

AIM-Progress Statement of Engagement - Better Business Through Better Wages

Working towards a Living Wage is part of the AIM-Progress Human Rights agenda

Human Rights are at the heart of the AIM-Progress mission: we **aim to positively impact people's lives and ensure respect for human rights in our supply chains**, helping the Fast-Moving Consumer Goods (FMCG) industry build capability and take concrete actions to implement the UN Guiding Principles on Business and Human Rights (UNGPR). Furthermore, AIM-Progress works to build a common understanding of the human rights challenges in FMCG supply chains and address them collaboratively. Working poverty is a reality worldwide. Moreover, the COVID-19 crisis has exacerbated existing disparities and vulnerabilities within our societies. This deepening of inequality presents an urgent threat to communities and economies. Addressing living wages is now more necessary than ever. Working towards living wages in global supply chains are therefore one of the AIM-Progress human rights focus areas. The right to a decent standard of living is a human right¹, and businesses [in conjunction with governments and other stakeholders] play a key role as an employer in providing living wages to their workers. A living wage can help address a root cause of poverty whilst it also may contribute to mitigating other human rights issues, including the eradication of child labor and inequality. Fairly paid workers are an integral part of a profitable, sustainable, and resilient business. Furthermore, working towards living wages creates opportunities to change the way business models operate to benefit the wider society, breaking the cycle of poverty and strengthening the foundations of the global economy while driving business growth. We, therefore, believe in the role of businesses in providing a decent standard of living and being a driving force in poverty eradication.

Business has a key role

Helping workers achieve a living wage is a responsibility shared across the entire value chain, including the crucial role of government and robust social dialogue in the wider adoption of living wages. The business community can play a key role in driving change. Implementing living wages are already on the human rights agenda for many AIM-Progress member companies, some of whom have first focused their efforts on ensuring living wages throughout their own operations. As efforts should not be limited to own activities alone, companies should also work with their suppliers, so they too provide living wages to their workers through the entire supply chain. All members of AIM-Progress can help by addressing and working towards living wages in their workplaces and supply chains and thus contribute towards decent working conditions around the world. Living wage commitments will be decisive in delivering the UN Sustainable Development Goals by 2030 in the "Decade of Action".

¹ see here – adequate living wage is in the preamble of the ILO Constitution: [Key document - ILO Constitution](#) Article 25 of the UNDHR refers to adequate standard of living

What 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) ²

The need for Collaborative action

The work of organizations such as [IDH - the Sustainable Trade Initiative](#), [Business for Inclusive Growth - B4IG](#), [United Nations Global Compact - UNGC](#), the [Fairwage Network](#), [UK Living Wage Foundation](#) and [Living Wage for US](#) have already paved the way with clear calls for pragmatic action that addresses the issue in a sustainable way and facilitated the distribution of tools and best practice. Clear, practical steps and roadmaps, such as those developed by [IDH](#) and the [UNGC](#), amongst others, are enabling companies to take action towards closing the living wage gap.

AIM-Progress will continue to help its members by providing an important platform for sharing, learning and developing best practices whilst identifying opportunities for collaborative action. We will also leverage peer examples and external research on the business case for living wage in order to enable members to have internal discussions and further engage with suppliers. Furthermore, AIM-Progress will empower its members to build knowledge and expertise by identifying and sharing information on key initiatives as well as to develop new tools and resources where needed, provide collaborative support and encourage implementation of existing schemes and initiatives to further the uptake of living wages. By working collaboratively across the AIM-Progress membership and with partner organizations, we also recognize the need for working beyond individual company efforts. Collaborative action can most effectively catalyze change by leveraging knowledge and through developing and/or scaling up solutions to support workers in global supply chains.

² [What is a Living Wage? | Global Living Wage Coalition](#)