



Living Wage

**A guide to setting robust policy commitments
and reporting on practice in soft commodity
supply chains**

Thematic Guide No.6





What is a Living Wage?

This guide is designed to help companies set and report on robust living wage commitments. It is relevant whether you are a producer, processor, trader or buyer of products in soft commodity sectors.

- Millions of people employed in unsustainable forestry and agricultural supply chains **live in poverty**.
- A living wage can help lift people out of poverty, while also “**mitigating many other basic human rights issues** such as gender equality and the eradication of forced and child labor.” (AFi)
- A living wage is “the remuneration received for a standard workweek by a worker in a particular place sufficient to afford a **decent standard of living** for the worker and her or his family. Elements of a decent standard of living include **food, water, housing, education, health care, transportation, clothing, and other essential needs** including provision for unexpected events.” (Global Living Wage Coalition).
- Living wages are usually voluntary and **higher than minimum wages**, which are the absolute minimum permitted by law.
- Living wages **vary by country and according to local context**. Living wage calculations for 44 countries are complete or in progress by the Global Living Wage Coalition as of June 2022.
- Living wages are **increasingly being adopted by countries, corporations, sustainability standards, and certification schemes** including the Roundtable on Sustainable Palm Oil (RSPO), Forest Stewardship Council (FSC), and Global Platform for Sustainable Natural Rubber (GPSNR).
- Adopting a living wage policy can help companies **meet mandatory due diligence requirements**, reduce reputational risk, and increase staff satisfaction.
- Living wage calculations can be complicated but **several tools exist to guide companies** in developing and implementing living wage commitments.

The SPOTT project assesses soft commodity companies on their public disclosure of living wage commitments. For details of all the companies we assess go to www.spott.org/.



Living wage in your corporate policies



Prepare or revise your **commitment to pay a living wage**.



Benchmark your living wage commitment against **values calculated by the Global Living Wage Coalition (GLWC)** where these are available for your countries of operation.



If GLWC values are unavailable, **calculate them** in line with **guidance from the RSPO** for palm oil companies; by **using the ALIGN step-by-step tool** for agri-food companies; or applying the **full methodology** used by the GLWC.



Provide evidence that workers are receiving living wages, by reporting living wage vs minimum wage for each country of operation where GLWC values are available.



Provide evidence of how living wages were calculated if GLWC values are unavailable for some countries of operation.



Define the scope of your commitments, applying them at the group level of your company, including any and all subsidiaries, joint ventures, affiliates and related entities in all countries.



Extend your living wage commitments to all your suppliers, including those you source from directly and indirectly. Suppliers should be required to also apply the commitment at the group level.



Publish your living wage commitments on your website with a clear date of publication and report progress annually at a minimum.



ZSL
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FOR WILDLIFE

Developed by ZSL (Zoological Society of London), SPOTT is a free, online platform supporting sustainable commodity production and trade. By tracking transparency, SPOTT incentivises the implementation of corporate best practice.

SPOTT assesses commodity producers, processors and traders on their public disclosure regarding their organisation, policies and practices related to environmental, social and governance (ESG) issues. Investors, buyers and other key influencers can use SPOTT assessments to inform stakeholder engagement, manage ESG risk, and increase transparency across multiple industries.

Find more SPOTT Thematic Guides for soft commodity sectors here:

- Thematic Guide No.4: FPIC
- Thematic Guide No.5: Gender

Find all our guides at spott.org/training-resource/thematic-guide-series/

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