

CALL TO ACTION

BETTER BUSINESS THROUGH BETTER WAGES

Take action towards a living wage

Pervasive social inequality harms prosperity of economies and societies. The COVID-19 pandemic has showed how vulnerable our societies are, which is ultimately a threat to business success.

We now have an opportunity to change the way business models operate to benefit wider society, breaking the cycle of poverty and strengthening the foundations of the global economy - while driving business growth.

Eradicating poverty wages makes business sense

The old business model looked to low wages as a profitability driver. The new model sees well-paid workers as an integral part of a profitable, sustainable and resilient business.

Paying a living wage provides a decent standard of living for workers and their families. It has been shown to reduce worker turnover and improve motivation and morale, creating a virtuous economic growth cycle.

It's universally recognized that an adequate standard of living is a basic human right, which in turn unlocks other rights, including access to health, food and nutrition, housing and education.

Achieving a more sustainable, equitable approach to business will require creative approaches from all stakeholders, including government, civil society, trade unions, investors and more, to remove barriers.

This means:

-  Opening up sector wide living wage discussions in a pre-competitive space conducted with appropriate sensitivity to compliance with competition laws.
-  Aligning legal minimum wages in countries that take the local economic and employment factors into account.
-  Creating tools to benchmark and measure wages that are aligned and accessible to all through public global databases on living wage benchmarks.
-  Passing legislation that assures freedom of association and collective bargaining.
-  Categorizing living wage efforts as a value-driver and a way to reduce financial risks (e.g., stimulating effect of increased income on the economy, decreased employee turnover and positive impact on workers productivity).

Business plays a key role

Helping workers achieve a living wage is a responsibility shared across the entire supply chain. Yet we, the business community, must be the driving force. That's why we are committed to taking action and working together to raise wages for everyone in the workplace.

We call on other companies to do the same. Join us in the Roadmap on [Living Wages](#), developing and scaling up solutions for workers in global supply chains with the ultimate goal of a living wage.

Specific actions include:

-  Identifying living wage gaps in our own operations and supply chains, with a specific focus on the gender pay gap.
-  Establishing shared frameworks with supply chain partners to close the gap, with concrete milestones.
-  Joining in multi-stakeholder partnerships that target areas with large living wage gaps.
-  Building awareness and understanding among consumers of how they contribute to better livelihoods.
-  Implementing practical solutions to remove barriers and close living wage gaps and share costs in an equitable way.
-  Supporting freedom of association with robust social dialogue and wage setting mechanisms.
-  Adopting sustainable procurement and trading practices, including living wage requirements as part of commercial specifications, sourcing policies and/or contractual clauses/purchasing agreements.
-  Ensuring that value created actually reaches workers.
-  Transparently reporting on progress towards a living wage.
-  Sharing learnings, challenges and solutions to inform and elevate all efforts as we find new pathways for reaching living wages.

We are ready.
We have the
roadmap.
Are you prepared
to join the effort
to build a living
wage economy?

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