

CIPD

RAILPEN

Report
November 2025

Future of workforce reporting

The CIPD has been championing better work and working lives for over 100 years. It helps organisations thrive by focusing on their people, supporting our economies and societies. It's the professional body for HR, L&D, OD and all people professionals – experts in people, work and change. With over 160,000 members globally – and a growing community using its research, insights and learning – it gives trusted advice and offers independent thought leadership. It's a leading voice in the call for good work that creates value for everyone.

Railpen's purpose is to secure our members' future. We manage over £34 billion in assets for more than 350,000 members, delivering pension administration and investment services across defined benefit (DB), defined contribution (DC), and hybrid schemes, including the Railways Pension Scheme.

Railpen operates on behalf of our Trustee, whose unwavering passion to put members first is at the heart of everything we do – from how we help rail workers save for their retirement, the ways that we innovate and evolve to serve their needs, and how we positively impact the world they will retire into.

Report

Future of workforce reporting

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Executive summary

The ability of firms to manage, upskill and engage their workforce is essential to long-term value creation and broader socio-economic wellbeing. Yet despite the central role employees play in driving business success, corporate reporting continues to underrepresent workforce issues. Disclosures often rely on vague platitudes and offer little meaningful insight into how companies support and invest in their people, even though workforce costs are typically among the largest a company incurs.

Large companies are the most likely to have the right resources and infrastructure to dedicate to good reporting on workforce issues.¹ This report reviews how FTSE 100 companies disclose workforce-related information in their annual reports, based on the constituent list as of December 2024. It uses a framework developed by the CIPD and Railpen, covering eight key themes: general quality of workforce reporting, workforce cost and composition, employee voice, wellbeing, reward, recruitment and skills and capabilities. As the latest in a long-running programme of work, the analysis builds on previous assessments – most recently in 2022 – and incorporates insights from investor and HR discussions to test and contextualise the findings in a way that is helpful to both the users and the preparers of reports.

Broadly speaking, corporate reporting is designed to convey key information about the business to stakeholders. If information is publicly disclosed, it can be analysed, debated and acted upon. An **investor** may see better returns on their investments if their assessment of a company is based on relevant and high-quality workforce data. A **trade union** may see fairer pay for their **workers**. And a **regulator** may gain an enhanced understanding of wider governance and corporate culture and the implications of firm compliance and conduct on this. In this way, reporting helps to align business practice with the interests of workers, savers and the wider economy.

At the same time, we must also accept that there are natural limits to what reporting can achieve in this regard, as well as practical limits concerning what companies can be reasonably expected to measure, disclose and manage. Recognising such constraints illustrates the role of complementary reforms and regulation in governance and other policy-related areas to ensure that reporting can fully deliver on its potential.



Findings

- Despite research demonstrating the positive effects that high-quality workforce data can have on a variety of stakeholder outcomes, improvements in workforce reporting since our 2022 report have been incremental. While disclosure has increased significantly in the areas of mental health action and equality, diversity and inclusion (EDI), on other material workforce issues, reporting patterns have not changed significantly.
- This means that significant gaps in reporting remain. In particular, detail on the indirectly employed workforce continues to be a conspicuous omission from workforce data, despite indirectly employed workers forming a large proportion of the UK workforce. Moreover, hard data on whistleblowing, training, recruitment and retention – key indicators of how employees are treated – is largely absent.

- Table 1 provides the most significant changes since our last report in 2022, showing metrics that have increased or decreased by 25% in order of size of percentage change.
- Finally, there is a clear imbalance between data and narrative in company reports, with excessive emphasis on narrative that is often anecdotal and less materially relevant at the expense of hard, comparable data.
- Workforce reporting is still not viewed by firms as the significant strategic opportunity it represents, reflecting the need to reframe it as a crucial tool in harnessing the full potential of the workforce. A more thoughtful, honest and purposeful approach to workforce-related disclosure would transform reporting from being treated as a burdensome compliance exercise or cosmetic public relations operation into a process that ensures the relevant data is collected, analysed and honestly reflected and acted upon to inform strategy. This would align business practices with public interest, address the needs of all stakeholders and ultimately support better business performance.

Table 1: Key changes in workforce reporting practices 2022–25 (%)

Metric	Percentage of companies that disclosed in 2025	Percentage of companies that disclosed in 2022
Disclose ethnicity pay data	39	9
Disclose gender pay data	84	26
Mental health linked to health and safety	39	13
Exit interview data	2	5
Engagement with higher education organisations	49	29
Disclose 'speak up' rate	28	19
Parental leave policy/pay	23	16
Reasons for disciplinary/grievance/whistleblowing cases	10	17
Living Wage accreditation	57	41
Total training costs per employee/total costs	10	16
Employee share scheme/profit-share	92	67
Staff volunteering	48	35
Breakdown of workforce by LGBT+	3	4



Recommendations for policy-makers, companies and investors

Our recommendations aim to improve the quality and accessibility of workforce reporting, enabling stakeholders to better interpret, compare and engage with the data. They offer policy advice for regulators, practical guidance for companies, and suggestions for investors to support better human capital disclosures.



Recommendation 1: Introduce minimum standards for workforce reporting

We have previously identified and tested the key workforce dimensions – composition, wellbeing, reward, voice and skills – that are critical to business strategy and within company control. All large companies should report on these areas using clear metrics, targets and progress updates. The International Sustainability Standards Board's (ISSB) work on baseline workforce disclosures could serve as a future standard, informed by existing frameworks and stakeholder input.

✓ **Recommendation 2: Provide a dedicated workforce section in annual reports**

Strategic reports should include a stand-alone section on workforce matters, aligned with Recommendation 1. Reports should also be machine-readable to help stakeholders navigate complex disclosures.

✓ **Recommendation 3: The Financial Reporting Council (FRC) to consider providing additional guidance on workforce reporting**

The FRC should consider providing clearer guidance to improve the consistency and comparability of workforce reporting under the UK Corporate Governance Code. Enhanced guidance would help companies present more meaningful data and narratives, enabling investors and stakeholders to better understand workforce-related factors that influence long-term business success.

✓ **Recommendation 4: Encourage greater investor engagement and transparency**

Investors should reward transparency, even when disclosures raise concerns. Companies should encourage chief people officers to attend annual general meetings (AGMs), allowing direct dialogue with investors on workforce issues. Investors should demonstrate vocal support for companies that are committed to being honest and transparent about their reporting.

✓ **Recommendation 5: Recognise the role of governance and standards in supporting good practice**

Accreditation and verification mechanisms have a potential role to play in supporting good practice. Regulators and industry standard-setting bodies should develop standards for auditors or kitemarks assessing or accrediting workforce-related disclosures. The UK Government has recently consulted on a disclosure and assurance framework for sustainability-related disclosures, focused on how major businesses are affected by and impact on the environment.² The same principle should apply to the social dimensions of business practice.

2

Introduction

Workforce investment and productivity – bridging the gap

The need for employers to manage, engage and develop a motivated and healthy workforce has never been more important.³ There remain various persistent structural challenges facing the UK economy; a failure of firms to realise the full potential of their employee base is one of them. It remains a concern that issues like training and skills, career progression and employee engagement appear undervalued by UK companies – corporate investment in training in the UK is roughly half the EU average.⁴ Employer spending on training has fallen by 28% in real terms since 2005, reflecting a consistent underinvestment in workforce skills. This trend contributes to a wider imbalance in the UK's corporate system, where business investment as a share of GDP has been the lowest in the G7 for 24 of the previous 30 years.^{5,6}

Gallup data also shows that only 10% of UK workers feel engaged in their jobs, while 40% report experiencing stress at work – far higher than the European average.^{7,8} The relative underinvestment in training and workforce engagement has broader consequences: economically, through reduced productivity and pay levels for UK

workers; socially, through wasted potential and diminished individual wellbeing; and for people's outcomes in retirement by making it harder for shareholders in UK companies to get the sustainable financial returns they need to help everyday savers.

Why is good workforce reporting necessary?

Corporate employment practices are not just internal management concerns; they are issues of national importance. The ability of firms to manage, upskill and engage with their workforce is essential to long-term value creation and wider socio-economic wellbeing. Employment practices of major firms play a central role in developing opportunities and productivity in the labour market. As such, stakeholders have a clear interest in understanding the composition, stability, engagement, skill levels and wellbeing of the workforce at the UK's biggest companies. Ultimately, information that gets collected and disclosed is more likely to be engaged with and the underlying practices improved upon in the future.

What is workforce reporting?

Businesses report formally on a range of activities relating to their business activities, including their financial performance, governance arrangements or information relating to stock market listings. Companies' annual reports and accounts are two of the most visible examples of corporate reporting. The content of these reports is driven by regulatory requirements as well as the interests and priorities of companies' shareholders and other stakeholders.

Workforce reporting is the component of reporting that relates to a company's employment model and working practices, communicating the value and impact of the workforce.

The workforce, the company's 'human capital', has historically received far less attention in corporate reporting than the financial performance and position. This is despite the workforce being indispensable to long-term value creation, given that business output is in large part determined by the collective capabilities, motivation and commitment of employees. Workforce costs are also typically one of the largest, if not the single largest, costs expended by a company, yet reporting on employment models and working practices too rarely extends beyond platitudes such as 'our people are our greatest asset' or 'the company is its people', underscoring the disconnect between an acknowledgement of the importance of employees and the lack of detail provided on workforce management.

Principles of good workforce reporting

Previous work involving Railpen, the CIPD, the High Pay Centre and the Pensions and Lifetime Savings Association (now Pensions UK) identified a set of key principles of good workforce reporting, based on analysis of good practice case studies, plus discussions with companies, investors and other expert stakeholders. These principles are that workforce reporting should:

- 1 be linked to a company's strategy and performance
- 2 include an appropriate mix of data and narrative
- 3 be balanced and self-critical
- 4 focus on targets
- 5 use consistent data points over time
- 6 include both directly employed and contingent workers
- 7 be disaggregated (where appropriate)
- 8 have received some kind of external, independent assurance.

Strong evidence base to collecting and communicating workforce data

Understanding workforce dynamics and investment is clearly important for investors seeking insight into their investee companies' long-term productivity, stability and risk. Research highlights how strong workforce data can drive enhanced business performance and organisational outcomes.⁹ For instance, firms with strong workforce analytics demonstrate 30% greater operational efficiency than their peers in times of crisis.

Investors have a strong interest in understanding the employment practices that form the bedrock of the business models and strategies of the companies they invest in. Shareholders with portfolios spanning multiple markets, sectors and companies have perspectives and experiences of workforce-related challenges and opportunities that can contribute substantial value to decision-making at individual investee businesses.

High-quality workforce analytics have also been shown to improve customer satisfaction, likely as a result of enhanced organisation and employee performance, reflecting the importance of workforce data at all stages in the value chain.¹⁰

Responsible employment practices are also likely to support customer retention – a 2019 CBI survey found that 76% of UK adults prefer to engage with brands known for a strong reputation, with 61% linking this to fair employee treatment.¹¹ Research has also found that heightened investment in the workforce is linked to better stock performance.¹² Other studies have shown how strong people development can drive greater firm profitability.^{13,14}

As such, there is a compelling case for companies to collect qualitative and quantitative evidence detailing the effectiveness of their people management practices and for communicating this information in their annual reports, where investors can engage with it and use the insights to support their investment and stewardship practices. The resultant investor–company dialogue can then help deliver better business performance.

Application of insights from workforce reporting in practice

Evidence from Railpen's Sustainable Ownership team highlights the role that workforce data can play in facilitating dialogue between investors and companies, with the potential for improved business performance and positive outcomes for stakeholders.

Recent examples of Railpen's engagement include:

- **Online retailer:** Railpen engaged with a global online retailer to improve its workforce disclosures, analysing the company's sustainability report and facilitating productive discussions on social factors such as employee engagement and health and safety. This collaboration led to the adoption of several recommendations in the 2022 sustainability report, such as clearer ESG (environmental, social and governance) links to strategy, better progress tracking, and increased transparency on supplier assessments. With these enhancements, Railpen supported shareholder resolutions for further disclosure improvements at the company's next AGM, while continuing to advocate for progress in workforce-related transparency.
- **Mining company:** As part of its governance and conduct exclusions process, Railpen engaged with a global mining company over health and safety concerns and insufficient disclosure. After a major incident in May 2023, the company addressed the issue in its annual report and introduced a three-year action plan with enhanced inspections, contractor training and incentives for hazard identification. Noting these improvements and progress made on community relations, Railpen removed the company from its exclusion watchlist.
- **Clothing retailer:** In 2021, Railpen conducted a thorough review of a prospective clothing retailer that was under consideration for investment. The assessment revealed significant deficiencies in the company's public disclosures, with key information on material issues either absent or inadequately addressed. Further engagement with the company found that these disclosure shortcomings were compounded by evidence of poor practice in areas such as governance, health and safety, and overall management of social and environmental risks. Despite engaging with senior leadership to understand their plans for improvement, Railpen found the responses unsatisfactory and lacking in concrete commitments. As such, Railpen ultimately decided not to pursue an investment in the company.

3

The current reporting environment

Prevailing workforce reporting practices are shaped by a range of regulations, standards and conventions, applying at both UK and international level and deriving from government, industry and civil society initiatives. Table 2 details some of the key UK regulatory initiatives that promote corporate disclosure of employment models and working practices by British companies.

UK regulations

Table 2: Selected UK regulations that influence workforce reporting

Regulation	Year	Key provisions
Strategic Report and Directors' Report Regulations	2013	Require firms to include a 'strategic report' in their annual report with information relating to employee matters. This includes their business model, principal risks and key performance indicators that potentially relate to their employment models and working practices. ¹⁵
Companies Miscellaneous Reporting Regulations	2018	Mandate that companies report on how their directors have fulfilled their obligations to have regard for stakeholders, including their employees, as per section 172 of the Companies Act. ¹⁶
Corporate Governance Code	2018 (restated in 2024 update, effective 2025) ¹⁷	States that companies should engage effectively with their workforce via one of three mechanisms, as well as explain their approach to "investing in and rewarding its workforce". ¹⁸

Key indirect UK regulations

Indirectly, regulations on investor stewardship practices effectively encourage engagement with portfolio companies on material environmental, social and governance (ESG) issues, which will often include workforce-related topics. This creates an imperative for investors to encourage high-quality workforce reporting from investee companies. For instance, there are some requirements on UK pension funds to incorporate financially material ESG considerations into their investment decisions (which could include views on the employment practices and standards of investee companies) as well as stating their policy in relation to the non-financial concerns.¹⁹

The UK Stewardship Code (2020), to which many asset managers, owners and service providers (like investment consultants) are signatories, asks signatories to "systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities".²⁰ While the forthcoming revision of the Stewardship Code removes explicit ESG references, it still recommends managers "identify and respond to market-wide and systemic risks in the interest of clients and beneficiaries".²¹ This could encompass such systemic threats as prevailing low-pay and income inequality, given they have been extensively linked to damaging societal outcomes like increased crime rates, mental health challenges and increased support for extreme politics.^{22,23,24} In fact, Railpen and many other system-wide investors have long considered workforce-related issues to be a key system-wide issue.²⁵

International developments

In a globalised economy, where companies have operations in numerous countries and investors allocate capital worldwide, international reporting practices (Table 3) are increasingly relevant to the UK. Currently, the UK's approach is less prescriptive than some global peers. This is especially pertinent given ongoing debates as to whether reporting obligations place British companies at a disadvantage relative to global competitors.

Table 3: Selected key international directives

Regulation	Year	Key provision
EU Corporate Sustainability Reporting Directive (CSRD)	2023 (became law in 2023, with the first set of companies reporting in 2025 on data for the 2024 financial year)	Mandates corporate ESG data, including on workforce issues such as composition, diversity, training, social partnerships and remuneration. Crucially, a double materiality approach is applied, requiring firms to consider how such issues impact not only their financial performance, but also the environment and wider society. ^{26,27}
UK Sustainability Disclosure Requirements	Forthcoming (expected 2026)	Based on standards developed by the International Sustainability Standards Board (ISSB), this will require similar double materiality assessments on environmental issues, presenting a potential avenue to extend these requirements to workforce-related issues in the future. ²⁸
US Securities and Exchange Commission (SEC)	2020	Requires publicly listed firms to disclose a range of data, including employee numbers or any matters relating to 'human capital' objectives that are materially relevant to the business. ²⁹

Standard-setting and civil society initiatives

A range of non-mandatory reporting mechanisms seek to fill the gaps in corporate data that have emerged as a result of limitations in government regulation and inconsistencies between different markets (Table 4). Often accompanied or driven by investor pressure, these have been key in expanding workforce reporting and driving more consistent reporting practices internationally.

Table 4: Selected international standard setting and civil society initiatives

Initiative	Year	Key provision
UN Guiding Principles on Business and Human Rights	2011	This is a detailed framework that outlines the types of workforce-related questions all firms should be able to answer. ³⁰ This is reinforced by the broader vision of good-quality work and inclusive economic development in the UN's Sustainable Development Goals (SDGs), such as SDG8 (decent work and economic growth) or SDG10 (reduced inequalities). ³¹
Workforce Disclosure Initiative (WDI)	2016	The WDI collects data on a range of workforce-related indicators, from pay practices to supply chain ethics. The data informs the investment decisions of a coalition of around 35 investors that hold \$7.5 trillion AUM (assets under management). ³² Roughly 140 of the world's largest companies complete an annual survey designed with the input of investors, firms, unions and other experts, enabling a standardised comparison of the extent to which companies uphold decent standards of workforce treatment. ³³
Committee on Workers' Capital (CWC) Guidelines for the Evaluation of Human Rights and Labor Standards	2017	Union-led initiative detailing a range of key performance metrics across 10 broad themes, from workforce participation to training and development. ³⁴

Table 4: Selected international standard setting and civil society initiatives

Initiative	Year	Key provision
Corporate Human Rights Benchmark (CHRB)	2017	Publicly ranks top global firms on the basis of their human rights approach, including workforce topics, from employee voice to grievance mechanisms and management of individuals in the supply chain. ³⁵ Crucially, the methodology is based on the actual performance of companies regarding these issues, as opposed to the commitments they have made. ³⁶
International Sustainability Standards Board (ISSB)	2021	Develops minimum standards for sustainability reporting, including a host of human capital metrics, from employee health and safety to diversity and inclusion and labour relations. ³⁷ The ISSB 2024–26 work programme includes a review of the need for more detailed human capital reporting, highlighting the growing importance of workforce metrics within the wider corporate sustainability landscape. ³⁸
Fair Reward Framework	2024	Developed with the support of a range of asset owners, the Fair Reward Framework (FRF) is another recent initiative dedicated to gathering detailed data specifically on the pay practices of FTSE 100 companies. ³⁹

4

Looking back, building for the future

Evolving interest in employment practices and corporate reporting

In recent years, political, public and media interest in employment practices and associated corporate reporting has fluctuated. The late 2010s saw heightened policy-maker engagement with the ‘good work agenda’ promoting high-quality jobs, most prominently through the Taylor Review of Modern Working Practices, published in 2017.⁴⁰ The decade was also punctuated with events and movements questioning the extent to which business culture and the economic system more generally were delivering socially and environmentally desirable outcomes. These ranged from debates still occurring in the fallout from the global financial crisis, high-profile corporate scandals like the BP Horizon oil spill or Volkswagen emissions case, to the Occupy protests and rise of left-wing political movements led by Bernie Sanders in the US and Jeremy Corbyn in the UK. This coincided with a surge of interest within the business and investment communities and beyond in concepts such as stakeholder capitalism, responsible business and ESG integration and stewardship. As such, there was increased pressure on businesses to demonstrate their socio-economic impact, including the impact of their employment practices.

Similarly, with the 2008 global financial crisis still fresh in the memory, the 2010s also witnessed increased political interest in corporate long-termism – the Kay Review commissioned by the UK Government examined how robust corporate governance and investment stewardship could support sustained and long-term business success and productivity growth.⁴¹ Again, skills, employee wellbeing and productivity – and the extent to which companies were investing in these concepts as a means of delivering sustainable business performance – became a subject of increased attention.

The COVID-19 pandemic and renewed focus on social factors

In 2020, the COVID-19 pandemic drew particular attention to the materiality of social factors, especially the importance of progressive employment practices as lockdowns demonstrated the extent to which society relies on low-paid workers such as cleaners, shop workers and delivery drivers.⁴² Post-pandemic concerns have in some ways reversed or dissipated, fuelled by political movements, particularly in the US, where campaigners have argued that initiatives promoting 'diversity, equity and inclusion' are an attempt to politicise business. In the UK and Europe, where economic growth post-pandemic has been markedly lower than in the US, critics have also argued that 'non-financial' reporting requirements and corporate governance mechanisms have become a hindrance to business dynamism and the wider economy.^{43,44}

Regulatory shifts and the changing policy climate

This view has gained ground in the business community and with policy-makers and regulators. For instance, in the UK, the final version of the Corporate Governance Code published in 2024 deleted the references to ESG that initially appeared in the previous draft code, while the government has also committed to an imminent review of non-financial reporting – which may provide an additional opportunity for rolling back reporting requirements on material sustainability and governance issues.⁴⁵

The evolution of the debate since our previous analysis of workforce reporting in 2022 means it is important to understand how practice has changed in line with this debate. The next section presents our findings on the current state of workforce reporting among UK FTSE 100 companies, before discussing the implications for future policy and practice in the conclusion.

Methodology

This report is the latest in a long-running programme between the CIPD and Railpen examining corporate reporting on workforce-related issues among FTSE 100 companies, and bringing together the company and the investor perspective on workforce disclosure. This report seeks to understand which employment practices and characteristics of the workforce are disclosed by the UK's largest companies, and how usefully this information is presented.

The High Pay Centre (HPC) was commissioned to conduct assessments of the annual reports of FTSE 100 companies based on the FTSE 100 constituent list as of 31 December 2024. The reports were all released within the period from 1 January 2024 to 31 December 2024. In total, 96 companies were assessed, with four investment trusts excluded on the basis of their distinct business model and minimal workforce, which makes meaningful comparison and analysis challenging.

We focused on FTSE 100 companies as they are the largest and most prominent UK companies, employ large numbers of workers, and as sectoral leaders very often shape the market standard in terms of pay and conditions for many more. We would not necessarily expect smaller companies to produce the same level of reporting, but the importance of a positive employment culture with an engaged workforce, equipped with the skills needed to deliver sustainable success for the business, is universal. As such, this report contains some generally applicable guidelines and we hope that it will serve as inspiration to companies of all sectors and sizes.

Each annual report was compared against a framework collaboratively designed and previously produced by the CIPD and Railpen comprising a series of indicators on employment practices and outcomes, as well as more general hallmarks of good reporting. These indicators are not a restrictive template prescribing exactly what a company should pursue – though in some cases, such as pay reporting, companies are mandated to publish certain disclosures like their gender pay gap or their CEO to employee ‘pay ratio’ – but instead represent a comprehensive set of characteristics that cover every dimension of how a firm treats its workforce and how this is relevant to both a company’s business and social performance. Naturally, it is unrealistic to expect a company to report on every characteristic, especially given some are more sector-specific than others. This report instead seeks to detail which characteristics are broadly relevant and the extent to which they are currently being reported on.

The assessments were grouped into eight thematic categories:

- 1 general quality of workforce reporting
- 2 workforce cost
- 3 employee relations and wellbeing
- 4 workforce composition
- 5 employee voice
- 6 reward
- 7 recruitment
- 8 skills and capabilities.

The majority of the indicators were coded with a binary yes/no response, based on whether or not the company disclosed the relevant information in their annual report. For some indicators, this involved a straightforward record of whether a particular practice or figure was reported: for example, was there or was there not a figure published for staff turnover? For others, a more qualitative judgement based on the depth, clarity or quality of a company’s disclosure was required: for example, did the company demonstrate an understanding of the importance of worker voice and wellbeing?

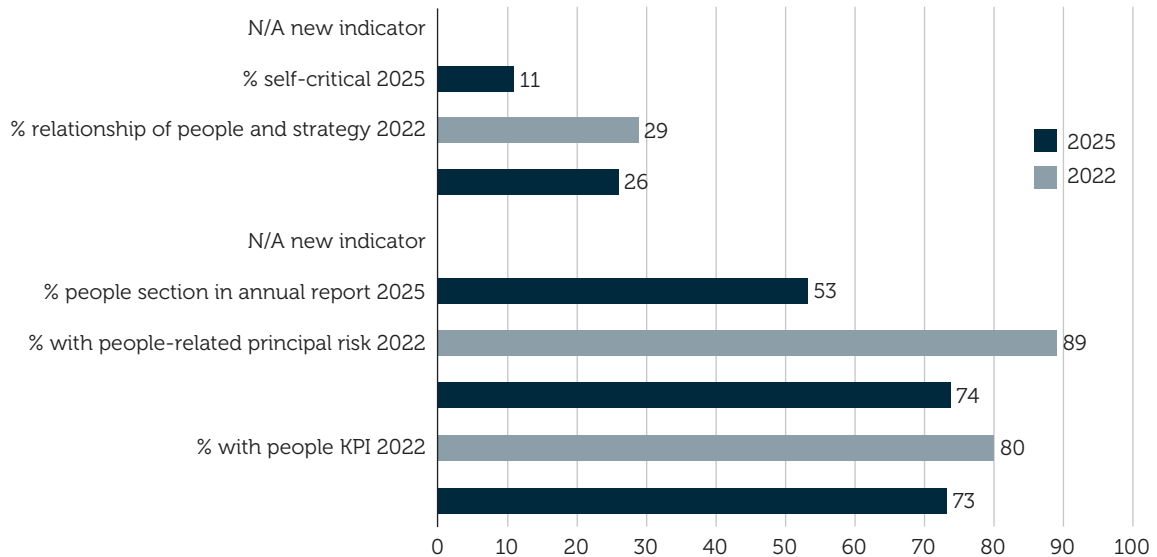
Results were compared with our previous analysis of FTSE 100 workforce reporting in 2022. Most indicators remain the same as those previously used, meaning that for most indicators, direct comparisons of change over time are possible. However, we have introduced some new indicators based on stakeholder feedback, where comparisons are less straightforward. These are noted in Table 5, and the complete dataset is set out in the appendix. Insights from the findings were tested through engagement with the investor and HR communities via a series of roundtables. We are grateful to all participants for their valuable contributions to this process.

At the start of each of the eight thematic sections, a graph has been included that sets out the ‘key indicators’ for the section. This refers to the indicators we consider to be most relevant to understanding how a company treats its workforce, as well as those that are most interesting in terms of how they have changed since 2022. Table 6 in the appendix details the complete data for all the indicators on which we collected data.

5 Findings

General prominence of workforce reporting

Figure 1: General prominence of workforce reporting (%)

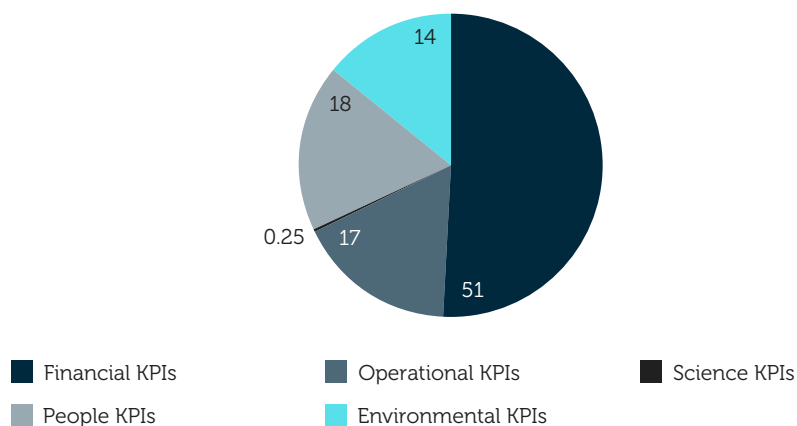


Disappointingly, there has been a drop in the number of firms with a key performance indicator (KPI) related to people management, falling from 80% in 2022 to 73% (Figure 1). This presents a useful metric for understanding the extent to which workforce-related issues are integral to a firm's future ambitions.

Key performance indicators (KPIs) and principal risks

Financial KPIs continue to be prioritised

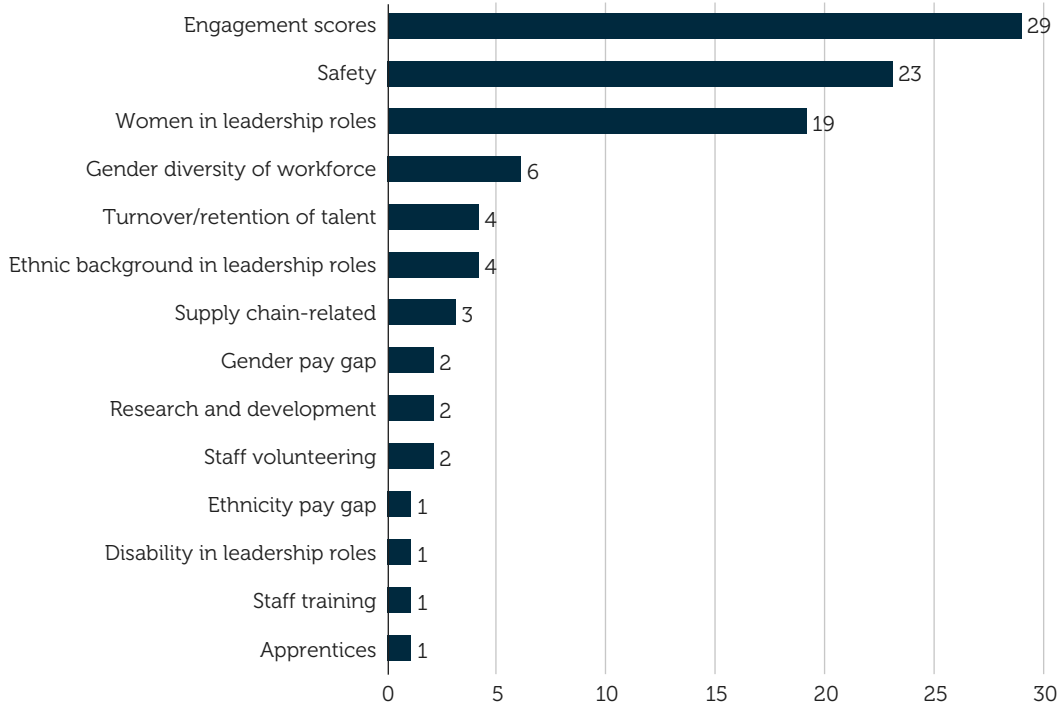
Figure 2: Breakdown of key performance indicators (%)



Of 791 KPIs recorded across the sample, the majority (51%) relate to financial performance (Figure 2). Following this, 18% are workforce-related, 17% operational and 14% environmental, reflecting how financial considerations continue to be prioritised over other material factors.

The 139 people-related KPIs were broken down as shown in Figure 3.

Figure 3: People-related KPIs (%)

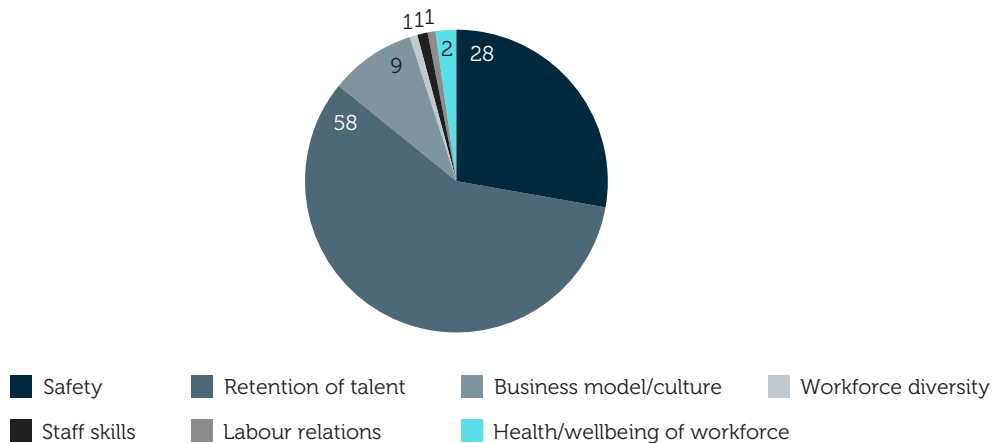


The prominence of employee engagement scores is interesting, given scepticism across some stakeholders as to whether these have sufficient depth to provide genuine insight into employee wellbeing, engagement and commitment to the company.

In addition, there remain low levels of targets on areas like upskilling the workforce, research and development, or gender and ethnicity pay equity. As a result, many of these people-related KPIs fail to offer a clear picture of workforce treatment.

Principal people-related risks on risk register decline

Figure 4: Breakdown of people-related principal risks (%)



A similar trend is evident in principal risks: **the percentage of companies with workforce-related (people) risks on their risk register has declined from 89% in 2022 to 74%.** Of these people-related risks, 58% relate to retention of talent and 28% to physical safety, whereas workplace diversity, staff skills and the health/wellbeing of the workforce account for just 1%, 1% and 2% respectively (Figure 4). The gap between talent retention forming 58% of all people-centred principal risks and just 4% of all people-related KPIs indicates a discrepancy between the recognition of risk and target-setting. This is reinforced by the lack of hard data on training, skills and turnover, outlined previously.

Crucially, only 48% of companies detailed targets or information on progress towards ambitions as part of their KPIs or principal risks. This is vital information for ensuring accountability in corporate target-setting, enabling stakeholders to assess if companies are truly committed to delivering on their wider workforce ambitions.

Example of good practice

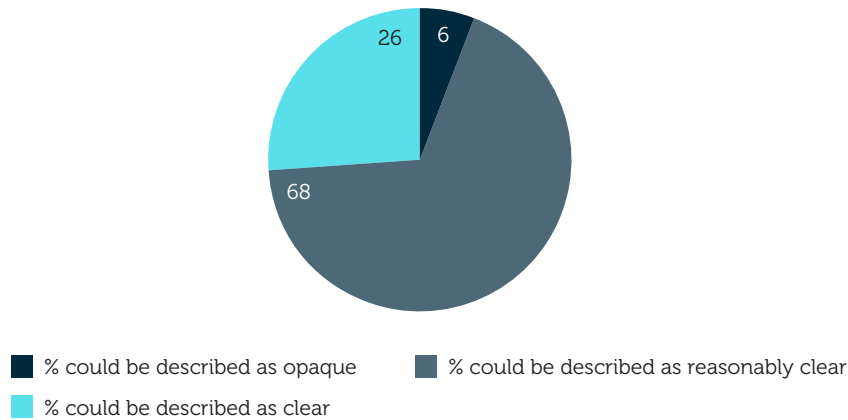
Halma track research and development (R&D) investment as a percentage of total revenue as one of their KPIs. The critical role of R&D in driving sustainable business growth is highlighted, as well as how R&D spending has progressed in recent years, future investment targets, and how they plan to meet these ambitions.⁴⁶

Relationship of people and strategy

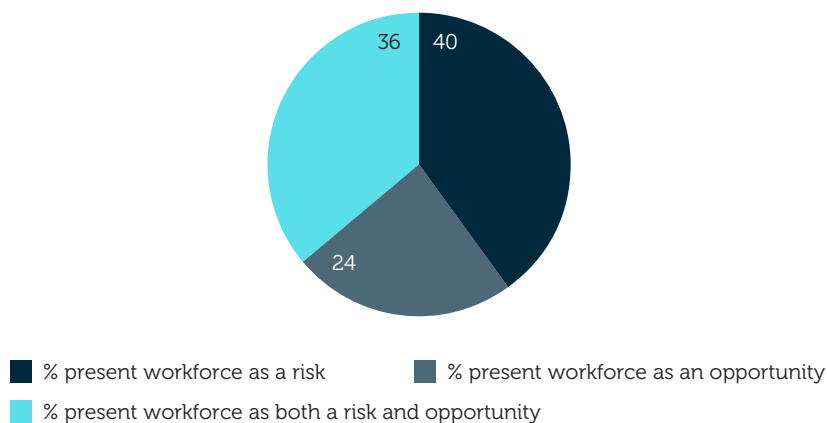
While the process of assessing the quality, depth and detail of annual reports is subjective, it is still possible to gain a sense of the extent to which the workforce is integrated into wider firm strategy or framed as a strategic risk or opportunity. This also highlights a fundamental weakness in the reporting framework – the limited comparability of workforce-related disclosures across annual reports.

One area of significant progress since our 2022 report is the ease with which people-related issues can be located in annual reports: **53% of firms now have a dedicated people/colleague section in their reports**, indicative of how more firms are taking workforce issues seriously. While it is difficult to say with any certainty – given the change may also reflect broader corporate trends – it may also reflect the impact of our earlier work highlighting the value of dedicated people sections in both helping stakeholders to locate relevant workforce information and firms to demonstrate their commitment to effective people management.

In terms of the presence of a clear relationship between people and strategy, where the composition, engagement, skills and capabilities of the workforce are directly referenced in relation to the realisation of the general business objectives, however, there has been little change: 26% of firms demonstrate this, compared with 29% in 2022. In cases where such a link exists, it typically relates to ambitions to develop a skilled, diverse and mentally well workforce, which is crucial for business stability and productivity.

Figure 5: Breakdown of annual report clarity (%)

Moreover, **68% of the reports assessed were considered reasonably clear, 26% as completely clear and just 6% as opaque** in their presentation of workforce-related information (Figure 5). Reports rated as clear were well structured, offering granular-level detail, signposting relevant people information and typically including the methods behind data collection, definitions of key terms and information on targets or progress towards goals. Reports classified as opaque offered vague or insufficient information, preventing a full understanding of workforce treatment, with minimal clarity on methodology, key definitions or how data related to wider targets. Reasonably clear reports demonstrated elements of both contrasting approaches.

Figure 6: Breakdown of how annual reports present the workforce (%)

In terms of how the workforce is framed, **40% of companies primarily reported workforce-related issues in terms of risk, 36% in terms of both risk and opportunity, and 24% in terms of opportunity**. This was assessed on the basis that opportunity represented cases like the framing of staff training as an opportunity that could unlock business potential, while risks referred to factors like employee health and safety concerns that could impede daily operations.

This variation is understandable given the diverse types of companies within the FTSE 100; firms that involve heavy machinery operation and the associated increased potential for fatalities or accidents are more inclined to frame the workforce as a risk.

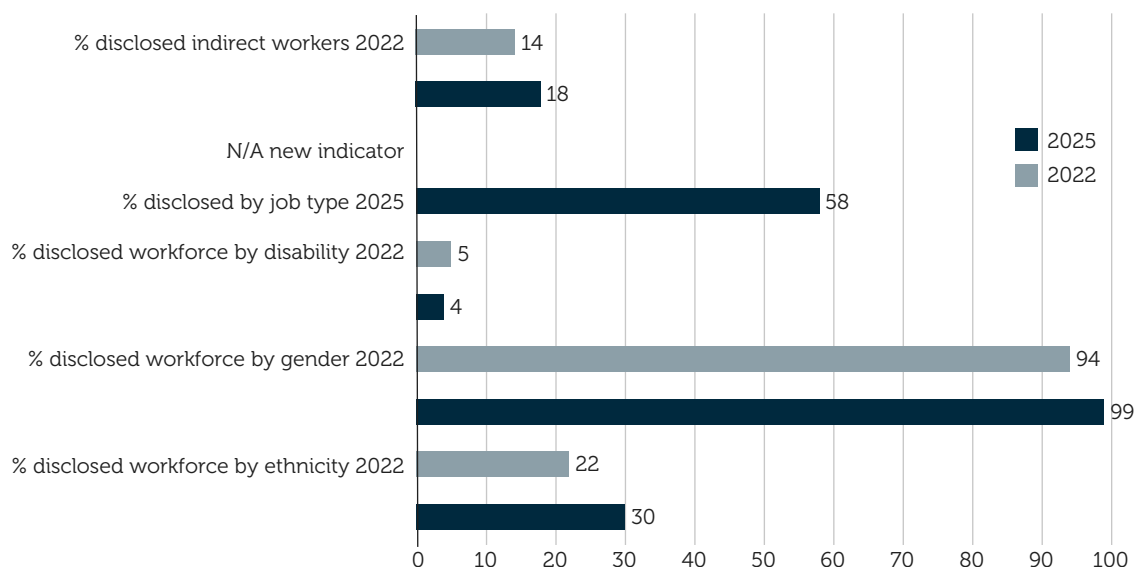
Disappointingly, **just 11% of firms were reflective of their own employment practices or performance in respect of workforce-related** metrics, and identified practices or outcomes that required improvement in the future. It is perhaps understandable that in their own annual reports, companies will accentuate the positive – and we often see this across other indicators too – but a lack of balance or reflectivity undermines the credibility of the reporting overall. It appears improbable that only 11% of firms felt they had not met their objectives in respect of any of their employment practices, or faced any meaningful problems, setbacks or challenges. Stakeholders invested in the company's success value open and honest discussion of these issues and understand that companies will face challenges on workforce-related issues. Openness with regard to these challenges is likely to lead to better dialogue and better stakeholder relations than reporting that fails to acknowledge the challenges facing the business or areas where improvement is needed.

Example of good practice

SSE reported their total recordable injury rate (TRIR) for both employees and contractors. This included an element of self-criticality as they acknowledged that contractor TRIR performance did not meet reasonable standards, stating "contractor TRIR performance fell well short of this performance expectation and the high standards SSE seeks to uphold". The company explained the causes and outlined their response, which included establishing a new contractor safety team and integrating health and safety with broader employee wellbeing initiatives, such as establishing a 24/7 staff support helpline.⁴⁷

Workforce cost and composition

Figure 7: Workforce cost and composition (%)



Composition/cost

The workforce is often a company's most significant financial cost, as well as being a significant source of value. Accordingly, firms are required to report on the cost of the workforce, while also breaking it down into individual components like wages and benefits. All FTSE 100 firms met this requirement. However, although indirectly employed workers often form a significant portion of the workforce, few companies report the costs associated with these workers. This leaves a substantial gap in understanding how organisations approach pay across their actual workforce, or the actual cost of their employment model. The contingent workforce can also present reputational risk, with material financial consequences, to organisations if not managed effectively.⁴⁸

Example of good practice

NatWest disclose the number of both full-time and contract workers, as well as the costs associated with temporary or contractor staff.⁴⁹

Equality, diversity and inclusion

Rules introduced in 2022 by the Financial Conduct Authority (FCA) require 'comply or explain' statements in annual reports regarding the representation of women and ethnic minorities on boards or in executive management, accompanied by numerical data.⁵⁰ The Parker Review on board diversity has also continued to be updated, recommending that all FTSE 350 firms should aim to achieve their targets for ethnic minority representation in senior management by 2027.⁵¹

In all, **97% of firms now provide evidence of investment in EDI**, offering greater detail on initiatives such as participation in charters designed to enhance ethnic representation in the workforce, shifts in recruitment policy or engagement with employee diversity networks. This compares with 93% in 2022. Furthermore, hard data to reinforce these claims has also increased.

Disclosure of the gender diversity of employees is mandatory for large firms with 250 or more staff, which is reflected by the high level of disclosure on this area of reporting. **While not yet mandatory, there has been a marked increase in ethnic diversity reporting, with the percentage of firms providing an ethnic breakdown of staff increasing from 22% in our 2022 report to 30%** (Figure 7). This is likely to increase sharply for UK-based organisations once new regulations requiring larger firms to report annually on their ethnicity pay gap come into force.

Other diversity features, however, continue to lag behind ethnicity and gender (Figure 7):

- The percentage of firms disclosing by age has regressed from 10% to 8%.
- Disability and LGBT+ disclosure both decreased one percentage point each, to 4% and 3% of firms respectively.

Disability reporting is set to see a significant increase in the future as new regulations making this mandatory for large employers come into force in the UK. There is not universal agreement on how much detail companies should provide on the diversity of their workforces. For example, organisations, including the CIPD and the Business

Disability Forum, have highlighted the challenges associated with collecting and analysing data on disability.⁵² These include low disclosure rates and whether insights from the data are used to improve the experience of people with disabilities in the workforce, for example, through changes to recruitment practices or an increase in the use of reasonable adjustments. These challenges also face organisations seeking to collect data on the sexual orientation and/or gender identity of their workforce, with meaningful analysis also undermined by small sample sizes.

No firm reported on the diversity of their workforce in terms of socio-economic background. However, some companies demonstrated an acknowledgement of the importance of this as an issue for them, for example by noting the number of interns taken from disadvantaged socio-economic backgrounds.⁵³ While they are not FTSE 100 firms, and therefore not included in our sample, PwC and KPMG offer examples of good practice, having previously published socio-economic background pay gap reports that break down their workforce by class background, show how this is reflected in pay gaps and, finally, set out action plans to address any disparities.^{54,55}

The CIPD has highlighted the need for the people profession and organisations to build their HR analytical capability and ensure that data on workforce diversity is collected for a purpose, with insights used to improve decision-making and workforce and business practices and outcomes. For their part, many investors are committed to working pragmatically with portfolio companies.

Example of good practice

Both **Entain** and **Standard Chartered** break down their employee base by job type, full-time/part-time workers, gender, ethnicity, age, location and proportion of indirectly employed workers.

Employment type and location

In addition to the lack of detail on the cost of indirectly employed workers, our previous analyses have highlighted the lack of detail on the contingent workforce more generally. Research has highlighted the reliance of top firms on contingent workers to meet daily operational demands, as well as detailing how these types of workers are often lower-paid and more vulnerable to cases of exploitation.⁵⁶ This is likely to have damaging consequences on employee morale and turnover, restricting business productivity.

The percentage of firms disclosing the extent of contingency workers within their operations has increased marginally since 2022, up to 18% from 14%. The lack of transparency hinders stakeholder understanding of the companies in question. It may even reflect that the companies themselves lack a full understanding of their indirectly employed workforce, leaving themselves vulnerable to issues that have previously affected companies relying on outsourced workers and have had a negative impact on brand reputation, investor engagement and business output.

There have been other marginal increases in disclosures related to the breakdown of the workforce:

- The percentage of firms disclosing the extent of their employees on full-time or part-time contracts has increased from 11% to 12.5%.
- The percentage of firms disclosing the location of their employees has increased from 43% to 44%.

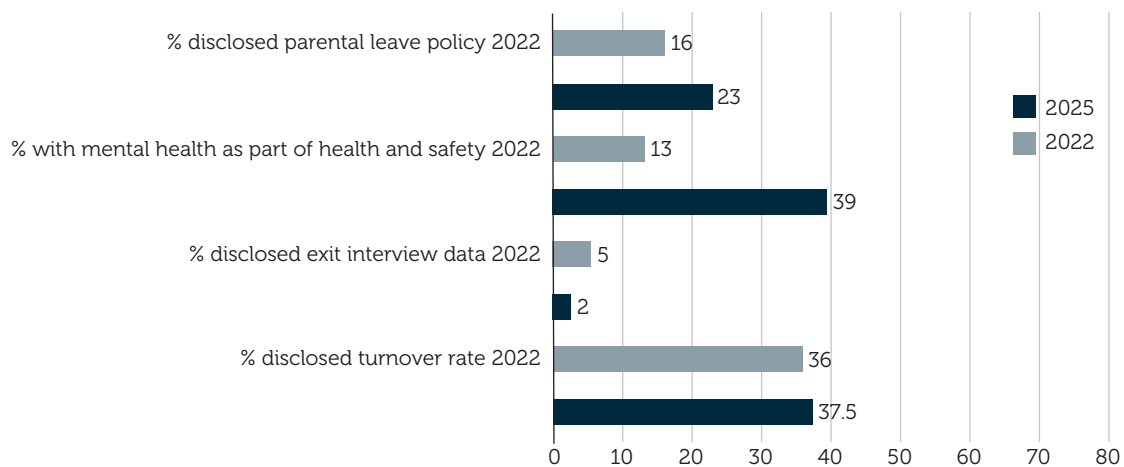
Overall, reporting on the different types of employment terms and relationship used by companies has stagnated over the previous three years, meaning it remains difficult for stakeholders to fully comprehend the composition of their employee base.

Example of good practice

London Metric Property categorised employees into length of service brackets, providing greater transparency around long-term employee retention and the overall appeal of working at the firm.⁵⁷

Employee relations and wellbeing

Figure 8: Employee relations and wellbeing (%)



Employee turnover rate

Staff turnover remains a vitally important metric for all companies and their shareholders. While the optimum or realistic minimum level of turnover will differ between sectors – given the associated costs of recruitment and training, loss of critical knowledge and the fact that a higher turnover than expected can indicate a demoralised or unhappy workforce – it is difficult to imagine a circumstance in which this metric would not be relevant or where intra-sectoral or historical comparisons would not be useful.

It's also helpful to understand where turnover might be 'too low' for a particular company or sector, as extremely low employee turnover can lead to organisational stagnation, reduced innovation and limited opportunities for fresh talent or internal progression. It may also result in complacency, rising labour costs and an excessively rigid culture that struggles to adapt to change.

There has been little progress in companies disclosing staff turnover rate since 2022, increasing from 36% of firms to 37.5% (Figure 8). It is probable that many firms collect this data but choose not to report it publicly, potentially reflecting the comparatively low level of stakeholder concern regarding employment practices relative to scrutiny of financial performance in financial analysis and media reports.

The investor perspective

Our engagement with a diverse range of institutional investors, which was part of the qualitative research process that built on the analysis of FTSE 100 annual reports, identified **turnover**, **exit interview** and **absenteeism rates** as fundamental people metrics.

Critically, investors made the point that firms should not only disclose these metrics, but also provide context by attributing any significant fluctuations in the data to underlying factors, such as wider organisational changes or concerted efforts to improve performance by the firm. Additionally, investors expect that firms present such metrics clearly to ensure comparability, such as by disclosing both voluntary and involuntary turnover rates.

It is also important to understand turnover at a more granular level, such as within certain locations, among certain types of employees and the reasons for such turnover, to identify and rectify potential systemic issues holding back the business. Exit interview data can also provide valuable insights into how the workforce perceive crucial issues, such as the competitiveness of pay, career progression opportunities or the broader workplace culture. The percentage of firms providing data on exit interviews/reasons for employee departure, however, remains low at 2% (5% in 2022), reflecting both a lack of corporate accountability and transparency surrounding the issues that contribute to employee turnover.

Example of good practice

Anglo-American disclose their voluntary turnover rate as one of their KPIs: how the figure relates to their overall targets and progress that has been made on this. This is linked with wider ambitions on people development, such as changes in the external hire rate and their 'internals first' programme, which has overseen an increase in the internal hire rate.⁵⁸

Health and safety

The percentage of companies with a strong and detailed health and safety framework remains high at 78%. Naturally, the level and detail of reporting on this varied significantly across sectors, with those firms where employees deal with heavy machinery or potentially toxic chemicals, such as in the mining, oil and gas or utility sectors, typically providing more substantive health and safety frameworks. For instance, 100% of firms in the industrials, basic materials and utilities sector detailed health and safety frameworks, contrasting with 44% in the financial sector, 67% in healthcare and 67% among consumer discretionary firms. While it is understandable that a firm may be hesitant to disclose details that potentially portray its practices

in a negative light, this reluctance is ultimately misplaced. Stakeholders are likely to value honesty, transparency and a clearer understanding of the relationship between employer and employee.

The former group of companies also frequently included targets on employee accidents/fatalities within their KPIs, reflecting how seriously companies with hazardous workplace responsibilities take this issue. This distinction between sectors also helps explain why comparatively fewer, 61% of firms, provided accident or fatality rates. Again, there was a difference in how companies responded to this based on their sector: 100% of basic material and utility companies provided accident rates, compared with just 17% in the financial sector. Fewer companies, however, provided a breakdown of these rates between contractors and employees, indicating an avenue for improved performance in the future.

Example of good practice

British American Tobacco disclosed the number of serious injuries and fatalities among both employees and contractors, linking this data to wider health and safety risk assessments and action plans aimed at minimising risk.⁵⁹

Mental health and wellbeing

While physical health and safety is likely to affect companies in different sectors to varying extents, mental health and wellbeing should be of the utmost importance to all firms.

Encouragingly, 86% of firms demonstrated an employee wellbeing strategy; however, just 15% of organisations provided data on sickness absence. There was also often very little information presented on how companies prevent work-related stress or support mental health at work. For example, just 39% of firms provide any information on the mental health of their workforce, despite the high level of attention this issue has attracted over the last few years. It is positive that there has been a significant improvement from 2022, when just 13% of organisations provided any information on the mental health of their employees.

However, there remains a gap between the number of companies discussing the importance of mental wellbeing in general narrative terms, without providing concrete data on how their efforts to ensure workforce wellbeing translate into positive outcomes for the workforce and the company.

There is also very little specific mention of companies' efforts to address work-related stress, which is directly linked to employees' physical health and safety. Stress is one of the main causes of sickness and absence from work, with scientifically proven links to conditions like anxiety, depression and heart disease.⁶⁰ Research by the Health and Safety Executive has highlighted that work-related stress is associated with behaviours linked to mistakes and accidents.⁶¹ Employers additionally face a legal duty under health and safety legislation to conduct a risk assessment for work-related stress and to take action to address the causes.⁶² Consequently, it is concerning there is so little information in company reports on their efforts to identify and reduce work-related stress.

Examples of good practice

Centrica demonstrated a strong employee wellbeing programme, including a Colleague Support Foundation that has distributed £150,000 in support to workers struggling with the cost-of-living crisis since 2023. The wider wellbeing programme was linked with targets to reduce absenteeism rates.⁶³ **Persimmon** reported establishing 274 mental health first aiders, training over 100 managers in mental health awareness and 200 employees in menopause awareness training.⁶⁴ **Reckitt** stated their aim to improve their FTSE Corporate Mental Health Index score from 58% (tier 3) to tier 1 within the next 18–24 months.⁶⁵

Whistleblowing

Whistleblowing provides a valuable mechanism for identifying potential misconduct within company management, enabling accountability where existing frameworks or company policy are not up to standard:

- Worryingly, just 27% of firms revealed the number of whistleblowing cases during the year.
- And just 10% of them provided any detail as to the reasons for those cases.

Again, although we recognise that there will often be sensitivities around providing very granular detail, this information is of little use to stakeholders unless there is at least a disclosure of why the whistleblowing cases are emerging and whether they were substantiated or not. **Only 3% of companies provided information on cases of reported bullying or harassment**, despite nearly all referencing a zero-tolerance approach in their wider health and safety narrative. This highlights a clear mismatch between stated narrative commitments and the provision of hard data to evidence such claims.

The investor perspective

Investors identified disclosure on whistleblowing as one of the most crucial indicators for judging a company's workplace culture. Namely, providing transparency here indicates a commitment to openness and robust governance, demonstrating if the firm actively seeks to identify and rectify workplace issues. Given that such unresolved issues hold the potential to undermine a firm's reputation, stability and long-term performance, investors deem this to be a crucial disclosure. Moreover, investors were keen to emphasise that the positive value of firms disclosing such information outweighed any wrongdoing or bad practice that was revealed and, in the roundtable, provided several examples where they had done so in their engagements with companies.

Whistleblowing data essentially highlights incidences of wrongdoing. While companies may wish to highlight that they have processes in place to safeguard against misconduct, there may be a reticence to disclose how often these processes are used, for fear of giving a negative impression of the company. The relatively low levels of reporting on this metric possibly exemplify a wider trend of workforce reporting generally accentuating the positive and presenting the company in a favourable light.

Example of good practice

WPP reported on trends in whistleblowing cases, outlining potential causes, investigation and remediation processes and categorising cases into risk-impact categories.⁶⁶

Flexible work

A company's approach to flexible working can be indicative of its wider treatment of the workforce, offering homeworking or adaptable arrangements that can be tailored to the different needs of a diverse workforce. Multiple studies have shown how employees now often value flexibility, such as working hours or location, over pay. As a result, this is a crucial indicator when it comes to assessing a firm's ability to attract and retain engaged and motivated staff.^{67,68}

Given the context of our previous report in the aftermath of the COVID-19 pandemic and the subsequent shift in attitude to flexible working, there was a significant increase in companies offering such arrangements. This has largely remained stable since 2022, with 42% detailing flexible/homeworking policies. However, just 3% of companies provided data on employees working under such arrangements, making it difficult to ascertain the uptake of such policies.

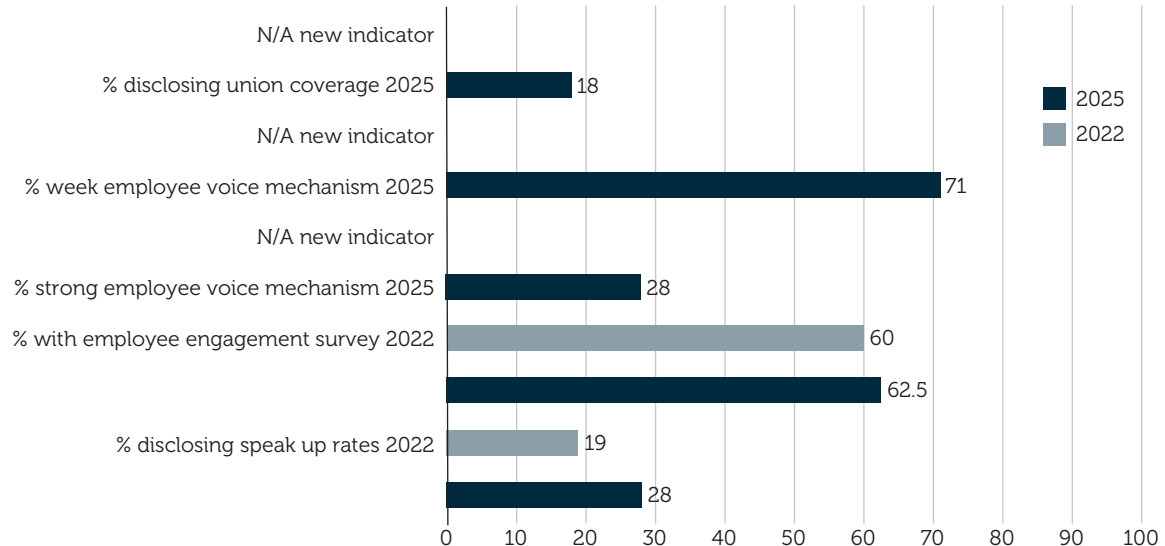
There has been an uptick in the disclosure of parental leave policy and pay, increasing from 16% of firms to 23%. While this represents a step in the right direction, a majority of firms still fail to provide stakeholders with detailed information about their approach to parental leave. This information is crucial for assessing how well companies support work-life balance and gender equality. Companies should also accompany this with data on post-parental leave retention rates to highlight the effectiveness of their policies in retaining key talent.

Example of good practice

Centrica outlined a parental leave policy that was developed via engagement with its Working Parents Network. The policy is updated regularly, such as the increase in paternity pay from two weeks to eight weeks in 2024.⁶⁹ **Phoenix** disclosed its equal parental leave offering, while **Vodafone** reported detailed parental leave metrics, such as uptake by gender, LGBT+ identification, the percentage of men who took four or more weeks of leave, and post-leave retention rates.^{70,71}

Employee voice

Figure 9: Employee voice (%)



Employee engagement

The updated 2018 Corporate Governance Code required companies to adopt one of three mechanisms for workforce engagement:

- a director appointed from the workforce
- a formal workforce advisory panel
- a designated non-executive director (NED) for workforce engagement.

In the event of a company not adopting one of these, boards were also required to explain what alternative arrangements had been implemented and why they are effective replacements.

Research into the adoption of these mechanisms has highlighted their limited uptake; a 2023 assessment of the FTSE 350 found:

- 32% of firms had not adopted a single mechanism.
- Just 40% adopted NEDs.
- 12% established advisory panels.
- Only one new company appointed a worker director in response to the changes in the code.⁷²

While our previous report detailed how 95% of companies outlined mechanisms for workforce engagement, this included mechanisms such as employee surveys, site visits and town hall meetings, which can be stage-managed or ignored and do not necessarily enable genuine and meaningful workforce engagement. Key conditions for real workforce voice identified in subsequent HPC work with companies, unions and academic experts include:⁷³

- ability for the workforce to raise issues freely and frankly without fear of recrimination
- genuine democratic input into employee voice processes, rather than issues raised depending on who shouts loudest
- access to senior decision-makers
- accountability from senior decision-makers regarding how they have acted on issues raised by the workforce.

To better assess the depth of workforce engagement mechanisms, this indicator was evaluated using two methodologies. The first, more lenient approach excluded employee surveys but included designated NEDs and town hall meetings, while the stricter methodology discounted both of these mechanisms. Under the first approach, 71% disclosed evidence of engagement mechanisms. However, under the latter this dropped significantly to **just 28% of firms reporting a mechanism for workforce voice that could be considered genuinely meaningful**, reinforcing previous research highlighting how firms tend to favour more informal and potentially less robust mechanisms for workforce engagement.⁷⁴ Additionally:

- 63% of companies had an employee engagement survey.
- ‘Speak up’ rate disclosure increased to 28% from a previous 19% (this refers to the percentage of firms that disclosed the proportion of employees who feel safe and in a position to raise concerns or report issues within their workplace).

Although NEDs are a valid option for workforce engagement, particularly given their mention within the Corporate Governance Code, from what was reported by companies, the quality of engagement provided varied significantly across the sample. In some cases, NEDs engaged with the workforce only a few times a year, often on surface-level issues that were not materially relevant to workers, while there was no evidence provided that such engagement impacted firm decision-making.

Of the 23 mechanisms noted in the latter employee engagement methodology, which does not include NEDs or town hall meetings:

- 18 were colleague advisory panels
- four were works councils
- one firm had implemented a shadow board.

Again, it is important to note that the details of these different mechanisms and their effectiveness can vary significantly between firms. In the case of advisory panels, for instance, many lacked access to senior decision-makers and were unable to set their own agenda, while firms often failed to report on how the panels’ contributions had impacted wider firm strategy. As such, stakeholders would benefit from assessing the specific implementation of these mechanisms within companies, given the discrepancy in their effectiveness.

In focus: Workforce directors on company boards

In 2023, Railpen, together with other US and UK institutional investors, launched the Workforce Directors Coalition to provide guidance for companies and engage with them on the adoption of workforce (or worker) directors.⁷⁵ The Coalition has since grown to more than \$2.5 trillion assets under management, reflecting growing investor interest in companies with meaningful worker voice mechanisms, given the benefits they can potentially offer companies:

- Due to their accountability to the workforce, board decision-making would be more likely to reflect the needs of all stakeholders – including employees and their compensation – as opposed to focusing purely on shareholders.
- Worker directors would bring additional diversity in terms of both professional and life experience to the board, as well as a strong operational understanding of the company.
- Systemic workplace issues that can undermine business stability, staff motivation and productivity would be more likely to be identified and addressed.

Under the guidance released by the Coalition, which built upon conversations with stakeholders from across the corporate, investor, academic and trade union communities, these directors would not act as representatives of workers' interests in a parliament of competing stakeholders but would operate under the same legal duties to act in the long-term interest of the company as any other director. However, their differing professional and life experiences from other directors would lend particular insights and perspectives to board decision-making that are often absent, likely improving decision-making.

While the Workforce Directors Coalition does not call for such workforce directors to be mandatory, the size of its support base is indicative of growing investor interest in the concept. Together with the fact that the UK Corporate Governance Code directly recommends worker directors as a mechanism for incorporating worker voice at boardroom level, along with workforce directors being well integrated into the corporate culture of many European countries, it is striking that no FTSE 100 firm currently has a workforce director.

Examples of good practice

Aviva's fully elected employee forum meets regularly, determines its own agenda and has access to senior leaders through meetings with the board and chair of the remuneration committee. Crucially, the importance of this in strengthening business performance is highlighted.⁷⁶

Barratt report on the results of engagement with their elected employee forum, linking employee engagement to decision-making, as well as including a section on supplier and contractor engagement.⁷⁷

Centrica's shadow board offers an interesting template for employee voice, enabling diverse workforce representation to challenge senior leaders and influence firm strategy.⁷⁸

Collective bargaining coverage

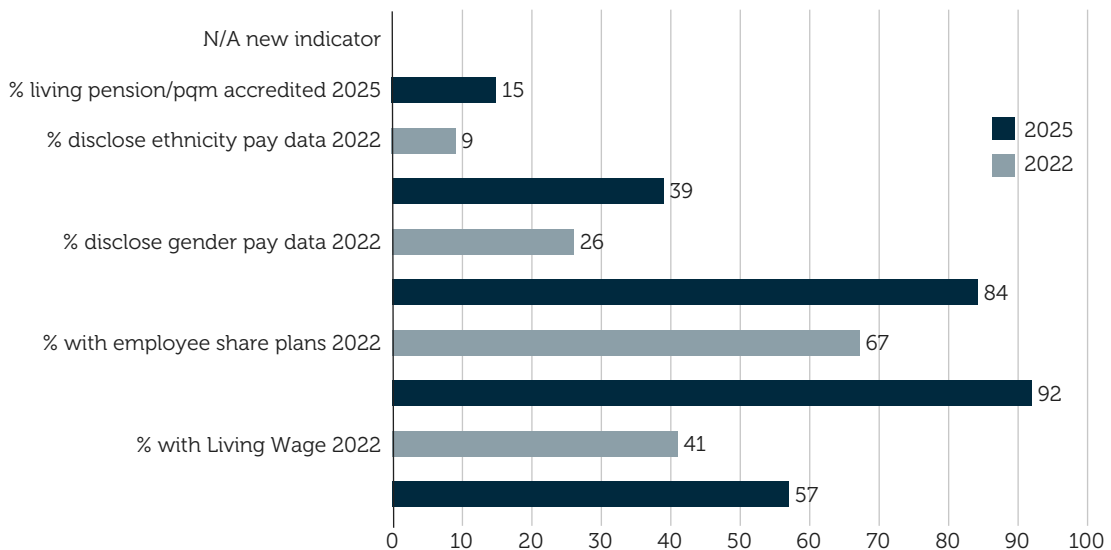
A new indicator was added for this year's report to assess whether or not companies disclose the extent of trade union membership or collective bargaining coverage within their operations. This metric was assessed via a binary yes/no on whether a firm disclosed the percentage of workers that are union members or covered by bargaining agreements, as opposed to the quality or extent of that coverage. While most companies referenced unions in a generic statement on their approach to pay negotiations, **just 18% of the sample disclosed the percentage of the workforce with union membership or covered by bargaining agreements.**

Example of good practice

Antofagasta include a principal risk on labour relations, as well as the percentage of the workforce covered by bargaining agreements, stating the importance of healthy union relations in developing business stability, addressing potentially damaging labour issues and ensuring compliance with labour standards.⁷⁹

Reward

Figure 10: Employee reward (%)



Pay breakdown

How a company approaches the remuneration of its staff is a crucial indicator of its wider approach to workforce treatment. Pay structures not only shape employee morale, productivity and staff turnover, but are also vital in supporting employees' living standards and broader economic wellbeing.⁸⁰ Transparent and equitable reward practices are therefore essential in building trust between employers, the workforce and external stakeholders.

Positively, **there has been a significant increase in the proportion of companies with UK Real Living Wage accreditation, rising from 41% in 2022 to 57%** (Figure 10). Sustained investor pressure, coupled with growing awareness of the

challenges faced by minimum-wage workers during the cost-of-living crisis, has undoubtedly contributed to this. Despite these improvements, certain sectors continue to lag behind in paying a Real Living Wage: in particular, retail firms that rely on large workforces of often low-paid staff, while comparatively few firms are able to guarantee that their contractors are paid Living Wage rates. There is considerable stakeholder interest in understanding the extent to which companies' workers are able to cover the increasing cost of living not only borne of social or moral concerns, but also in terms of the impact on productivity and business performance of an adequately paid and financially stable workforce (or lack thereof).

In line with the heightened prominence of EDI in annual reports, pay breakdowns on the basis of both gender and ethnicity have increased substantially. **The number of companies disclosing their gender pay gap has risen from 26% to 84%, while for ethnicity the figure has grown from 9% to 39%** (Figure 10). The government has recently consulted on making ethnicity and disability pay gap reporting mandatory for firms with over 250 employees, as is the case currently for gender pay gap disclosures.⁸¹

Given that all publicly listed firms of over 250 employees are legally required to do so, 85% of firms disclose their CEO pay ratios to the 25th (bottom quarter), median and 75th (top quarter) percentile of workers within the internal pay distribution. No company, however, added significant detail in their annual report as to the reasoning for such pay gaps or future expectations, beyond generic statements about setting pay in response to prevailing market rates. Furthermore, there was little granular detail on the wider distribution of compensation internally. For instance, no firm discloses on their lowest-paid workers, such as the number of those on minimum wage contracts.

Example of good practice

UK banks offer an exception as they are legally required to provide an insight into the pay of top earners below the CEO by presenting the number of workers in predetermined income bands. This information enables stakeholders to evaluate the opportunity cost of such high earners, particularly in terms of resources that could otherwise be redirected towards research and development, or wage increases for employees. Such a model could serve as a useful template for requiring all firms to disclose the same information in the future.

Employee benefits

The majority of focus of company reporting on reward and compensation has been on wages. This is reflected in the fact that, while 57% of firms are Living Wage accredited, **just 15% have attained Living Pension or Pension Quality Mark accreditation.** These standards ensure employers are making adequate contributions to employees' defined contribution pensions, in line with established benchmarks for savings to guarantee a good quality of life in retirement. While salary remains the most critical component of an employee's compensation package, the pension provision inevitably impacts quality of life in retirement. Companies should therefore seek to achieve at least the minimum standard of good practice in their pension offerings.

Additionally, while the increase in Living Wage standards is positive, previous research has shown that just 17% of FTSE 100 firms demonstrate that they pay local Living Wage rates in the other geographies in which they operate, reflecting a disparity between headline commitments in the UK and the genuine application of fair pay principles abroad.⁸²

The prevalence of profit share schemes or employee share schemes has also grown. In 2022, 67% of firms provided evidence of one of these schemes, versus 92% currently. Research highlights how such schemes can deliver positive outcomes for workers, not only by providing enhanced income but also by boosting morale, productivity and engagement, as employees become more invested in the long-term performance of the company.^{83,84}

Despite this, however, the effectiveness of such schemes depends heavily on the details of their implementation; some schemes require employees to buy shares with their own money – even at discounted prices this can be prohibitive for lower earners; others are only open to more senior employees. Even when the schemes are more egalitarian, the number of shares made available is so low as to reduce their impact – at some companies the proportion of employee-owned shares amounts to less than one-twentieth of a per cent.⁸⁵

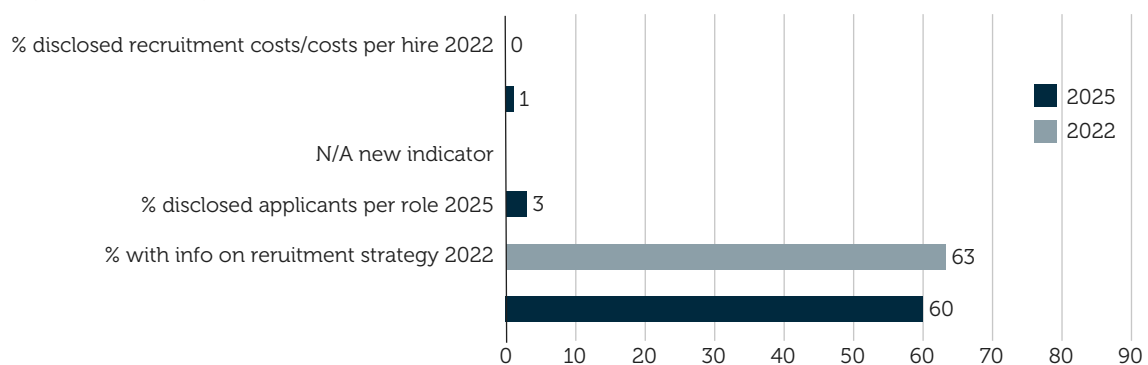
Best practice reporting of this metric should detail how many workers hold shares, how such shares are awarded and managed, and how shareholdings are distributed across different segments of the workforce.

Example of good practice

Next disclose that 12,300 UK employees, representing 26% of the workforce, hold 6.8 million shares in Next's Employee Share Ownership Trust (ESOT). This represents 5.5% of total Next shares in issue, reflecting a commitment to aligning employee interests with long-term company value. Additional detail is also provided on which levels of the organisation have access to various share schemes.⁸⁶

Recruitment

Figure 11: Employee recruitment (%)



Recruitment acts as the initial step in determining a company's workforce; fair hiring practices are essential to building and maintaining a diverse and engaged workforce. **60% of firms provided narrative on their recruitment strategy** (Figure 11), including common challenges they face. However, this was rarely accompanied by hard data to evidence such narrative: while the number of applicants per role is a useful indicator of a company's brand strength and ability to meet the staffing levels required to execute its long-term strategy, **just 3% of companies disclosed this data**. This mismatch of narrative and data limits stakeholder ability to assess how effectively firms manage and invest in attracting talent.

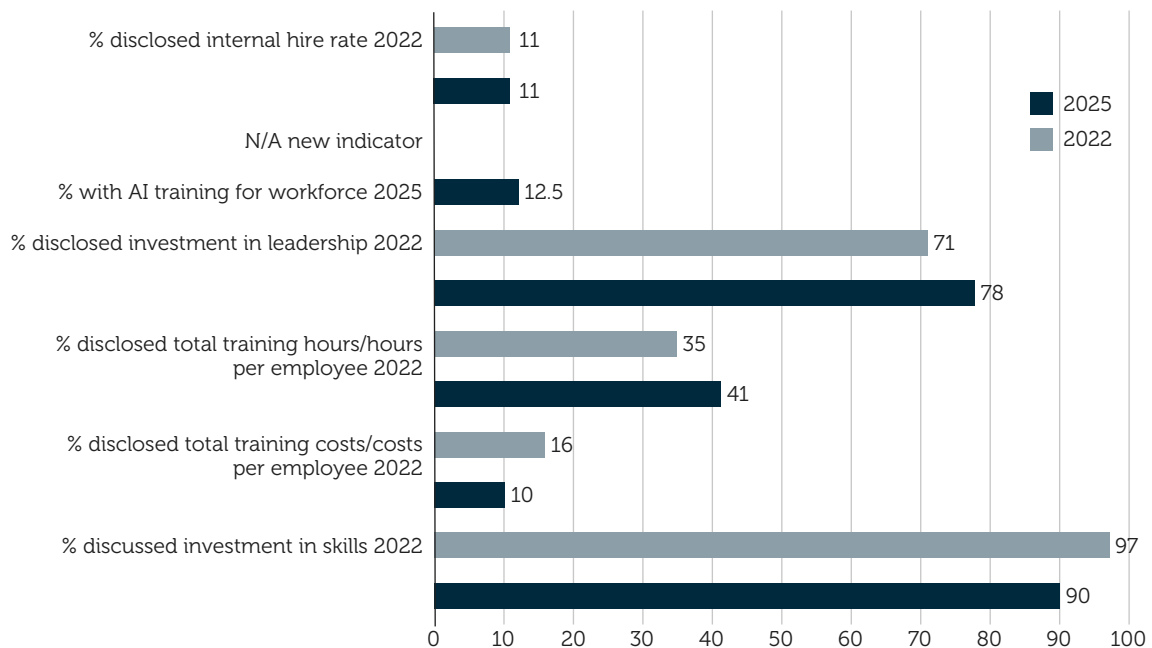
Example of good practice

Just one company, **Convatec**, disclosed their total recruitment cost.⁸⁷

AstraZeneca disclosed the total number of applications received, how many were internal/external and how many employees participated in an employee development programme.⁸⁸

Skills and capabilities

Figure 12: Employee skills and capabilities (%)



Training

A skilled workforce forms the bedrock of any successful company. Investment in training ensures workers have the relevant skills to perform their roles effectively and progress through the organisation, retaining crucial knowledge and talent that contributes to long-term business stability. Despite this, employer investment per employee declined by 19% in real terms between 2011 and 2022.⁸⁹

In all, 90% of firms mentioned investment in skills, capabilities or people development. While this represents a 7% decrease from 2022, the scoring methodology has become more stringent; rather than crediting any generic

reference to skills, companies had to specify which component of their workforce were being upskilled and the particular skills targeted. Again, however, there was a very significant mismatch between narrative and the provision of concrete data: **just 10% of firms provided the total training costs per employee/total costs, while 41% outlined the hours of training per employee/total hours** (Figure 12). This is despite there being a widespread prevalence of companies with KPIs related to the retention of talent.

The investor perspective

Investors stressed the indispensability of understanding how companies actively identify and meet skill gaps through effective workforce training to making assessments on the long-term business viability of a firm. In particular, the need to disclose the age of new hires was given as an example of a key metric to reassure investors that there is a pipeline of talent in place for the future. Moreover, investors stressed the need for granular information on the types of training provided and their relevance to business strategy, noting that disclosures often include first aid or compliance training. These are not directly related to the genuine upskilling of employees, preventing effective comparability between firms.

A majority of companies, 78%, also mentioned investment in leadership

(Figure 12). While this is positive, many companies devoted significantly more time and detail to discussing investment in leadership than to training the wider workforce. While it is crucial that senior decision-makers are upskilled, the overall focus should remain on the wider employee base given they constitute the backbone of the organisation and represent the pipeline of future key decision-makers. Setting out in more detail how employees are trained and developed will help firms demonstrate that they are taking steps to address skills gaps and shortages.

Skills remains a challenging category to assess given that, in comparison with the more outcome-based indicators within the assessment framework, training is predominantly input-related – investing more money in training and skills does not necessarily mean it is invested wisely. As such, it is hard to assess whether the mention of investment in training and skills is genuinely effective and represents a good financial investment. The best reporting supplemented data with narrative detail, including examples of internal skill gaps, how training was designed to meet these, and how this was expected to impact upon wider business performance.

Example of good practice

AutoTrader breaks down training investment by hours of mandatory and non-mandatory training, total costs, average cost per employee, and numbers of both apprenticeships and employees studying for professional qualifications. This investment is linked to their low employee attrition rates that they disclose.⁹⁰

Internal progression

Despite the importance of demonstrating the potential for in-work progression, **just 11% of companies disclosed their internal hire rate**, the same figure as in 2022. This is a good indicator of the value that the company generates for society in terms of upskilling workers and facilitating their career progression (although this should be combined with recruitment from external sources, given the importance of introducing fresh perspectives that improve cognitive diversity and can improve decision-making). A high internal hire rate is also likely to boost employee engagement and reduce training and onboarding costs compared with external hiring, as well as indicate a company with good training and development processes mitigating against future skills shortages or changing needs.

Comparatively fewer (33%, down from 37%) disclosed the number of internships they offered during the year. While there was an increase in engagement with further education institutions, 49% up from 29% in 2022, this is the least consequential of the three indicators in illustrating a genuine progression pathway for early-career employees.

Examples of good practice

SSE detail their leadership pipeline programme, including the total resources invested compared with previous years and the percentage of the workforce within a pipeline programme.⁹¹

Severn Trent report that half their vacancies are filled internally, with 27% of current employees having been promoted. This information is also broken down into the business level at which promotions took place, enabling stakeholders to understand which areas of the leadership pipeline are being targeted.⁹²

Berkeley include a KPI on the percentage of employees who are an apprentice, graduate or sponsored student.⁹³

Artificial intelligence

The prominence of artificial intelligence (AI) in debates surrounding managing a just transition and ensuring employees at risk of job displacement are effectively reskilled has grown substantially since our 2022 report. There is also a growing recognition that skills investment must focus on equipping workers with the skills needed to utilise AI effectively.⁹⁴ Therefore, we added two new indicators on AI for this year's report. First, **12.5% of firms reported AI training for their workforce**, though in some cases this was aimed primarily at senior decision-makers or specific segments of the workforce.

Additionally, 14% had developed AI governance policies detailing their approach to managing the growing integration of automation within their operations.

While more firms now mention AI as an 'emerging risk' within their principal risks sections, it is concerning that so few have developed dedicated AI governance policies, particularly given the potential risks to the workforce. Clear disclosure in this area would reassure stakeholders that AI integration is being managed responsibly, balancing the interests of employees fairly with technological progression.

Examples of good practice

Aviva detail how AI is being integrated into daily operations, including employee training, how this is enhancing workforce efficiency, ensuring effective task management and developing business productivity.⁹⁵

Rightmove has established an AI committee to oversee and implement their AI governance policy, define acceptable AI usage and ensure a responsible transition.⁹⁶

6

Conclusion

Gradual improvement but significant gaps remain

Despite research demonstrating the positive effects that high-quality workforce data can have on a variety of stakeholder outcomes, improvements in workforce reporting since our 2022 report have been incremental. Disclosure has increased significantly in the areas of mental health action and EDI. In other areas, however, reporting patterns have not changed significantly.

This means that significant gaps in reporting on material workforce issues remain. In particular, detail on the indirectly employed workforce continues to be a conspicuous omission from workforce data, despite indirectly employed workers forming a large proportion of the UK workforce. Moreover, hard data on whistleblowing, training, recruitment and retention – key indicators of how employees are treated – is largely absent. Table 5 provides the most significant changes since our last report in 2022, showing metrics that have increased or decreased by 25% in order of size of percentage change. Finally, there is a clear imbalance between data and narrative in company reports, with excessive emphasis on narrative that is often anecdotal and less materially relevant at the expense of hard, comparable data.

Table 5: Key changes in workforce reporting practices, 2022–25 (%)

Metric	Percentage of companies that disclosed in 2025	Percentage of companies that disclosed in 2022
Disclose ethnicity pay data	39	9
Disclose gender pay data	84	26
Mental health linked to health and safety	39	13
Exit interview data	2	5
Engagement with higher education organisations	49	29
Disclose 'speak up' rate	28	19
Parental leave policy/pay	23	16
Reasons for disciplinary/grievance/whistleblowing cases	10	17
Living Wage accreditation	57	41
Total training costs per employee/total costs	10	16
Employee share scheme/profit-share	92	67
Staff volunteering	48	35
Breakdown of workforce by LGBT+	3	4
Breakdown of workforce by ethnicity	30	22
Breakdown of workforce by age	8	10
Breakdown of workforce by disability	4	5

Key reporting characteristics relevant to all

Many of the metrics in this report are sector-specific and not relevant to all types of firms. The High Pay Centre, the CIPD and Railpen have been clear in our previous reports that some indicators will be more material to certain companies than others. Nonetheless, this point can be overstated. While different types of companies will need a different level of investment in staff training and development, or accept a different proportion of staff turnover or distribute pay across the workforce differently, the composition/cost, extent of contingent workforce, skill levels, wellbeing, engagement and voice of the workforce is relevant to all firms. Few will criticise a retail chain for having higher staff turnover or a higher CEO-to-worker pay gap than an investment management firm – the metrics are still relevant to both companies and useful to assessments of corporate culture in relation to more relevant comparators.

Standardisation of reporting brings benefits not burdens

Greater standardisation of people management metrics is therefore essential to building a more accurate understanding of how companies are using and developing the value of their most significant assets.⁹⁷ Establishing consistent and accessible entry-level reporting would enable better dialogue between companies and their stakeholders, ultimately leading to better business outcomes as firms receive better engagement, feedback and insights on information that they may not currently be gathering or using effectively. This might seem like a conclusion at odds with the regulatory and business zeitgeist. Complaints of a regulatory burden have been made with increasing frequency by business leaders to a receptive audience from policy-makers, as noted in the introduction to this report.

With annual reports typically running to hundreds of pages in length amid a plethora of government, civil society and industry initiatives, complaints of a reporting burden are undoubtedly valid. At the same time, our findings show that it remains difficult to get what is often fundamental information about a company's employment model, who works for it, what they are paid and what they do. The lengthening of annual reports is often driven by companies' public relations priorities and, in particular, narrative reporting designed to project a positive image of the company rather than regulatory requirements. This is reinforced by the frequently disproportionate and sometimes unnecessary detail dedicated to executive compensation, indicating the need for a more balanced approach to corporate reporting that gives the necessary attention to the full range of workforce metrics that are of interest to shareholders and other stakeholders.

Ultimately, workforce reporting should not be viewed as a burden but rather framed as a strategic business opportunity that can lead to improved decision-making, stakeholder confidence and long-term value creation. It is not a mere exercise in regulatory compliance but a chance to reflect on and showcase an integral component of the company's business model, and elicit valuable stakeholder feedback.

ESG reporting integral to wider governance and environmental ambitions

Moreover, it is increasingly clear that the 'social' aspect of ESG is intertwined with other material 'environmental' or 'governance' themes. For instance, a resilient and engaged workforce will be pivotal in any successful net zero transition, such as ensuring that workers have the necessary skills to drive innovation in the green sector. Likewise, health and safety, leadership and workplace culture form core tenets of a firm's governance approach and are all informed by how an employer treats and engages with their workforce. The 'social' should therefore not be viewed as an isolated reporting pillar, but rather as integral to wider governance and environmental ambitions.

Recognising workforce reporting as crucial strategic tool

This report has outlined how the effective collection, disclosure and management of workforce data can deliver long-term value for investors, employees, consumers and wider society. However, our analysis of FTSE 100 annual reports shows current workforce reporting practices are not necessarily providing shareholders and other stakeholders with the most useful information about the composition, stability, pay, skills and capability, voice and wellbeing of their workforce in the most useful way. Workforce reporting is still not viewed by firms as the significant strategic opportunity it represents, reflecting the need to reframe it as a crucial tool in harnessing the full potential of the workforce. Ultimately, this approach could develop a model of more thoughtful and purposeful disclosure, transforming reporting from being treated as a burdensome compliance exercise into a framework that ensures the relevant data is collected, analysed and used to inform strategy, align business practices with public interest, and support better business performance.

7

Recommendations to policy-makers, companies and investors

Based on the insights from this research, the recommendations are designed to enhance the standard and availability of corporate reporting, while also strengthening the ability of stakeholders to interpret, compare and engage meaningfully with workforce data.

The recommendations are aimed at policy-makers through offering policy advice, at companies themselves via practical guidance on good practice and, finally, at investors by reflecting on how such stakeholders can play a more active role in developing human capital data.



Recommendation 1: Introduce minimum standards for workforce reporting

Existing regulations promote workforce reporting at a general level, and certain piecemeal requirements to report on particular metrics (such as CEO pay levels or the gender pay gap); however, a lack of consistency and comparability represents a key limitation of existing workforce reporting practices. Work by the CIPD, Railpen and the High Pay Centre has highlighted the key characteristics of a company's workforce – the composition, wellbeing, reward, voice and skills of the workforce – that are of universal relevance to large businesses, form a critical component of their business strategy and fall within the influence of the company leadership. All companies should:

- 1 detail the characteristics of composition, wellbeing, reward, voice and skills of the workforce prominently in their annual reports, providing concrete data and using metrics that reflect the particular characteristics
- 2 include targets and levels of progress towards these characteristics, presented in a clear, balanced and objective way

- 3 include narrative reporting to contextualise the data, explaining the link between the particular characteristics of the company's workforce and employment model with the wider business strategy
- 4 detail not just how the workforce enables the realisation of the company's objectives, but also how the company's employment practices affect its workers and wider society – for example, jobs created, pay levels and opportunities for career progression.

As noted in our analysis, some of the underlying metrics that underpin workforce reporting are universally relevant, while others are more particular to individual companies:

- Consistent reporting of concrete metrics greatly benefits investors and other stakeholders through better-informed investment decisions and stewardship practices, leading to constructive dialogue and ultimately enhanced business decisions. As such, it should be encouraged by regulators and standard-setting authorities. Multiple frameworks for workforce reporting exist, but these differ on the metrics and formats they identify and where they stipulate reporting should be published.
- The current work of the International Sustainability Standards Board (ISSB), which is developing minimum workforce reporting standards, could provide a future template for baseline disclosures that all companies should be reporting, based on analysis of the strengths and weaknesses of pre-existing frameworks as informed by the perspectives of different stakeholder groups. This could ultimately ensure smarter, more streamlined reporting that reduces the reporting burden on firms by cutting down on unnecessary areas and focusing efforts on the most relevant metrics.



Recommendation 2: Provide a dedicated workforce section in annual reports

- To ensure consistency and accessibility, regulatory guidance should make clear that companies' strategic reports should include a dedicated people section in which companies report on their workforce, as outlined in Recommendation 1. While our research shows that progress has been made on companies doing this voluntarily, 47% of firms in the sample had no dedicated staff section in their annual report. This means crucial information on the workforce is often dispersed sporadically throughout the annual report, or even relegated to separate documents, reflecting both a lack of commitment to the centrality of workforce issues and also making it more difficult for stakeholders to identify relevant information.
- Consolidating this information into a single section could help embed workforce issues into long-term corporate decision-making, driving better practice. In addition, all reports should be machine-readable to improve the ability of stakeholders to identify relevant information, particularly given the length and complexity of annual reports.



Recommendation 3: The Financial Reporting Council (FRC) to consider providing additional guidance on workforce reporting

- The lack of consistent, comparable reporting on workforce reporting and boilerplate disclosures can make it harder for investors and others to understand and compare different companies' reporting. To support progress in the area, the FRC should consider inviting companies, investors and wider stakeholder groups to

explore ways in which to improve workforce reporting, such as through improved guidance for companies that comply with the UK Corporate Governance Code. This guidance could highlight how such disclosures can offer valuable insights into factors that influence the long-term success of companies, and what good looks like from the investor and wider stakeholder perspective.

- By illustrating effective ways to present relevant data and narrative, the guidance could enhance clarity and consistency across companies, making it easier for investors and others to interpret the relevant disclosures, and increase comparability between companies. This would support more meaningful discussions around workforce matters, enabling stakeholders to better understand companies' activities and outcomes in this area and ultimately supporting better business performance.

Recommendation 4: Encourage greater investor engagement and transparency

- Investors play an indispensable role in raising the quality of workforce reporting. The rarity of self-critical content in annual reports and the absence of data on exit interviews or whistleblowing cases, accompanied by anecdotal feedback from both people practitioners and investors, suggests that companies can be fearful of the investor response to honest and reflective reporting. Therefore, investors should be encouraged to reward honesty and transparency even when the information provided raises questions. Investors have also told us that the provision of a 'lessons learned' or 'steps we are taking in response' section that follows on from any less-than-ideal metrics or disclosure offers significant reassurance.
- Ultimately, balanced and self-critical disclosures indicate strong governance and a commitment to accountability and self-improvement – a positive factor in many investors' decision-making. Dialogue over workforce-related issues and investor engagement could also be promoted by encouraging chief people officers to participate in annual general meetings, thereby demonstrating the importance of the workforce alongside financial and operational issues and allowing an opportunity for investors to directly participate in dialogue with relevant and senior executives on people issues.

Recommendation 5: Recognise the limits of reporting and the role of governance and standards in supporting good practice

- While the value of corporate reporting is beyond doubt, strong workforce reporting disclosures alone are insufficient to guarantee good practice, effective stakeholder engagement and long-term benefits for financial and social outcomes. First, there are limits to the detail companies can be expected to provide – even if in many cases there remains scope to provide much more insightful disclosures. Second, there are limits to the feasible depth of investor engagement. It is also important to remember that reporting reflects what the company says they are doing, not necessarily what they are doing.
- Accreditation and verification mechanisms have a potential role to play here. Regulators and industry standard-setting bodies should develop standards for auditors or kitemarks assessing or accrediting workforce-related disclosures. The government has recently consulted on a disclosure and assurance framework for sustainability-related disclosures, focused on how major businesses are affected by and impact on the environment.⁹⁸ The same principle should apply to the social dimensions of business practice.

8 Appendix

Table 6: Key changes in workforce reporting practices, 2022–25 (%)

Metric	Percentage of companies that disclosed in 2025	Percentage of companies that disclosed in 2022
Cost of workforce	100	100
Cost of compensation/benefits	100	99
Headcount	100	100
Breakdown of workforce by job type	58	N/A new indicator
Breakdown of workforce by proportion full-time/part-time	12.5	11
Breakdown of workforce by gender	99	94
Breakdown of workforce by age	8	10
Breakdown of workforce by ethnicity	30	22
Breakdown of workforce by disability	4	5
Breakdown of workforce by LGBT+	3	4
Breakdown of workforce by location	44	43
Disclose proportion of workers indirectly employed	18	14
Disclose turnover rate	37.5	36
Exit interview data	2	5
Health and safety framework	78	80
Accident/fatality rate	61	59
Absence rates	15	14
Mental health linked to health and safety	39	13
Number of disciplinary/grievance/whistleblowing cases	27	28
Reasons for disciplinary/grievance/whistleblowing cases	10	17
Bullying/harassment information	3	3
Investment in employee wellbeing	86	89
Investment in equality, diversity and inclusion	97	93
Parental leave policy/pay	23	16
Flexible working policy	42	44
Data on flexible working	3	3
Disclose 'speak up' rate	28	19
Disclose employee engagement score	62.5	60
Employee voice (scored kindly) ⁹⁹	71	N/A new methodology
Employee voice (scored harshly) ¹⁰⁰	28	N/A new methodology
Disclosure of union/collective bargaining coverage	18	N/A new indicator
Living Wage accreditation	57	41
Employee share scheme/profit-share	92	67
Disclose CEO pay ratios	85	87
Disclose gender pay data	84	26
Disclose ethnicity pay data	39	9
Living Pension/Pension Quality Mark accreditation	15	N/A new indicator
Narrative on recruitment strategy	60	63

Table 6: Key changes in workforce reporting practices, 2022–25 (%)

Metric	Percentage of companies that disclosed in 2025	Percentage of companies that disclosed in 2022
Applications per role	3	N/A new indicator
Recruitment costs/total costs per hire	1	0
Investment in skills	90	97
Total training costs per employee/total costs	10	16
Hours of training per employee/total hours	41	35
Number of apprenticeships/internships	33	37
Engagement with higher education organisations	49	29
Staff volunteering	48	35
Investment in leadership	78	71
AI governance policy	14	N/A new indicator
AI training for workforce	12.5	N/A new indicator
Disclose internal hire rate	11	11
KPI related to people	73	80
Principal risk related to people	74	89
Targets/information on progress	48	N/A new indicator
Workforce presented as risk, opportunity or both	40% risk, 24% opportunity, 36% both	N/A new indicator
People section in annual report	53	N/A new indicator
Self-critical of employment practices	11	N/A new indicator
Workforce Disclosure Initiative disclosure	37.5	N/A new indicator
Annual report clear, reasonably clear or opaque	26% clear, 68% reasonably clear, 6% opaque	N/A new indicator

9

Endnotes

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- 100 Note: Scored harshly refers to the exclusion of engagement surveys, NEDs and town hall meetings as valid engagement mechanisms.



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