzed disclosed policies related to equality and diversity, only 60% disclose the percentage of their workforce that are women and just 30% provide information on their gender pay gap. Recent research suggests that companies with greater equality in leadership and pay outperform companies with lower gender equality.[18] In order for investors to evaluate the steps companies are taking to close the gender leadership gap, they need more and better information about the implementation of their policies with regards to gender pay equity and representation of women in leadership positions. Good examples of gender pay gap reporting from companies provide pay ratio data overall and also by profession and job level in order to help contextualize where the inequity lies and the approach a company might take to address it.[19]

Three other data points that show lagging disclosure across the ten companies analyzed relate to workforce composition. Information relating to the makeup of a company's workforce can help investors understand the company's exposure to precarious employment. Only 1 of the 10 companies analyzed discloses information on the number of people employed through temporary agencies, franchises and/or independent contractors. Additionally, just one company provided information on the percentage of its workforce that earns the minimum wage. No company provided information on their pay ratio between the highest and median pay. This kind of information is important for investors to be able to analyze and track outsourcing practices, the intra-corporate pay gap and how these data points are changing over time.

Workforce Stability

Only 30% of the companies analyzed provided information related to workforce stability such as workforce turnover and internal promotion rates

Longer working relationships between companies and employees benefit financial performance in many ways, ranging from reduction of new training costs to increased productivity derived from workplace expertise. From the universe of analyzed companies, 30% provide disclosure of workforce turnover, whether voluntary or involuntary. However, none of the companies provide information on turnover by seniority or type of contract. The level of internal hiring is another important indicator for investors because it helps demonstrate how training and skills development programs are effectively building internal talent pipelines. Of the five Canadian companies we analysed, only one discloses the percentage of internal hires at the company level.

Workforce Training and Development

60% of all companies provided information on their approach to training and development including data points such as the average number of training hours

Quality workforce training and development can help companies retain their workers, improve efficiency, decrease incidents, and mitigate risks. Fifty percent of the companies that we looked at provided some description of their approach to training and development along with quantitative information such as the number of training hours. Of note, the five Canadian companies scored slightly better in this category than their international peers. In an increasingly competitive environment for manufacturing companies, investments in training and development are critical to fostering innovation and ensuring that workers are adapting to new technologies and maintaining high levels of skill.

Workforce Wellbeing and Engagement

- ✔ 100% of companies provided basic or moderate levels of information on their approaches to workforce well-being and engagement
- ✔ 80% of all companies disclose meaningful OHS metrics
- ▬ One company reported that it requires its critical suppliers to provide grievance mechanisms to their workers

Occupational Health and Safety, a key concern for workforce wellbeing and engagement, was reported or discussed by 80% of the companies we analyzed, with no significant regional differences observed in the level of reporting. Forty percent of the companies addressed OHS management systems and provided specific metrics such as hours of safety-related training and representation of workers in OHS committees.

The risks associated with OHS are also relevant to a company's supply chain, particularly for sectors such as apparel, which are vulnerable to poor OHS management. Half of the companies analyzed did integrate monitoring of OHS performance among critical suppliers but only one Canadian company reported monitoring OHS in its supply chain.

Another dimension analyzed in this category was workforce engagement, including whether companies are conducting employee engagement surveys and what changes the company has made based on the results of these surveys. Effective engagement with a company's workforce can help to create a positive work environment while also having a positive impact on key performance outcomes such as lower absenteeism and turnover, fewer safety incidents, fewer product quality incidents, higher productivity and higher profitability. For example, a Meta-Analysis conducted by Gallup Research found that companies with a higher degree of engagement have higher profitability than companies with low engagement.[20] Despite the importance of employee engagement, only 20% of the companies studied here reported information on the percentage of employees who participated in engagement surveys and just one company reported making changes based on the feedback received through these surveys.

Finally, information about labour relations can also provide investors with valuable insights into a company's approach to its workforce. In this analysis, 8 of the 10 companies reported the proportion of employees covered by collective bargaining agreements, 50% disclosed having grievance mechanisms in place, and 20% reported the number of grievances raised during the reporting period. The level of disclosure around monitoring of critical suppliers was low in this category. Just one company reported that it requires its critical suppliers to provide grievance mechanisms and two reported the proportion of their critical suppliers' workforce that are covered by collective bargaining.

COMPLETE FINDINGS

	Workforce Governance	Workforce Composition	Workforce Stability	Workforce Training and Development	Workforce Wellbeing and Engagement	Overall
Cott Corporation	50%	24%	0%	0%	9.1%	25.5%
Domtar Corporation	43.8%	25%	25%	50%	27.3%	34%
Gildan Activewar	75%	41.7%	0%	50%	63.6%	55.3%
Mapleleaf Foods Inc	68.8%	50%	25%	75%	45.5%	55.3%
Saputo Inc.	31.3%	25%	0%	0%	18.2%	21.3%
Britvic Plc	68.8%	41.7%	0%	0%	36.4%	44.7%
Fromageries Bel Sa	87.5%	66.7%	25%	25%	45.5%	63.8%
Hanesbrands Inc.	68.8%	25%	0%	0%	27.3%	36.2%
Metsa Board Oyj	81.3%	16.7%	0%	25%	45.5%	44.7%
Sanderson Farms Inc.	0%	58.3%	0%	25%	27.3%	27.4%

NO DISCLOSURE
Did not report against any indicators

BASIC DISCLOSURE
Reported against 1 – 33% of indicators)

MODERATE DISCLOSURE
Reported against 34 – 66% of indicators

EXTENSIVE DISLCOSURE
Reported against more than 66% of indicators

CONCLUSION AND RECOMMENDATIONS

The case for robust approaches to decent work and human capital management is sufficiently compelling to warrant investor requests for better reporting in these areas. For consumer product manufacturing companies, information related to OHS, workforce composition and workforce stability is particularly important to understand the unique risks and opportunities for this sector.

This analysis has found fairly strong workforce reporting from the 10 companies studied in some areas such as company policies that address issues like equality and diversity, occupational health and safety, and discrimination and harassment. However, the level of disclosure does not provide investors with sufficient information on the effectiveness of these policies in the form of quantitative and comparable metrics. For example, there is an opportunity for companies to provide concrete information about workforce stability such as turnover rates, levels of retention and internal promotion so that investors can ascertain the degree to which policies are actually delivering stable, loyal and high-performance workforces. Additionally, data on the use of temporary and contract workers can be critical to understanding the degree to which manufacturing firms are exposed to precarious employment practices.

Our analysis also shows that there is room for improvement in the level of disclosure related to workforce issues in the supply chain. Improving disclosure around how companies are managing workforce-related issues in their supply chain demonstrates recognition from company leadership of the risks and opportunities associated with workforce management by critical suppliers.

Overall, our analysis finds there is a need for better workforce disclosure from companies operating in the consumer goods manufacturing sector. Such disclosure would enable institutional investors to integrate more meaningful workforce indicators into their investment analysis and help guide meaningful engagement with companies on decent work issues. SHARE will continue its efforts with its network of Canadian investors and in partnership with investors globally to seek improved workforce disclosure from companies.

Recommendations for Companies

- **Build on strong disclosure of workforce policies** related to training and development by measuring and reporting on the outcomes of those policies particularly in the area of retention rates and internal hiring.
- **Demonstrate how the company is monitoring and measuring outcomes** in areas where it has made specific policy commitments. For example, all companies should be measuring and monitoring their gender pay gap and reporting this information along with the steps it is taking to close any gaps that exist.
- **Start to map and understand key workforce issues** in the company's supply chain. Who are the company's critical suppliers and what are the key risks that those suppliers may face from poor workforce practices?

Recommendations for Investors

- **Incorporate workforce related issues** into your investment analysis and engagement agenda with companies.
- **Collaborate with other investors** to raise workforce issues with corporate management and boards.
- **Consider joining investor initiatives** such as the Workforce Disclosure Initiative, which seek standard comparable workforce data from companies.

Endnotes

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