Living wage gap – practical guide to collect wage data

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Step 1: Gather wage data from social audit reports and suppliers

- amfori BSCI: you can find the information under 'Data evidence' on the amfori platform. Also some audit companies put this information in the audit summary and/or Performance Area 5 : Fair Remuneration.

Lowest wage for regular working time paid in the company in local currency (e.g. X per hour)		Month ▾

- SMETA: you can find the information under '5: Living Wages are Paid'

Criteria	Local Law *(Please state legal requirement)*	Actual at the Site *(Record site results against the law)*	Is this part of a Collective Bargaining Agreement?
C: Wage for standard/contracted hours: *(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)*	Legal minimum: Minimum wages fixed by the Punjab Government w.e.f 01.04.2020 -INR _____ per month (Unskilled) -INR _____ per month (Semi Skilled) -INR _____ per month (Skilled)	C1: -INR _____ per month (Unskilled) -INR _____ per month (Semi Skilled) -INR _____ per month (Skilled).	C2: ☐ Yes ☒ No

- Other audit reports: try to search the document for 'wage' and you will find it
- <u>Note:</u> often factories pay new workers the minimum wage and scale them up after the first month. Asking for the average wage of the production workers give you a more realistic number to work with.

Tip: If you can add audit information into your Business information system after receiving each social audit report, this will save a lot of time in the end.

Tip: Ask you auditor to provide more wage data, e.g. average wage. This can give you a clearer view on the wage situation in the factory, as now only the lowest wage is provided (for amfori BSCI audits).

Step 2: Convert data to 'wage per month'

In some countries wage per hour or per day is given. In most audits the standard workhours are also given. To be able to make a good wage gap analyses it is best to convert to 'wage per month' and in local currency (to avoid differences in exchange rates)

Tip: make sure you convert to the same monthly rate as in the 'AGT List Living Wage Benchmarks'. You can check this by looking at the given minimum wage. E.g. For Myanmar the minimum wage is 4800 MMK per day and the AGT list mentions 129600 MMK per month. 129600/4800=27 days. So if the factory paid 4850 MMK to their workers, you can convert this to (4850*27=) 130950 MMK.

Step 3: Add the wage data to your producer list in Excel

By knowing the address of your producer you can select the correct region (f.e. for India).

You can also add:

- number of workers; to have more an idea of the impact of the wage gap

- audit standard & last audit date; to know where the information came from and how old the wage information is

- currency used; to avoid confusion in a later stage

- source of the lowest wage paid; f.e. when you don't have an audit report and have received the data directly at the factory by email

A	B	C	E	F	G	H	I	J	K	P	Q
country	city	province	factory_name	worker_co unt	system_na me	last_audit date	currency used	Source data in column K	Lowest wage paid by factory (local currency	WageIndicator Living Wage Data – lower bound (local currency	living wage gap

Step 4: Add wage data from the 'AGT List Living Wage Benchmarks' - link

You can select:

- Wage Indicator Living Wage Data – average
- Global Living Wage Coalition benchmark (year)
- Wage Indicator Living Wage Data – lower or higher bound (3rd tab)

Step 5: subtract the lowest wage paid from the living wage

And you have the wage gap per producer!

- Note: often factories pay new workers the minimum wage and scale them up after the first month. Asking for the average wage of the production workers give you a more realistic number to work with.
- If you choose to use 'average wage' instead of 'lowest wage paid' make sure you only use the wages of production workers. Otherwise salary of management etc. will be included in this number as well.
- Often this information is not included in the audits so you have to ask suppliers to provide you with this information.