

How to close the gap?

Living incomes and wages in supply chains

Living Incomes and Wages in Supply Chains

09.00 Welcome

09.10 Introduction

[Josetta Nousjoki](#), Advocacy Director, Fairtrade Finland

09.30 Tools to measure LW gaps

[Carla Romeu Dalmau](#), Sr Manager Strategy & Innovation, IDH

10.00 Discussion

10.20 Alko's Approach

[Marja Aho](#), Sustainability Manager, Alko

10.50 FT Africa's views on LW

[Paul Colditz](#), Commercial Manager SAN, Fairtrade Africa

11.20 Key takeaways & Wrap up

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Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity...

Universal Declaration of Human Rights, Art. 23



Living Wage / Living Income is a Human Right

Living Wage / Living Income



Living Wage

A worker earns enough in a standard work week to enable his/her family to afford a decent standard of living.

Both are derived from the idea of achieving a decent standard of living.



Living wage applies to an individual worker.
Living income applies to a household.



Living Income

Self-employed / farming households earn enough in a year from all income sources to afford a decent standard of living.

Why Living Wages?


- ▶ More motivated and productive workforce, lower staff turnover
- ▶ Improved revenues and profits
- ▶ Increased value chain resilience and performance, improved quality
- ▶ Reputational benefits
- ▶ Improved investor prospects
- ▶ Readiness for sustainability reporting



HOW DOES YOUR SUPERMARKET CHECK OUT?

We analysed these leading supermarkets' policies and practices on human rights in their supply chains. We asked whether supermarkets are transparent and accountable in the ways they ensure that workers' rights are respected, small-scale farmers are prosperous and the women who produce our food are treated fairly.

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SUPERMARKET	TOTAL SCORE 2018	TOTAL SCORE 2022
 TESCO	23%	61%
 LIDL	5%	59%
 ALDI	1%	56%
Sainsbury's	18%	55%
 Morrisons	5%	42%
ASDA*	–	9%

* * * * *

* Asda was part of Walmart in 2018. The 2022 assessment is of Asda as the company independent of Walmart.








FASHION CHECKER

ARE THE PEOPLE
WHO MAKE
YOUR CLOTHES
PAID ENOUGH
TO LIVE ON?

BRANDS SURVEYED

Find out which apparel and footwear brands pay their workers a Living Wage.

-  Supply Chain Transparency
-  Living Wage Paid
-  Action Plan?
-  Public Commitment?
-  Separate Labour Costs?

Tools for closing the LW/LI gap

- [Global Living Wage Coalition](#): Anker-methodology
- [Fair Wage Network](#)
- [WageIndicator](#)
- [IDH](#): Living Wage Identifier
- [The Living Income Community of Practice](#)
- [ALIGN](#): Living Income
- Social dialogue and collective bargaining
- Employee consultations and surveys

GLOBAL
LIVING WAGE
COALITION



ALIGN

The Living Income
Community of Practice

WageIndicator.org

Global Living Wage Coalition Benchmarks



Living Wage Process



1 Build understanding

Discover the basics of living wages and living income, the urgency and the benefits of working towards realizing them in global supply chains.



2 Assess risk

Map your supply chains. Identify and assess adverse impact and estimate the wage and income gaps within your operations and supply chains.



3 Take action

Learn how to implement living wages or living income in your company and supply chains. Choose the implementation approach that best suits your specific situation.



4 Monitor and communicate

Track the implementation and results of your living wage and living income activities and communicate them publicly.

Partnerships / Initiatives toward LW

- ▶ Voluntary sustainability schemes
 - ▶ Collaboration with unions
 - ▶ Partnerships
 - ▶ Multi-stakeholder initiatives
 - ▶ Development projects
- Fairtrade
 - Social dialogue, EWC's, Global agreements
 - ACT on Living Wages
 - Fair Wear Foundation (Business associations + unions + NGO's)
 - West Africa Cocoa Program

Fairtrade Living Income Projects

- ▶ Fairtrade Living Income Benchmarks
- ▶ Fairtrade Reference Prices



**Without living income /
living wages, supply chains
can never be truly
sustainable.**



Where is your organization on the LW journey?

Report back:

**One good example / advice
to advance LW, LI**



Steps to Living Wages

- ▶ Identify the Living Wage
- ▶ Measure Living Wage Gaps
- ▶ Verify Calculations
- ▶ Identify root causes
- ▶ Close the Gap
- ▶ Share learnings
- ▶ Adopt better procurement and trading practices
- ▶ Embrace transparency
- ▶ Co-invest and implement practical solutions
- ▶ Support social dialogue
- ▶ Make it collaborative



Thank you!



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