

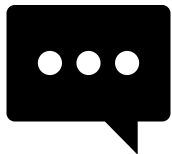
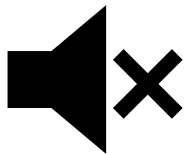


**FNET MEMBERS -
LIVING WAGES WEBINAR**

July 2021



HOUSEKEEPING



Competition Law Statement: *Today we are meeting to discuss gender, diversity and inclusion in food businesses and supply chains.*

We take competition compliance seriously. Whilst discussions can cover matters of interest to our industry, we cannot discuss or exchange sensitive commercial information.

If at any time during this meeting, you think our discussions may be in breach of competition rules, please inform the Chair. The Chair may close the meeting at any time if they believes that discussions are in breach of competition law.

Chatham House Rules - Anyone who comes to a meeting is free to use information from the discussion but is not allowed to reveal who made any particular comment outside of the meeting.

FNET LEARNING SERIES

1. **Learnings from “Building Resilience in Flower Supply Chains”** - FCDO VSCF flowers project in Kenya with presenters Caroline Downey (MM Flowers and Women Working Worldwide) and Elle Harrison from Fairtrade https://us02web.zoom.us/rec/share/JIRPCwOYuR6uZWYUTlof_ZuRrypd6HsHvfCCCOgN1eQvkLELWSLPpbmPUyVb5j0.cemcAz9dgo54yjqy Access Passcode: scd%te2H
2. **Gender, Diversity and Inclusion webinar** with case studies from Tesco, MM Flowers, Care International, M&S, Berryworld, Grupo Hortofrutícola Paloma, United Exports and Banacol - <https://us02web.zoom.us/rec/share/U19XUiAeJ0I-Qjnk8wLFPDf-AZ-JmjyHVmBhMcq0xSOKSjN951L8VA2UaaWSQ3Xf.rwG89siBTiOoU6Ca> Access Passcode: Y1\$1SaM*. A PDF of
3. **Human Rights Due Diligence webinar** – a recording of our session on upcoming changes to human rights legislation and how to get started on human rights due diligence - https://us02web.zoom.us/rec/share/QSXKf9oAOchJ43c-0lv30_DzLvKiqHNmq8iDjQB16sBXh_1UqUB5HNkhQQimST81.u1wlxvzG8oT87ltY Access Passcode: gEL&=1Gs
4. **Climate Change and human rights** – September 15th – 12-1.15pm – speakers from Fairtrade and the Co-op.



AGENDA

Introductions and welcome

IDH - Introduction to living wages and the Living Wage Roadmap - Ruchira Joshi

Q&A

FNET member retailer case study – Lidl – Imogen Wright

Unilever case study – Rachel Cowburn-Walden

FNET supplier member case study – Pilgrims – Andy York

Q&A

IDH — LIVING WAGE ROADMAP



Ruchira Joshi

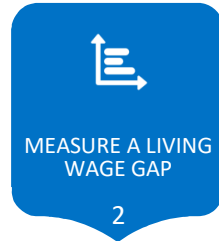
Country Director – UK, IDH



the sustainable
trade initiative

FNET member
meeting

IDH Living Wage
Roadmap



IDH Roadmap on Living Wages –

& the tools we have created!

WHAT IS A LIVING WAGE?

The remuneration received for a standard month that is **sufficient to afford a decent standard of living** for a worker and her or his family.



Food



Housing



Health care



Transportation



Education



Other essential needs
including provision for
unexpected events

HOW IS A LIVING WAGE BENCHMARK CALCULATED?



Food



Housing



Education



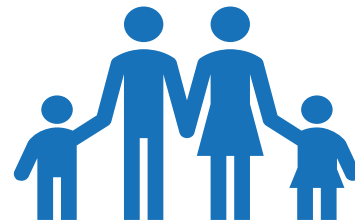
Health care



Transportation



Other essential needs
including provision for
unexpected events



Basic Costs for the
Family

HOW IS A LIVING WAGE BENCHMARK CALCULATED?



Basic Costs for the
Family



÷ # OF WAGE
EARNERS



Living Wage
Benchmark



- TAXES AND
DEDUCTIONS

WHO CALCULATES LIVING WAGE BENCHMARKS?



- Benchmarks are developed by independent researchers, not by IDH.
- Where available, we use full Anker benchmarks developed by the [Global Living Wage Coalition](#).
- If not available, we recommend those developed by [IDH-recognized methodologies](#), such as Wage Indicator Foundation, Fair Wage Network and Anker reference values

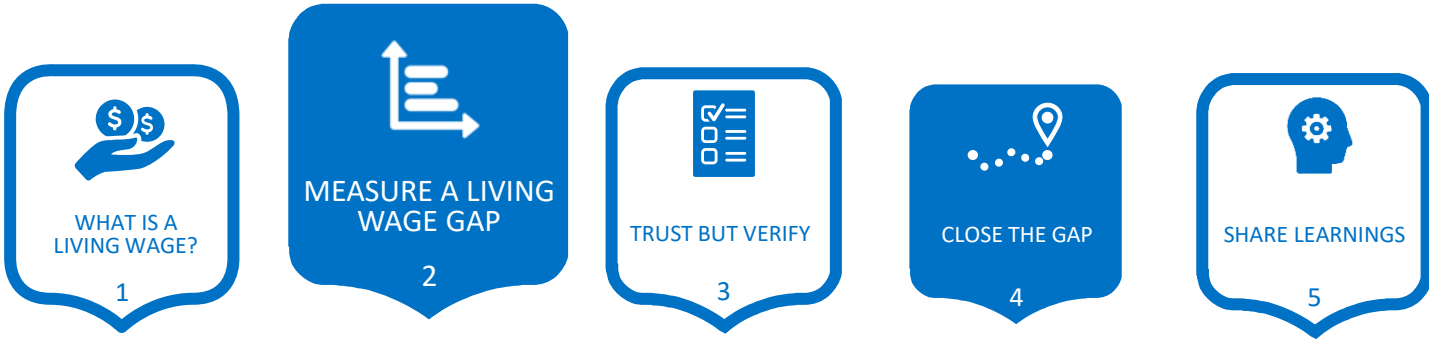
WHAT IS A LIVING WAGE?



WHAT IS A
LIVING WAGE?

1

<div>  the sustainable trade initiative </div> <div> Newsletter Contact & directions COVID-19 updates Search Q </div> <div> Sectors Landscapes Approaches Farmfit Impact About News and Resources Careers </div>																																															
<div>Search IDH Recognised Living Wage Benchmarks</div> <div>Return to instructions ></div> <div> <input type="text" value="Q Vietnam"/> </div> <div>  Vietnam </div>	<h2>Vietnam</h2> <table> <tr> <th></th><th>Full-Fledged Anker Methodology (publicly available)</th><th>WageIndicator Typical Family Methodology (available for purchase)</th><th>Fair Wage Network Typical Family Methodology (available for purchase)</th></tr> <tr> <td>South East</td><td>(only for HCMC) March, 2020</td><td>Jan, 2021</td><td>(only for Ho Chi Minh City) 2016 2016</td></tr> <tr> <td>Red River Delta</td><td>(Soc Trang to Thai Binh, Soc Trang) March, 2020</td><td>Jan, 2021</td><td></td></tr> <tr> <td>Soc Trang and Thai Binh</td><td></td><td></td><td>2016</td></tr> <tr> <td>Central Highlands</td><td></td><td>Jan, 2021</td><td></td></tr> <tr> <td>Mekong River Delta</td><td></td><td>Jan, 2021</td><td></td></tr> <tr> <td>North Central Coast</td><td></td><td>Jan, 2021</td><td></td></tr> <tr> <td>North East</td><td></td><td>Jan, 2021</td><td></td></tr> <tr> <td>North West</td><td></td><td>Jan, 2021</td><td></td></tr> <tr> <td>South Central Coast</td><td></td><td>Jan, 2021</td><td></td></tr> <tr> <td>Rural</td><td></td><td></td><td>2016</td></tr> </table>				Full-Fledged Anker Methodology (publicly available)	WageIndicator Typical Family Methodology (available for purchase)	Fair Wage Network Typical Family Methodology (available for purchase)	South East	(only for HCMC) March, 2020	Jan, 2021	(only for Ho Chi Minh City) 2016 2016	Red River Delta	(Soc Trang to Thai Binh, Soc Trang) March, 2020	Jan, 2021		Soc Trang and Thai Binh			2016	Central Highlands		Jan, 2021		Mekong River Delta		Jan, 2021		North Central Coast		Jan, 2021		North East		Jan, 2021		North West		Jan, 2021		South Central Coast		Jan, 2021		Rural			2016
	Full-Fledged Anker Methodology (publicly available)	WageIndicator Typical Family Methodology (available for purchase)	Fair Wage Network Typical Family Methodology (available for purchase)																																												
South East	(only for HCMC) March, 2020	Jan, 2021	(only for Ho Chi Minh City) 2016 2016																																												
Red River Delta	(Soc Trang to Thai Binh, Soc Trang) March, 2020	Jan, 2021																																													
Soc Trang and Thai Binh			2016																																												
Central Highlands		Jan, 2021																																													
Mekong River Delta		Jan, 2021																																													
North Central Coast		Jan, 2021																																													
North East		Jan, 2021																																													
North West		Jan, 2021																																													
South Central Coast		Jan, 2021																																													
Rural			2016																																												



IDH Roadmap on Living Wage

supported by international companies & standards

HOW ARE LIVING WAGE GAPS MEASURED?



Living Wage
Benchmark



Current
Remuneration



Living Wage Gap

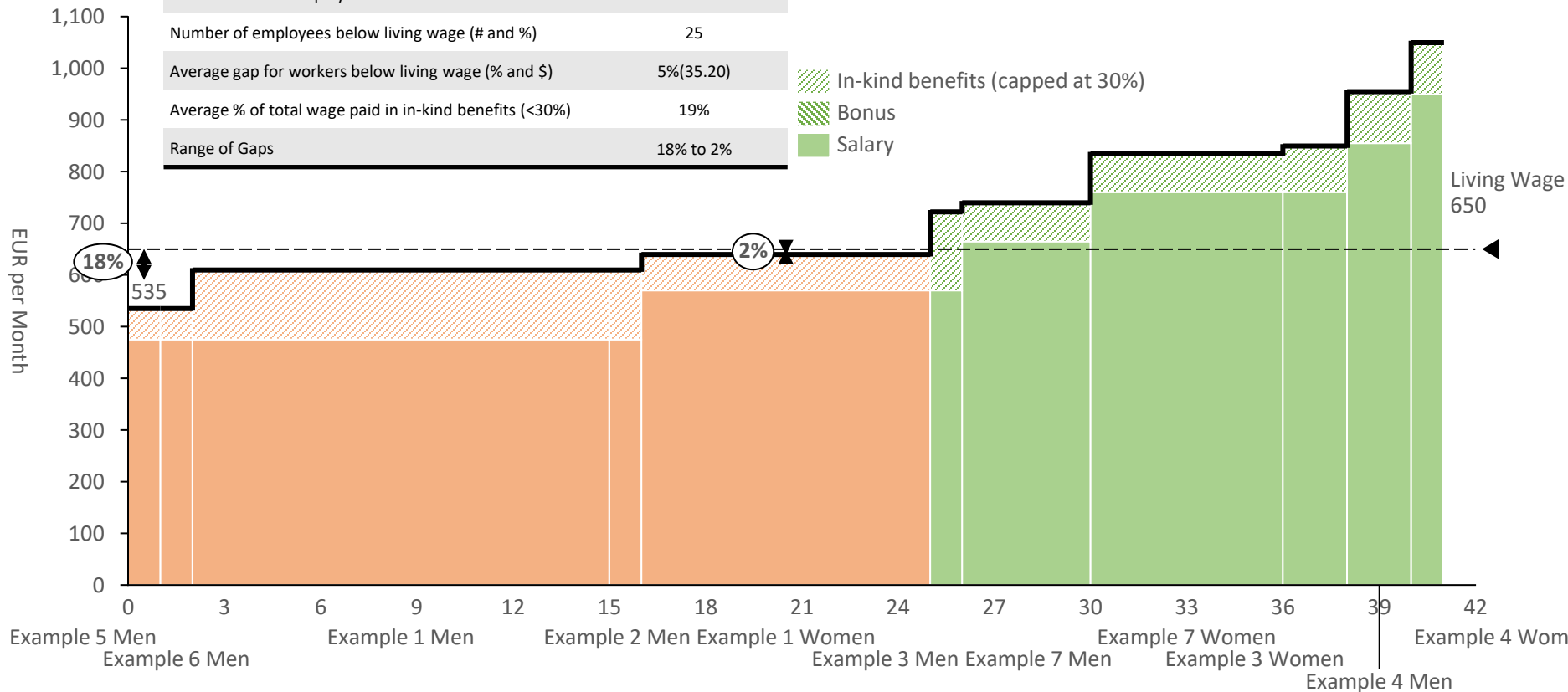
SALARY MATRIX

Tool for calculating current wages and gaps at the production level

- Easily calculate wages, bonuses and in-kind benefits (remuneration)
- Compare against living wage benchmarks

Example Facility

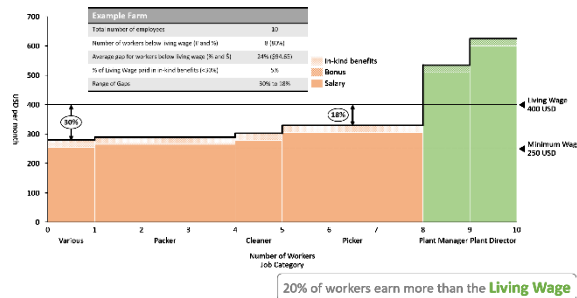
Total number of employees	41
Number of employees below living wage (# and %)	25
Average gap for workers below living wage (% and \$)	5%(35.20)
Average % of total wage paid in in-kind benefits (<30%)	19%
Range of Gaps	18% to 2%





IDH Roadmap on Living Wage

supported by international companies & standards



&
others



Tools

Guidelines for verification

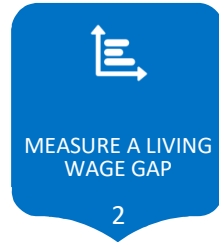


IDH has developed guidelines for verifying living wage gaps through third-party auditing and the corresponding base report, which serves as the physical evidence for third-party verification of living wage gaps. These guidelines have been developed to support third-party schemes and their auditors interested in verifying living wage gaps.

Auditor Training



IDH established a partnership with the ImpactBuying Academy to provide training for trainers of auditors and directly to auditors that want to assist companies in the verification of living wage gaps. The training is based on the guidelines for verifying living wage gaps and the proper use of the Salary Matrix to support living wage auditing.



IDH Roadmap on Living Wage

supported by international companies & standards

HOW TO CLOSE THE LIVING WAGE GAP?



WHAT CAN SUPPLIERS & WORKERS DO?

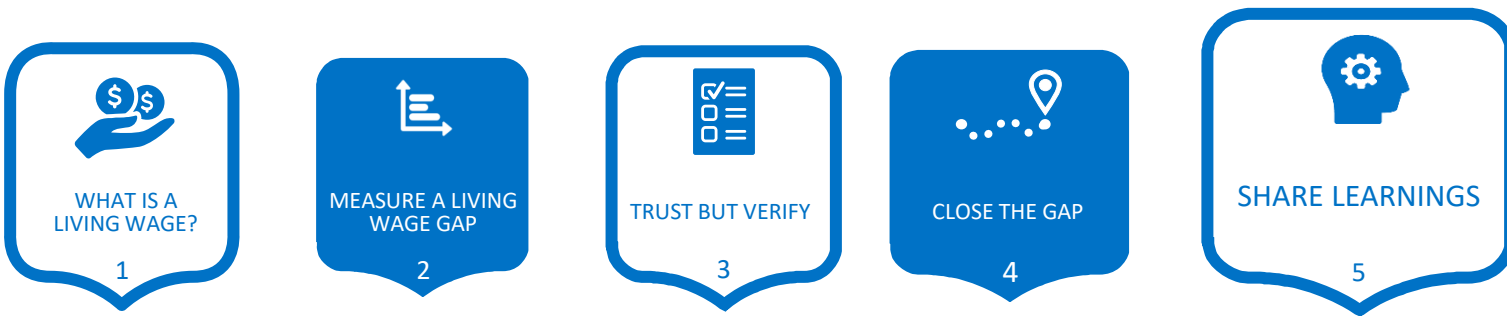
- Increase farm efficiency, productivity, and link this to increased wages
- Strengthen Social Dialogue & wage setting mechanisms
- Increase workers in-kind benefits
- Enhance workers' skills; productivity training
- Improve health & safety
- Improve human resource management

WHAT CAN BUYERS DO?

- Commit & set targets
- Invest on suppliers' activities
- Monitor & Evaluate
- Effectively market and brand the efforts
- Adopt sustainable procurement & trading practices:
 - Long term, transparent & stable contracts
 - Monetary compensation through pricing or premiums

National Dutch Retailers Commitment on Living Wages





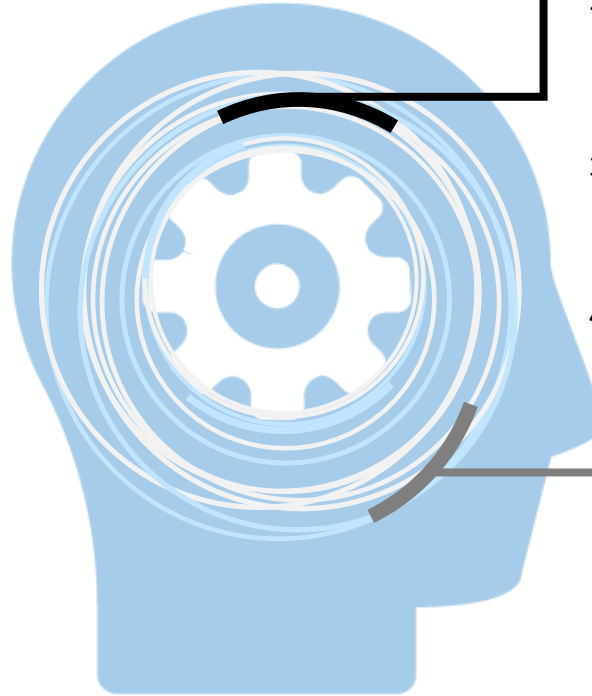
IDH Roadmap on Living Wage

supported by international companies & standards

WHAT DID WE LEARN?

WHAT TO TAKE INTO CONSIDERATION?

1. By working on many countries you ensure an equal playing field
2. A coalition works better when:
 - Company's leverage is limited
 - The wage gap is large
 - Enabling environment is challenging
3. Freedom of association, collective bargaining and overall social dialogue at the workplace is key in order for wages to improve towards a living wage and beyond
4. Avoid unintended consequences



?

SO MUCH MORE TO LEARN....

A lush green banana plantation with large, broad leaves and thick, brown trunks. The scene is brightly lit, suggesting a sunny day. A blue rectangular overlay with rounded corners is positioned in the center of the image.

THANK YOU

For further information please contact:

Ruchira Joshi
joshi@idhtrade.org



**the sustainable
trade initiative**

www.idhsustainabletrade.com

QUESTIONS



LIDL – LIVING WAGE APPROACH



Imogen Wright

Junior Ethical Trade Manager – Lidl GB



Lidl GB Living Wages

FNET

July 2021



Our business

Since 2015 Lidl GB has voluntarily paid its staff the living wage rate as recommended by the Living Wage Foundation

- In 2021, this pay rise has directly benefited over 20,000 Lidl employees, representing over 80% of the workforce

Business Case:

- Rapidly growing business
- Attracting and retaining employees
- Investing directly in staff, offering greater job security and improved well-being

"It is only right that we increase the income for our colleagues who are the backbone of our business. This is about recognising their hard work and dedication in keeping the nation fed during a year like no other. They have served our customers through extremely challenging times and we will always be there to support them in return."

- Christian Härtzel, CEO Lidl GB



Our supply chain

Living wages were identified as a salient issue to address in our business supply chains

- High risk, priority supply chains were identified
- Understanding of topic and business expectations developed through stakeholder engagement
- Ambition to demonstrate progress through sector projects:
Textiles, juice, cocoa, tea and bananas

Since January 2020, we have been committed to taking an action-orientated approach to working towards achieving living incomes and living wages within our global supply chains, thereby closing existing income and wage gaps.



Supply chain project: Cocoa



In 2019, Lidl was the first global retailer to design and launch an own-label chocolate bar with the objective of supporting a supply chain that directly supports workers, smallholder farmers and local communities by increasing wages for Ghanaian cocoa farmers

- Lidl pays an additional premium for every tonne of cocoa, that is used within the Way To Go! Chocolate bar, in addition to the standard Fairtrade premium
- This premium is invested in programmes that enable farmers to increase their incomes
- Through these programmes, crop yields can be increased, ensuring greater income levels





UNILEVER — LIVING WAGE APPROACH



Rachel Cowburn-Walden

Global Director Human Rights Stewardship at
Unilever

PILGRIMS — LIVING WAGE GAP ANALYSIS



Andy York

Human Rights Manager, Pilgrims Pride Limited

QUESTIONS



