

**WHAT
SHE
MAKES**

BRAND GUIDE:

THE JOURNEY TO A LIVING WAGE



Photo: Fabeha Monir, Oxfam



OXFAM
Aotearoa

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INTRODUCTION

The What She Makes campaign aims to achieve a living wage for women working in garment factories overseas.

The Oxfam Aotearoa campaign joins Oxfam Australia and Oxfam Canada campaigns, and sits within Oxfam's global work on labour rights.

The campaign involves Oxfam Aotearoa working with you, the brand, to discuss the living wage and how you can achieve it for the women overseas who make the clothes you sell.

We will work with you every step of the way, including through discussing the challenges you face, sharing learnings from successes elsewhere, and providing training to support you on your journey. It also involves public engagement to encourage consumers to participate in the global movement for a living wage.

This document will help guide you to achieve a living wage for the women overseas who make your clothes. It is a step-by-step guide on how to get to a living wage, but also a one-stop document that answers key questions about what your responsibility is in this campaign.





THE STEPS

Oxfam Aotearoa breaks the Journey to Paying a Living Wage into three simple steps:

[Step 1: Getting the basics right](#)

[Step 2: Creating a plan for a living wage](#)

[Step 3: Paying a living wage](#)

Each step includes requirements within them that will help you, the brand, achieve and signal progress towards a more ethical supply chain. These requirements are outlined in more detail below.

You may notice that some of the requirements may not be included in all of our messaging to the public. This is to simplify communications with the public. We'll make sure to tell you what is included in public communications and what isn't. You'll find more on this below.





BRAND TRACKER: TRACKING YOUR PROGRESS

Oxfam Aotearoa tracks brands' progress through a **Brand Tracker** on the **What She Makes** website. To simplify public communications, only some of the specific requirements for each step are publicised on the Brand Tracker. Below is a list of the requirements that will be assessed and publicised in the Brand Tracker. You'll notice further down in this document that the requirements for each step includes these and more.



STEP 1: GETTING THE BASICS RIGHT

- ☐ Make a commitment
- ☐ Supply chain transparency



STEP 2: CREATING A PLAN

- ☐ Separate labour costs in price negotiation
- ☐ Publishing plans



STEP 3: PAY A LIVING WAGE

We ask brands to report yearly on progress as you would in your usual publications, such as your annual reports or sustainability reports.

Oxfam will also be publishing information on your progress. At the launch of the campaign in November 2022, and throughout, Oxfam Aotearoa will evaluate your brand's actions and practices based on publicly available information. Oxfam Aotearoa will publish this evaluation on the Brand Tracker website.

Information must be published on your brand's website to be assessed. We want to facilitate open dialogue to support you and achieve the necessary results for the women overseas who make our clothes. Our commitment to you is that Oxfam Aotearoa will not publicly share any insights or content disclosed in private discussions with you.



THE TIMELINE

The Timeline below outlines a potential timeline you might like to work to. Of course, the timeline will vary depending on a multitude of factors. However, we are asking you to make a commitment by 31 October 2022 and achieve supply chain transparency by 30 April 2023.

The Journey for a Living Wage	Suggested Timeline	Update or reporting frequency	Brand Source	Brand Tracker
Step 1. Getting the Basics Right				
1. Make a commitment	31 October 2022		Website	Yes
2. Supply chain transparency	30 April 2023	Every 6 months	Website	Yes
3. Responsible purchasing practices policy	31 October 2024	Annual	Annual report and independent evaluation	No
4. Independent and reliable grievance and remediation procedures	31 October 2024	Annual	Annual report and website	No
5. Gender and non-discrimination policy	31 October 2023	Annual	Annual report and website	No
6. Freedom of association and collective bargaining	31 October 2023	Annual	Annual report and website	No
Step 2. Creating a Plan				
7. Separate labour costs in price negotiation	30 April 2024	Annual	Responsible purchasing policy and website	Yes
8. Wage gap analysis	30 April 2024	Reviewed annually	Report published on website	No
9. Plans on implementing a living wage	31 October 2024	Annual	Annual report and website	Yes
Step 3. Paying a Living Wage				
10. Pay a living wage	By October 2026	Reviewed annually	Independent evaluation report and website	Yes

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STEPS AND REQUIREMENTS





STEP 1: GETTING THE BASICS RIGHT

Each step has several requirements that we will be tracking along the way. In order to complete a step, you must achieve each of the requirements. Some requirements may take longer than others. Below, we've broken down what the requirements are for each step to help guide you along the way.

The first step is about setting in place the basics for a living wage. The requirements involved in 'Getting the Basics Right' are:

- [A credible commitment to a living wage](#)
- [Supply chain transparency](#)
- [Responsible purchasing practices policy](#) ^{1*}
- [Independent and reliable grievance and remediation procedures](#)*
- [Gender policy](#)*
- [Freedom of association and collective bargaining](#)*

Note the asterisk on requirements three to six. These requirements are not in the campaign's public-facing communications, but are important requirements for achieving a living wage.



A CREDIBLE COMMITMENT TO A LIVING WAGE

The first requirement is to make a credible public commitment on your brand’s website. This is a powerful demonstration that your brand is embarking upon the journey to a living wage for garment workers within your supply chains. For a credible commitment, three things are required.

1. A commitment statement that includes the two features of the living wage definition:

A living wage should be earned in a standard work week (no more than 48 hours as a maximum) by a worker and be sufficient to afford a decent standard of living for the worker and their family.

Elements of a decent standard of living include adequate nutritious food, housing, healthcare, clothing, transportation, energy, water, childcare, education, and other essential needs, including some discretionary money and provision for unexpected events.

2. Commit to publicly reporting on progress with complete transparency and accessibility of information.

3. Include at least three measurable, relevant and verifiable milestones, and a time frame for when these will be implemented and achieved. This shows that you've thought about how you will put your commitment into practice. These milestones should be drawn from the requirements in this document and be developed in discussion with Oxfam Aotearoa.



HOW WE TRACK THIS REQUIREMENT

Indicator: Credible commitment statement published on the brand website

Source: Brand’s website

What She Makes brand tracker: Yes

Deadline: 31 October 2022

SUPPLY CHAIN TRANSPARENCY

Transparency is the foundation of ethical supply chains and fair treatment of workers. It allows independent scrutiny, which is vital to establishing fair processes for garment workers. Without transparency, it is incredibly difficult for workers, unions, and other stakeholders to know which companies should be held accountable. Transparency is also a key way we can stop human rights violations.

Publishing suppliers and factories shows your brand is willing to support the workers overseas who make the clothes you sell.

Our ask is that within six months of making a credible commitment to a living wage your brand does the following.

1. Publish your tier one supply chain on the website, including the following details²:

- Factory names, locations and addresses
- The name and address of the parent company (if applicable)
- The number of workers in each factory and the breakdown by gender
- Sourcing channel (direct sourcing or through an agent)
- The date of when the list is published or updated
- (Optional) Types of products made at each factory, last audit date, and volume or percentage of sourcing from each supplier country

2. Make a public statement that it is a complete list (100%) of your brand's tier one suppliers.

3. Update the list at least every six months.



HOW WE TRACK THIS REQUIREMENT

Indicator: Full tier one suppliers complete with all the details specified above, and a public statement regarding completeness. We will monitor this six-monthly.

Source: Brand's website

What She Makes brand tracker: Yes

Deadline: 30 April 2023

RESPONSIBLE PURCHASING PRACTICES POLICY

Purchasing practices significantly impact the wages and working conditions of garment workers. Some approaches to purchasing can put manufacturers under intense pressure through aggressive price negotiation, inaccurate forecasting, late orders, short lead times, and last-minute changes to orders.

We ask that brands publish a responsible purchasing practices policy aligned with the [UN Guiding Principles on Business and Human Rights](#) and the [OECD Due Diligence for Responsible Supply Chains in the Garment and Footwear Sector](#). This is required for assessment of Step 2 – see more details below under Step 2.

A responsible purchasing practices policy must be developed in consultation with local labour unions and workers. We ask brands to:

1. Ensure labour costs are separated out (calculated and listed as a separate item – See Step 2) in price negotiations with suppliers to facilitate payment of a living wage.
2. Develop a clear and measurable purchasing/ sourcing policy aligned with the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence for Responsible Supply Chains in the Garment and Footwear Sector.
3. Set and publish key timebound performance indicators to monitor improvement in purchasing practices. As a starting point, brands may refer to indicators developed by Action Collaboration and Transformation (ACT) on purchasing practices.
4. Review the purchasing practice policies and regularly report on implementation and progress.
5. Include a mechanism for suppliers to provide anonymous feedback on your brand's purchasing practices.



HOW WE TRACK THIS REQUIREMENT

Indicators:

- Introduced separation of labour costs in price setting and negotiation
- Suppliers received guidance on labour costing and separation
- Improved payment terms
- Reduced time gap between delivery and payments
- Improved lead time
- Introduced/improved accurate planning and forecasting system
- Implement a system to monitor purchasing practices periodically
- Publish and implement a responsible exit strategy.

Source: Brand's annual report and independent evaluation by 2024

What She Makes brand tracker: Only the separation of labour costs will be published on the Brand Tracker – see Step 2 below.

EFFECTIVE AND INDEPENDENT GRIEVANCE AND REMEDIATION MECHANISMS

Establishing effective grievance and remediation mechanisms means setting up processes where workers can safely and easily report wage and entitlements violations, health and safety issues, and other labour rights issues. Having mechanisms to be aware of these issues is important in the journey to a living wage.

If problems are not resolved at the factory level, workers should have a clear and safe way they can report to brands directly. This mechanism needs to be easy for workers to access discreetly. Workers need to trust the system and feel secure to raise concerns⁴.

Accountable, transparent and anonymous reporting is essential to build confidence in the mechanism, and should create equal opportunities for management and workers to raise issues and resolve them. A feedback component needs to be part of the mechanism, ensuring that workers receive information about the number and types of complaints filed, the issues raised, the types of outcomes reached, and the remedial actions that were taken to correct the issues.

For grievance mechanisms to be effective, they need to be customised according to the contexts of the factory, country, culture, labour relations, workplace demographics, and common issues that give rise to complaints.

We are asking your brand to:

1. Support factories to establish effective grievance and remediation mechanisms that all workers in the factory can access safely and easily
2. Publicly report on the effectiveness of the grievance mechanism/s against specific indicators, as listed below under 'how we track this requirement'.



HOW WE TRACK THIS REQUIREMENT

Indicators:

- Percentage of factories that have an independent grievance procedure
- Percentage of workers who are aware of the independent grievance procedure
- Number of grievances reported
- Number of grievances resolved within the reporting period

Source: Published in the brand's annual report and on the brand's website by the end of the second year of making a commitment, then updated annually.

What She Makes brand tracker: No

GENDER AND NON-DISCRIMINATION POLICY

It is likely that your brand has an existing gender and non-discrimination policy for your staff here in Aotearoa. In the same way, we’re asking your brand to adopt a positive and proactive gender and non-discrimination policy, and guidelines, for your suppliers, and set gender-sensitive targets with them.

This is linked to the living wage because, almost universally, it is women who make clothes under poor conditions and it is primarily women who are in the lowest-paid positions in the factory. Most labour rights violations are against women workers. Respecting labour rights in the garment industry is equally about respecting women’s rights and ensuring gender issues are considered in the supply chain policy and operations.

We are asking you to:

1. Incorporate gender equality as an element in factory assessments.
2. Ensure factories incorporate gender equality and gender-based non-discrimination policies and practices, and that these are reviewed, updated regularly, and implemented in the factories.
3. Publish gender-sensitive targets and progress to ensure gender equity in the supply chain. This could include, for example, the number of women in senior roles, appropriate women’s representation on all committees, and women’s ability to participate in decision-making.
4. Organise training to improve knowledge of gender-related issues among auditors, factory management, and workers leading to better identification of, and response to, issues such as sexual harassment or lack of enforcement of maternity provisions, and to understand why including women’s voices is imperative.
5. Incorporate prevention and remediation policies on sexual harassment and gender-based violence, train workers and management on workers’ right to report such instances, and create a safety net for the survivor.



HOW WE TRACK THIS REQUIREMENT

Indicators:

- Policy and guidance published on the website with gender-sensitive targets
- Percentage of workers aware of this policy
- Percentage of worker representatives trained on policy and remediation process
- Periodic reporting on gender-sensitive targets.

Source: Published in the brand’s annual report and on the brand’s website within one year of making a commitment, then updated annually.

What She Makes brand tracker: No

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Unfortunately, garment factories are notorious for shutting down unions and firing workers who are members of the unions. Workers should not be afraid of starting, organising and being a part of a union or other groups that protect their rights as an employee. The right to collectively bargain for better wages and better working conditions is a fundamental human right.

It is crucial that your brand protects the right to freedom of association and collective bargaining by demonstrating a willingness to engage in meaningful consultation with workers in your supply chain.

We are asking your brand to:

1. Implement measures to ensure freedom of association and the right to bargain collectively in the factories where your brand's clothes are made, and support open wage negotiations between worker representatives and factory management. Develop a timeframe to implement these measures within one year of making a commitment.
2. Ensure adequate workers' representation and consultation in the absence of a union, such as establishing a workers' participation committee.

Brands might start with a timeframe for workers being democratically chosen as representatives across your supplier factories by a specific year or date and report progress.

Where freedom of association and collective bargaining is restricted by law, we encourage brands to support countries in formally ratifying International Labour Organisation Conventions regarding freedom of association and collective bargaining to ensure workers can have a representative advocate for their working conditions in all factories.



HOW WE TRACK THIS REQUIREMENT

Indicators:

- Percentage of factories that have a union
- Percentage of factories that have a collective bargaining agreement
- Percentage of factories that have elected a participation committee

Source: Published in the brand's annual report and on the brand's website within one year of making a commitment, then updated annually.

What She Makes brand tracker: No



STEP 2: CREATING A PLAN

Once your brand has the basics in place, Step Two is about creating a concrete plan to achieve a living wage. This plan builds on the requirements of Step 1 and involves more specific work towards the living wage. In Step 2 your brand will develop a plan that, once implemented, will see your brand get a living wage for the women who make the clothes you sell.

Step 2 involves:

- Separating labour costs in price negotiation
- Wage gap analysis*
- A plan to implement a living wage.

Note, the asterisk next to 'wage gap analysis' above means that we will not be tracking this on the Brand Tracker.

SEPARATE LABOUR COSTS IN PRICE NEGOTIATION

Separating out labour costs is an important requirement in the journey towards achieving a living wage. Separation of labour costs during price negotiations helps to quickly identify if the wages being paid to garment workers correspond to a living wage or not. It also allows your brand's sourcing team and factory management to negotiate a more realistic price for each garment order without affecting the wages. As part of getting the basics right (Step 1) your brand will have started to create a responsible purchasing practices policy. Calculating, listing and separating labour costs is part of this policy.

We are asking your brand to:

1. Separate the labour costs in price negotiations with factories
2. Periodically monitor and compare the labour cost component of the price and living wage benchmarks.

Note that our suggested timeline for having a responsible purchasing practices policy in place is October 2024, but here we are asking you to prioritise separating labour costs by April 2024. While the approval and implementation of a responsible purchasing practices policy may take some time, separating labour costs is a practice that you can do during price negotiations with your suppliers ahead of the full policy.



HOW WE TRACK THIS REQUIREMENT

Indicators: Labour costs are separated in price negotiations

Source: Published in the brand’s responsible purchasing practices policy and/or on the brand’s website within one year of making a commitment, then updated annually.

What She Makes brand tracker: Yes

WAGE GAP ANALYSIS

Without a proper wage analysis, it is impossible to develop a comprehensive plan to ensure the payment of a living wage. The wage gap analysis assists your brand in understanding the size of the gap between a living wage and current wages. Depending on the sourcing location, this gap will vary. For some brands, it may be so minimal that it can be addressed relatively quickly with minor adjustments to their practices. For other brands, it may require comprehensive planning.

A wage gap analysis requires your brand to:

1. Compile information on wage policies and practices of your brand's tier one suppliers, segregated by country and gender
2. Identify and adopt a living wage premium calculation methodology
3. Identify the gap between the current wages and the living wage
4. Set and publish targets to reduce the wage gaps identified in the analysis
5. Publish on your brand's website the wage gap analysis report with methodology.



HOW WE TRACK THIS REQUIREMENT

Indicator: Percentage of workers getting a living wage, with data segregated by country and gender.

Source: Wage gap analysis report published with methodology on brand's website within one year of making a commitment.

What She Makes brand tracker: No

PUBLISH A PLAN ON HOW LIVING WAGES WILL BE PAID

Your brand needs to develop and publish a plan for achieving a living wage in your supply chain. Your plan needs to include a clear timeline. Depending on the sourcing countries, channels, and products, plans will vary from brand to brand.

We expect your brand to publish a timebound plan that describes in detail the step-by-step approach that will be taken to achieve a living wage for the women overseas who make the clothes you sell. This plan should include the following.

1. Identification and adoption of a living wage premium calculation methodology.
2. A timeline, with measurable and verifiable milestones, including implementation of your responsible purchasing practices policy, wage gap analysis, and separation of labour costs in price negotiation.
3. Consultation with workers' representatives, factory management and relevant stakeholders.
4. Collaboration with other brands, multi-stakeholder initiatives, non-government organisations, unions, and other key stakeholders.
5. Implementation of your responsible purchasing practices policy to reduce downward pressure on wages.
6. Details regarding training for suppliers and worker's representatives about the living wage and how to implement it.
7. A pilot project which can be scaled up, either through a country-by-country roll-out or a product-based roll-out.
8. Outline how support will be given to suppliers to improve productivity and ensure living wage payments are not tied to productivity or targets.
9. A communication strategy that captures lessons learned and reviews the process.



HOW WE TRACK THIS REQUIREMENT

Indicator: A step-by-step plan on how a living wage will be paid, including:

- Worker consultation, implementation of your responsible purchasing practices policy, wage gap analysis and separation of labour costs in price negotiation.
- Use of a living wage premium calculation methodology.

Source: Published in the brand's annual report and on the brand's website within one year of making a commitment.

What She Makes brand tracker: Yes



STEP 3: PAY A LIVING WAGE

Now we get to the best part: if your brand has diligently implemented the requirements of Steps 1 and 2, paying a living wage is the logical next step. From the time your brand expressed its commitment to a living wage, it will take up to four to six years of work to actually achieve a living wage for the women who make the clothes your brand sells.

The accountability mechanisms outlined in Step 1 will assist your brand to make sure the living wage goes directly to workers.

To assess if your brand is paying the living wage to the women overseas who make the clothes you sell, we ask for independent evaluation and audit reports. These reports should include the following.

- The number and percentage of workers being paid a living wage, segregated by country and gender.
- The wage gap analysis findings that include the adopted living wage calculation methodology and the minimum prevailing wages, by factory and country.
- An annual, up-to-date wage gap analysis.



HOW WE TRACK THIS REQUIREMENT

Indicators: Percentage of workers getting a living wage or above (data segregated by country and gender), verified in the audit and independent evaluation reports.

Source: Published in the brand's annual report and on the brand's website, with the inclusion of an audit report and independent evaluation report.

What She Makes brand tracker: Yes

Pay a living wage

Upon payment of living wages, we encourage brands to become a champion for the living wage. After all that work this achievement is something to be celebrated and communicated. Your brand is now making a significant positive impact on the lives of the workers who make the clothes you sell. You can continue on this living wage journey in many ways, including the following suggestions.

- Support systemic changes to adopt living wages through collaboration, coordination and dialogue among brands, factories, employer's organisations and unions, and government.
- Clearly indicate your brand's commitment to stay in a sourcing country when wages increase.
- Actively engage, advocate and support governments, industry associations and civil society to increase minimum wages to match.

¹Those marked with asterisks – These five asks will not be included in the brand tracker webpage. Oxfam believes that setting the right policies in these areas are crucial to building a good foundation of policy and practices that will contribute toward the successful payment of living wages in the supply chain. Oxfam will still monitor the progress of the companies in these areas and advocate for these policies to be embedded in how the companies conduct business.

²These are based on the key demands of the Transparency Pledge Campaign (<https://transparencypledge.org/the-pledge/>) by a coalition composed of nine human rights and labour rights organisations and global unions to improve transparency in garment and footwear supply chains.

³<https://actonlivingwages.com/app/uploads/2021/04/ACT-Purchasing-Practices-Accountability-and-Monitoring.pdf>

⁴United Nations Human Rights Office of the High Commissioner. (2021). OHCHR Accountability and Remedy Project: Meeting the UNGPs' effectiveness criteria. Accessed from <https://www.ohchr.org/sites/default/files/2022-01/arp-note-meeting-effectiveness-criteria.pdf> on 21 June 2022.



RELATIONSHIP WITH THE 'LIVING WAGE MOVEMENT AOTEAROA NZ'

You may be familiar with the Living Wage Movement Aotearoa NZ. This movement aims to achieve the payment of a living wage specifically to people working in New Zealand. While the Living Wage Movement Aotearoa NZ and the What She Makes campaign are both part of the global movement for a living wage for all, the two campaigns are separate entities in Aotearoa New Zealand.

The ability of a business or an organisation to call itself a "Living Wage Employer" in Aotearoa requires accreditation with the Living Wage Movement Aotearoa NZ, which has its own requirements and process. Unless you become accredited under Living Wage Movement Aotearoa, you will not be able to use the term "Living Wage Employer".

The What She Makes campaign focuses on improving the policies and business operations that affect women who make your clothes in overseas factories. Once you have achieved a living wage for workers in these factories, you can celebrate and communicate the fact that you help the women overseas who make your clothes to live a life of dignity. We will also communicate this publicly through the What She Makes Brand Tracker.





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