

PAY AND PROMOTE LIVING WAGES AND INCOMES



Eradicating poverty wages and ensuring that everyone who works earns enough to afford a decent standard of living

The need for business action

In recent decades, worker wages have failed to keep pace with executive compensation, contributing to increasing disparities in income and wealth, fueling perceptions of injustice and, in many cases, leaving workers being unable to meet their families' basic needs. Today, over a billion working people worldwide earn less than they need to afford a decent standard of living. To tackle inequality and restore faith in our economic system, it is critical to ensure that work provides a path out of poverty and an opportunity for upward mobility.

1/3

of workers worldwide earn less than a living wage

>50%

of small-scale farmers earn less than a living income

Catalyzing business action

Moving forward, business actions to advance living wages and incomes include:

1 Paying living wages to all workers within a company's own operations

This involves identifying living wage benchmarks for all relevant geographies, gathering data on actual wages across sectors and employment types, and developing plans to close any gaps.

2 Promoting living wages and incomes in the supply chain

Companies can influence suppliers to pay living wages and contribute to living incomes through incentives and requirements, awareness-raising and capacity-building efforts. Aligning procurement practices in support of these efforts is critical.

3 Advocating and collaborating to build critical mass

Businesses must work collaboratively while also coming together with other stakeholders, including policymakers, to cultivate shared ambition and drive action.

The business case

Paying and promoting living wages and incomes can unlock many business benefits in a company's own operations, in the supply chain and in the marketplace:



Attracting, retaining and motivating workers: Living wages help attract, motivate and retain workers in a company's operations. This in turn reduces the cost of turnover and improves productivity and quality.



Fostering a more prosperous operating environment: Living wages and incomes also boost consumption, enhancing the purchasing power of consumers and bolstering economic growth.



Building more resilient supply chains: In the supply chain, promoting living wages and incomes reduces risk and increases quality, reliability and resilience.



Market benefits: In the marketplace, paying and promoting living wages and incomes protects and enhances corporate reputation and access to capital.

US\$ 4.5T

The boost that closing the living wage gap would give to global annual GDP