



PEOPLE

OUR COMMITMENT

SDG impact



Enhance the sector's attractiveness, diversity, inclusiveness and safety

- 1. Enhance the quality and integrity of jobs** through continuous improvements in health, safety (incl. road safety) and well-being for employees and contractors.
- 2. Invest in human and social capital to attract and retain talent and enhance workforce diversity** by:
 - Providing access to capacity building and training opportunities for employees and contract workers;
 - Strengthening policies that support workforce diversity and inclusion by setting goals and measuring and reporting progress.

KPI RESULTS

Supplier code of conduct	2019	CAGR (2017-2019)
Suppliers reached and evaluated through supplier code of conduct (%) (weighted average)	89% 7 core	+11%
Employee health & safety	2019	CAGR (2015-2019)
Lost-time injury frequency rate (weighted average)	2.7 8 core + 2 associates	-3%
Employee skills development	2019	CAGR (2017-2019)
Number of training hours per employee (in hours) (weighted average)	26.2 7 core	+6%
Workforce diversity	2019	CAGR (2017-2019)
Women employees (%) (weighted average)	19% 8 core + 2 associates	+3%
Women directors on board of directors (%) (simple average)	19% 7 core	+10%

PEOPLE

The forest sector formally employs nearly 14 million people globally and the FAO and ILO estimate that the sector's indirect and induced effects are far greater, involving about 45 million jobs.³² Businesses in the sector outsource a growing number of jobs in the forest value chain, particularly in forest production and transportation, to contractors, thus complicating the roll out of health and safety and other workforce-related initiatives. In addition, difficulties in attracting women and the younger generation as employees undermine the forest sector's competitiveness. We are committed to building a more sustainable workforce in the sector by investing in the health, safety, training and diversity of our more than 260,000 employees globally. In the SDG Roadmap we commit to enhancing the quality and integrity of jobs, with a focus on the health and safety of our workforces and contractors. We also commit to investing in attracting and retaining talent to enhance workforce diversity and measuring and reporting progress.

To guarantee the same rights to the workers in our supply chains, we start by holding contractors accountable to supplier codes of conduct, against which we evaluate them. **In 2019, FSG members had used a supplier code of conduct to reach and evaluate 89% of their more than 160,000 suppliers.** This figure has been growing substantially over the last three years, indicating a drive towards positive engagement with contractors in the supply chain.

1. Employee health & safety

While the nature of forest work is changing rapidly due to technological developments and mechanization, it remains a high-risk work environment requiring close monitoring and management.³³ For example, forest activities often take place in remote

areas and companies in the sector generally outsource transportation to contractors. Tracking and managing the risk of occupational injuries and fatal accidents throughout our operations is high on our agenda. By promoting work cultures centered on organizational safety and systems that support good practices, we have consistently improved our health and safety indicators overtime. **In 2019, FSG members recorded a lost-time injury frequency rate of 2.7 per 1,000,000 hours worked for direct employees.** Figure 3 shows the positive evolution of FSG's health & safety KPIs from 2015-2019.

2. Employee skills development

Like many other sectors, the forest sector is continuously adapting to the latest technological innovations, as well as the fast-evolving bioeconomy requiring constant renewal of skills and competencies. To ensure a stable and capable workforce through the variety of changing requirements, we invest in human capital. **In 2019, FSG members provided an average of 26.2 hours of training to their employees.** This includes formal training such as the in-class digital training offered by the **Navigator Company** to its employees through an online platform developed in partnership with academic institutions in Portugal. Training also includes more informal self-learning opportunities as practiced by **Campbell Global** that encourage staff to get involved on a personal

level with civic organizations and community leaders to develop greater understanding of local community needs.

3. Workforce diversity

Although gender diversity in the forest sector has come under increased scrutiny in recent decades, women are still heavily underrepresented in the sector, particularly at senior levels. In Europe, women account for only 20% of the workforce in the forest sector.³⁴ This ratio is similar among FSG members, where **19% of all employees were women in 2019.** As a comparison, this ratio was 29.3% for all WBCSD members in 2019.³⁵ The same year, we reported the same ratio of **19% women on our boards of directors**, indicating that the boards are in general representative of the company's workforce composition. For WBCSD members that figure was 25.7% in 2019.³⁶ To improve in this area, companies should make efforts to support the participation and success of women throughout the industry by implementing programs and management approaches to advance gender equality, attract women to the sector and develop women leaders.

In alignment with WBCSD's membership principles, we commit to declaring our support for inclusion, equality, diversity and the elimination of any form of discrimination.

Figure 3: Evolution of FSG's health & safety KPIs from 2015-2019

Key Performance Indicators	2015-2020 CAGRs
Number of fatalities for directly employed (aggregated sum)	-19%
Number of fatalities for contractors (aggregated sum)	-7%
Number of lost-time injuries (aggregated sum)	-7%
Lost-time injury frequency rate (weighted average)	-3%
Lost-time injury severity rate (weighted average)	-2%