

Platform Living Wage Financials

The Platform Living Wage Financials (PLWF) is an unprecedented coalition of 12 financial institutions that encourages and monitors investee companies to address the non-payment of living wage in their global supply chains.

As an investor coalition with over € 2.5 trillion of assets under management, we use our influence and leverage to engage with our investee companies. We measure their performance on living wage, we discuss the assessment results and we support innovative pilots. Lastly, we make sustainable investment decisions based on the progress subject to individual choices and policy preferences of each Platform member. The PLWF Strategy Paper can be reviewed [here](#).

PLWF members

As of February 2019, the PLWF consists of 12 members: a.s.r. asset management, ABN AMRO, Achmea Investment Management, Amundi, ASN Bank, PGGM, ING, Kempen, MN, NN Investment Partners, Robeco and Triodos Investment Management, who collectively represent over € 2,5 trillion assets under management.

Why living wage?

In sectors that employ and rely heavily on manual labour, such as the garment and footwear, food and beverage, consumer electronics or retail sectors, wages are often insufficient to cover workers' basic living expenses such as food, clothing, housing, health care and education. Research shows these wages are often on the poverty line and well-below living wage estimates. As recognized by, among others, the International Labour Organisation (ILO) and the OECD, living wage is a fundamental human right.

Benefits of living wage

The benefits of paying a living wage are clear. Workers who earn a living wage can meet their own basic needs and those of their families as well as to put

aside savings, makes it likely for workers to find their way out of poverty. They work regular working hours instead of excessively working overtime to make ends meet and they are more likely to send their children to school instead of sending them to work. In short, our focus on living wage also advances the respect for a number of other fundamental human rights in global supply chains.

Objectives of the collaboration

Under the umbrella of the PLWF, financial institutions come together to encourage, support, assess, and monitor investee companies with regard to their commitment to pay a living wage to the workers in their supply chains.

Sector-wide approach

We cannot expect individual companies to solve a systemic issue such as living wage on their own. This is why we work with over 45 large listed companies in the garment & footwear, agri- food and retail sectors. By guiding and assessing the companies and building a 'benchmark' to determine which companies have been leading on the issue and which need to do more, we aim to motivate the 'laggards' to follow their better-performing peers.

Adherence to international guidelines and contribution to the 2030 Agenda

Finally, by engaging on living wage, we also honour our commitment to the United Nations Guiding Principles (UNGPs) and OECD Guidelines for Multinational Enterprises, wherein financials are asked to act with due diligence and to identify and mitigate salient human rights risks. In doing so, we also aim to help reduce poverty and stimulate economic growth and we perceive the engagement trajectory as a concrete contribution to advancing the United Nations Sustainable Development Goals, specifically Goals 1: 'No poverty'; and 8: 'Decent work and economic growth'

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Your position

As living wage is important for us and our clients, we discuss this topic to the companies we invest in. As not all the assets from the 12 members of the platform are managed directly by themselves we also like to take this topic to the asset managers whom manage investments for us.

Could you inform us on your position on this topic. With “your position” we think of the following:

- Have you included living wage in the assessment of companies in the garment & footwear, agri-food and retail industries?
- Have you engaged with companies active in these industries on the topic of living wage?
- What have been the results of these engagement activities?

Next step

We could imagine that the topic has not yet been an issue for you for engagement with your investments. Also for some of us the topic is relatively new.

We would appreciate it, if you could give this topic a place in the assessment of companies by your company. As explained before the topic touches on many sustainable issues in the supply chain of these industries. It will help to alleviate families from poverty, improve the access to education of children of these families and other human rights issues.

Furthermore from an economic point of view the pay of a living wage by all companies will shift the focus away from competing on labour costs to more efficient manufacturing and other competition distinguishing factors.

Inspiration

If you want to know more on the topic of living wage, you can consult our website: www.livingwage.nl.

Our assessment methodology is based on the reporting framework of guiding principles on human rights by the United Nations (www.ungpreporting.org). You can find the rating methodology on our [website](#).

Other resources are:

- www.actonlivingwages.com or
- www.fairwear.org
- www.apparelcoalition.org

PLWF is the winner of the PRI Award 2019 in the category: [Active Ownership Project of the Year](#).

As of October 1st, 2019, the PLWF consists of 12 members, a.s.r. asset management, ABN AMRO, Achmea Investment Management, Amundi, ASN Bank, PGGM, ING, Kempen, MN, NN Investment Partners, Robeco and Triodos Investment Management, who collectively represent over €2,5 trillion assets under management.

