Disclaimer

There are some instances in this guide where legal implications are considered. ISEAL does not take any responsibility for legal implications of using this guide and does not claim that following this guide will result in legal compliance. The guidance given should not be used as a substitute for relevant legal advice.

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Cover image: Tea worker, Malawi
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The need for this framework

As action around living wages gathers momentum, so has the desire and pressure to be making ‘living wage claims’ by entities taking and investing in such actions. The desire to make claims about one’s actions and investments in advancing specific sustainability issues is driven by many factors - reporting on corporate sustainability commitments, rising scrutiny of business actions and accountability, a competitive sustainability environment, rising consumer expectations and tightening legislation around business practices. All of this has given rise to an urgent desire by businesses, and the sustainability standards or schemes that support them, to foray into what we can term ‘issue-based’ claims.

Claims and communications about one’s work and actions are a reality of how markets and supply chains operate. However, claims that are not clear, misleading or unevidenced can lead to an erosion of public trust in market action, an inability to discern which actions contribute to change and ultimately legal sanctions in a growing number of jurisdictions. On specific topics such as wages and decent work, poorly thought through or predatory claims can have adverse effects on worker wellbeing and ultimately undermine their interests.

This document by ISEAL responds to the need to have a clear framework to guide claims-making on living wages. It serves two main purposes – firstly to guide those who wish to make claims to do so thoughtfully, sensibly and in an evidenced manner, and secondly to promote awareness and knowledge about what makes claims credible and foster collective accountability in this space. In developing this document, our intent is not to encourage more claims-making. In fact, we are clear the first step in the process is to determine whether claims need to be made at all. The intention is that where and when companies or schemes need to make claims, they do so in a credible way and use this framework, alongside applicable legislation, to guide their thinking.
This document has been developed to help organisations committing to and working to advance worker wages, make claims related to living wages in a credible manner. The framework can be applied by a range of potential ‘claims-makers’ including individual companies – upstream and downstream; standard-setting organisations and other voluntary sustainability schemes; governments; and trade unions and worker representative organisations.

The document provides a structured framework to the topic of living wage claims in four parts.

- **Part 1** establishes the fundamentals of good sustainability claims and the importance of a robust system to back up claims.

- **Part 2** explores the topic of claims when applied to specific issues such as living wages. It proposes a typology to help stakeholders differentiate between different types of claims and provides guidance on minimum information and evidence requirements for these types of claims.

- **Part 3** goes deeper into the topic of living wage claims by exploring a series of strategic questions and considerations that organisations must work through to make credible living wage claims.

- **Part 4** provides a range of case studies that illustrate how this framework can be used by different types of claims-makers in relation to different types of actions on living wages.*

*The contents for part 4 is not included in this consultation version but will form part of the final document to help illustrate and bring to life the content in parts 1-3.
Part 1: Fundamentals of good sustainability claims

1.1 What are sustainability claims and communications?

A sustainability claim is a message used to set apart or promote a product, process, service or business, whose content refers to one or more sustainability pillars – economic, environmental or social.

Sustainability claims can range from general written, visual, broadcast and social media communication, activity and impact reporting to more specific forms such as words, images or logos that are used to set apart or market products, processes or businesses. The distinction between sustainability ‘claims’ and ‘communications’ is not always clear and the guidance in this document is intended to apply to both specific claims and more general communications.

1.2 Guiding principles for good sustainability claims

ISEAL’s Credibility Principles define the core values of credible and effective sustainability systems. The Principles help organisations developing standards and similar sustainability tools to understand which attributes of their system are critical to the credibility of their approach, and why these matter for improving sustainability performance and delivering impacts. The Principles also help businesses, governments, and civil society to identify systems that can be effective partners in delivering against shared sustainability objectives.

A key Principle that speaks specifically to the topic of claims is Truthfulness – that the claims and communications allowed by a sustainability system can be trusted.

Deriving from this Principle, we can outline four basic tenets of credible sustainability claims. Taken together, these four fundamental tenets are the core foundations for making good sustainability claims – irrespective of the issue and subject matter of the claim in question.

1. A sustainability claim is CLEAR meaning that the claim should be easily understood and free from misleading details. A clear claim is one that:

a. Uses language that clearly explains what the claim is about
b. Explains how the claim was substantiated and verified
c. Ensures that more information about the claim is easily and publicly available
Part 1: Fundamentals of good sustainability claims

2. A sustainability claim is ACCURATE meaning that the claim should be truthful, based on substantiated evidence and an accurate interpretation of that evidence. An accurate claim is one that:

   a. Is based on data and information that can be substantiated
   b. Is based on a truthful interpretation of that evidence and data
   c. Is careful to not suggest exclusive attribution when there is no such evidence

3. A sustainability claim is RELEVANT meaning that the claim should be about an issue that is material or significant to the product or business and not a distraction from more important issues. A relevant claim is one that:

   a. Is focused on the most significant actions or issues
   b. Is related to and proportional to the action taken
   c. Is contextualized, with a clear scope

4. A sustainability claim is based on a SYSTEM that is TRANSPARENT and ROBUST meaning that information about the context and evidence behind the claim should be freely and easily accessible and efforts are made to control claims. This includes ensuring that:

   a. There is a robust system in place that controls when the claim can be used and by whom, and clear criteria to be met before a claim can be used.
   b. Information is easily, freely and publicly available about the claim, its scope and verification, and the evidence to back it up.

Tenet four, that refers to the system behind a claim, can include a clear monitoring mechanism that generates data and evidence to back up claims made by the system. It can also be extended to include a robust system for controlling claims with checks and balances in place to prevent misleading claims and verify publicly made claims.

The next part of the guidance goes into the topic of issue-based claims i.e. claims that a sustainability system or company might wish to make about a specific sustainability issue or topic, such as living wages.
Part 2: Unpacking living wage claims: a typology

2.1 Delving into issue-based claims

As businesses and governments take on new commitments and ramp up action to address key sustainability challenges, the question of issue-based claims has been brought to the forefront. Issue-based claims are a sub-type of sustainability claims whose content speaks specifically to a primary sustainability issue or topic of focus. Issue-based claims can take many forms and some may argue that all sustainability claims are inherently about one or a multitude of issues. However, we are interested here in considering claims that are made purposively with the aim of focussing on (addressing) a specific issue with the objective of highlighting both the issue and what the claim-maker is saying about its role in addressing it.

Issue-based claims complicate claims-making for a range of reasons.

- **Variable interpretation**: Issues are interpreted variably by different stakeholders and rarely is there a commonly agreed definition or understanding of the issue or topic amongst all concerned. This means that claims on specific issues can be unclear, where lack of clarity emerges from a lack of common understanding of the issue, leading to more misinterpretation and misleading claims.

- **Dynamism**: Issues are dynamic and our understanding of them and the best ways to address them are constantly shifting. Climate science is a good case in hand with rapid evolution in our understanding of what’s needed to address the climate crisis shifting every decade. This also means that issue-based claims may have a short shelf life, compared to claims about other attributes such as the nutritional content of a product or the governance of a scheme.

- **Outcome measurement challenges**: Issue-based claims often centre on the question of outcomes – what has changed or shifted about the issue in question as a result of what the claims-maker is doing. Outcome measurement of many claims is difficult and technical, making issue-based claims that seek to talk about what is changing (about the issue) hard to evidence on a continuous basis.

- **Collective action**: Sustainability issues are complex and tackling them, at scale, is rarely achieved with the efforts of only one system or organisation or stakeholder. This questions the credibility of issue-based claims made by a single entity and also heightens the need for accurate and fair representation of effort, action and contribution by that entity.

Despite these challenges, the time is right to think more carefully about how issue-based claims can be made more credibly. A part of the reason is that issue-based claims are already being made by a range of actors on specific topics such as investments to tackle deforestation, joint action to advance livelihoods and pre-competitive collaborations to tackle low wages in supply chains. With heightened consumer consciousness on specific issues and increased finance sector scrutiny on business responses to specific challenges, the pressure to make issue-based claims is more than ever before. Finally, tightening regulation around claims, especially in the European Union, means more scrutiny of what is being conveyed to the consumer – on pack and off – and minimising misleading claims to gain business and market advantage. Although primarily focussed on environmental and green claims, some proposed legislation such as the European Union Directive on ‘empowering consumers for the green transition’, does include social aspects and aims at enhancing consumers’ rights by improving product labelling, durability and cracking down on misleading or uncredible claims.

2.2 A framework to understand living wage claims

As with all sustainability issues, the topic of living wages has evolved over the last decade from a radical and disruptive concept to a widely accepted sustainability commitment for business across sectors. This has led to a progressive rise in living wage commitments, living wage actions – both within and beyond the supply chain – and increasing interest in the outcome of such actions. All of this has raised the desire to make living wage claims and the need for a framework to guide practice around this.
Part 2: Unpacking living wage claims: a typology

To get started on living wage claims, we first present a framework to understand the links between commitments and actions to the changes we wish to see in wages i.e. outcomes and impacts. The fundamental premise of this framework is to stress that there are several steps that go from making a commitment to seeing impact on the issue and that different claims can be made at each of these steps. The graphic below lays out the basic steps of this change pathway linking commitments to impacts.

**WHAT IS A LIVING WAGE?**

The most widely accepted definition of a living wage is the ‘remuneration received for a standard work week by a worker in a particular place sufficient to afford a decent standard of living of the worker and her or his family’ (GLWC, 2017). The basic components of a living wage, as defined by the Anker methodology, include a low-cost nutritious diet, basic and healthy housing, education through secondary school, adequate health care, other essential needs and a small margin for unforeseen events (Anker and Anker, 2017).

**Step 1: Making commitments on living wages:** this step involves setting commitments on living wages as a business, scheme or organisation. Commitments can be generic referring to strategic goals or high-level commitments, or specific in nature referring to sector, product or specific worker categories, and including timelines and targets. Commitments can be internal or public, although the latter attract greater scrutiny and accountability. Commitments can be individual or collective, giving rise to the desire to make claims as an individual entity or a group. Examples of commitments are committing to pay or progressively pay living wages to employees or commitments to source from companies / farms that pay a living wage and so on.

**Step 2: Taking actions on living wages:** this step involves specific actions and interventions that businesses, schemes and organisations take to implement their commitments on living wages. There is a wide range of activities that are underway today in the space of living wages. Actions can be direct i.e. those that are implemented within the supply chain or indirect i.e. those that aimed at the wider context or enabling environment but support implementation of living wage commitments.
Part 2: Unpacking living wage claims: a typology

DIRECT LIVING WAGE ACTIONS (WITHIN THE SUPPLY CHAIN)

- Assessing prevailing wages and using living wage estimates to calculate living wage gaps
- Requiring the payment of living wages based on credible estimates provided
- Employers increase wages, bonuses and in-kind benefits
- Changes to procurement and sourcing commitments to improve wage outcomes for workers
- Making voluntary financial contributions to closing the living wage gaps for particular worker-product-region categories
- Stabilise higher prices to allow reliable wage increases to take place
- Sourcing certified products from schemes which have a commitment to advancing living wages
- Formalising work arrangements, reducing informalisation, improving personnel documentation to advance wages for temporary, migrant workers
- Enhancing product quality to command higher prices and wages
- Improving worker productivity (where needed) to advance wages

INDIRECT LIVING WAGE ACTIONS (ENABLING CONTEXT)

- Supporting social dialogue and collective bargaining to enhance wage negotiations
- Investing in increased knowledge, awareness-raising and capacity-building on living wages and related concepts
- Advocacy with or support to national governments in improving minimum wage-setting to reflect living wage concepts
- Advocacy with governments to improve corporate accountability and reporting on wages and decent work in supply chains
- Enhance price and supply chain transparency
- Use financial sector leverage to incentivise business action on wages

After commitments and actions, steps three, four and five of the framework are a continuum of change desired or results from actions taken that can collectively be termed outcome and performance results.

Steps three, four and five all represent a spectrum of performance or change resulting from the actions taken.

Step 3: Intermediary outcomes: This step is the realisation of what can be termed short-term outcomes or intermediary outcomes as a result of living wage actions. Intermediary outcomes are the more immediate changes realised from actions taken that contribute to wage increases for workers. However, in of themselves, they do not constitute wage increases for workers and it is important that claims reflect this. Good examples of such intermediary outcomes are actions resulting in improved productivity of workers, improved social dialogue and collective bargaining, formalisation of worker contracts, setting up of long-term supply contracts, improved wage transparency along the supply chain – all of which could lead to higher wages but do not constitute higher wages in themselves. Making claims at this step can be rationalised to show progress along the living wage journey and accountability towards those making investments in specific actions.

Step 4: Wage outcomes for workers: This is the step of the journey which focuses on changes in actual wage outcomes for workers. By wage outcomes we mean changes in real wages that could be through higher cash wages, improved quality and thereby valuation of in-kind benefits or both. Claims about wage outcomes are the most commonly desired type of claim that companies and organisations seek to make. Claims about wage outcomes are subject to high scrutiny as they mandate verification of actual wage data and remuneration received by workers. Additionally, claims should be supported by information that connect the wage increase to actions taken and intermediary outcomes resulting from those actions that can be linked to the wage outcomes realised.

Step 5: Broader impacts: This step recognises improved wages as a pathway to attaining broader sustainability impacts such as improved worker livelihoods, enhanced decent work or poverty alleviation. At this step, claims might seek to draw on the link between wage increase and its consequent contribution to wider impacts. Although claims can be made at this stage, it is important to recognise the increased complexity of measuring and attributing changes connecting wages and broader impacts due to the range of interconnecting variables and factors at play that cause (or don’t) such impacts.
2.3 A typology of living wage claims

This section lays out a simple typology for classifying living wage claims that focusses on three basic types of claims that can be made aligned with the framework steps laid out in section 2.2. We explore these different types of claims, the core information that should be included as part of or in support of such claims and discuss additional dimensions that influence the claim being made in the next sections.

There are three core types of living wage claims that can be made - commitment claims, action claims and performance claims.

1. **Commitment claims** are claims about commitments to advance on or achieve living wages and wage improvements. E.g. “We (company) are committed to 75% of workers in our banana supply chain earning a living wage by 2025 and 100% by 2027”

2. **Action claims** are claims about specific actions taken to advance on or achieve living wages or wage improvements. E.g. “Since 2021, we (company) have been measuring living wage gaps on an annual basis in all of our sourcing regions, as a first step to narrowing the wage gap by 2024.”

3. **Performance claims** are claims about change realised or progress towards achieving living wages or wage improvements. E.g. “Our (company) actions have contributed to 60% of workers in our supply chain in 2022 receiving a living wage, a 20% increase in the last 3 years”

2.4 Minimum information to make credible living wage claims

The fundamental tenets of good sustainability claims (see section 1.2) apply for each claim type. Therefore, living wage claims should be clear, accurate, relevant and based on a transparent and robust system.

To ensure that living wage claims are clear, accurate and relevant, the content of the claim must contain information that, a minimum, includes:

- a description of what/who the claim is about,
- the scale of the action and associated change that is committed to, completed, or achieved,
- the timing and/or duration of the action/performance,
- and any partners through whom the action(s) are implemented or with whom the performance is achieved.

Claims are strengthened by the disclosure of supporting information that substantiates the content of the claim. Supporting information that backs up the actual content of the claim itself includes:

- **Information about your pathway to improving living wage performance**: Claims are more credible if readers are clear about the living wage vision or strategy of the organisation, company or scheme making the claim. Such a document or framework should present a clear path connecting the action and any reported change in relation to wage outcomes. Claims will be more robust if they make interconnections between commitments, actions and performance clear. For instance, a commitment claim is stronger if it talks about the type of actions that will be taken to implement the commitment. Likewise, a performance claim should reference the actions taken that have directly caused or contributed to the performance being claimed. This can take several forms, ranging from a full theory of change to a simplified results chain to document the expected linkages between actions, outcomes and impacts. Such information could also illustrate how potential adverse impacts from living wage actions have been assessed and are being avoided or mitigated. For example, making a claim about raising worker wages if achieved through reducing the overall number of jobs available would be disingenuous, as the overall impact on workers could be negative. Disclosing such information is important as is explaining how any negative impacts have been mitigated.
Part 2: Unpacking living wage claims: a typology

**Claims about specific actions taken to advance on or achieve living wages or wage improvements**

**Commitment claims**

Claims about commitments to advance on or achieve living wages or wage improvements

**Action claims**

Claims about specific actions taken to advance on or achieve living wages or wage improvements

**Performance claims**

Claims about change realised or progress towards achieving living wages or wage improvements

Increasing complexity of information required

<table>
<thead>
<tr>
<th>MINIMUM INFORMATION WITHIN THE CLAIM</th>
<th>ADDITIONAL INFORMATION TO SUPPORT THE CLAIM</th>
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</thead>
<tbody>
<tr>
<td>• A description of what/who the claim is about</td>
<td>• Information about the pathway to improving living wage performance e.g. theory of change, results chain</td>
</tr>
<tr>
<td>• The scale of the action and associated change that is committed to, completed, or achieved</td>
<td>• Information about your supply chain and sourcing regions</td>
</tr>
<tr>
<td>• The timing and/or duration of the action/ performance</td>
<td>• Information about monitoring your actions and performance</td>
</tr>
<tr>
<td>• Any partners through whom the action(s) are implemented or with whom the performance is achieved</td>
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Information about your supply chain and sourcing regions:
Claims about living wage actions or performance will benefit from more information about the context in which such actions are being taken. This includes contextual information about the sector, region, country, worker profile that the living wage actions are being implemented in. Such information adds important context to claims and can serve as a reference point to ascertain the scale of action or change being reported.

Information about monitoring your actions and performance:
Credible and verified data is the backbone of any claim. Claims makers should provide more information about how they track and report against their actions, how they measure the quality of their actions and how they gather data to measure changes resulting from their actions. Information about monitoring can also extend to information about how information collected or measured is verified. For example, if the scheme or company relies on self-assessments to track actions and change, what steps are taken to verify such data and who undertakes such verification? Best practice in claims-making includes making such data openly and transparently available to readers who can judge the veracity of living wage claims for themselves.

Broadly the same categories of information are needed as a minimum and in support of each claim type, however providing the supporting information becomes increasingly challenging at each stage of the claim pathway. This is particularly true of performance claims where evidence of causality between the action taken and the resulting outcome or impact is needed, as summarised in the diagram below.
Part 3: 
Unpacking living wage claims: a typology

This section aims to provide a step-by-step guide to claims makers seek to make commitment, action or performance claims linked to living wages. It should be treated as a tool to support your thinking about what claims to make and how to go about it rather than a template about making specific claims.

3.1 To make or not to make living wage claims

At the outset, the first consideration is whether there is a need to make living wage claims at all. Claims of any type – commitment, action or performance – should be made consciously and genuinely and when due processes and information are in place to substantiate the claim based on information provided in section 2.4.

Ask yourself the following questions before proceeding to make any type of living wage claim:

- Are you clear about your living wage strategy or action plan?
- Do you have the processes and information in place to back up claims?
- What actions are you triggering with your claims and are such actions going to result in better outcomes for workers?
- Do you have the internal staff resources to ensure claims are made credibly and checked?

Entities should avoid making multiple potentially over-lapping or conflicting claims. Claims-making should be sensitive to the cultural and socio-economic realities, especially when made in reference to specific regions or countries or sectors. Ultimately, claims should be made respectfully to demonstrate genuine and robust commitments, actions and performance as an incentive to further action and not with predatory or competitive intentions.

3.2 Who the claims-maker is and why it matters

This document assumes that a range of actors, stakeholders and organisations might want to make living wage claims. However, implications differ based on who the claims-maker is and the level of supporting information is needed in each case. The following considerations should apply for different types of claims-makers:

**Upstream and downstream companies:** we presume that the most prolific category of claims-makers are going to be individual companies. This is comprised of two categories – downstream companies (such as large retailers, brands, manufacturers) making living wage claims about their employees and supply chains and upstream companies (estates, factories, producer organisations) making living wage claims about their employees.

In both cases, individual companies need to consider the following:

- The subject of the claim – own workers and employees or supply chain partner’s workers and employees
- The legal requirements and considerations around wages and claims-making in the jurisdiction where the company operates
- Avoid ‘double-claiming’ – a situation where both an upstream and downstream company are making the same claim on living wages which is both confusing and problematic from an accountability standpoint. Ideally, partners across the supply chain will work together and consult each other before making a claim that recognises the effort of all supply chain partners in undertaking an action or realising an outcome.

**Sustainability schemes:** sustainability schemes such as those that operate voluntary standards and codes of good practice that include living wage criteria will be another important category of claims-makers. Schemes should consider the following:

- Compliance with the ISEAL Code of Good Practice if an ISEAL Code-Compliant member
- Controlling claims made by business partners who are members, clients or are sourcing certified goods and seeking to make associated living wage claims
- Clarifying the ambit of claims in relation to the scheme in light of due diligence and claims legislation.
Part 3: Making living wage claims - a step-by-step guide

3.3 Is the claim being made by an individual entity or collective?

Claims can be made by an individual entity about the commitments, actions or performance results they are responsible for. They can also be made by an individual entity sharing details of their role in a wider collective effort. A collective claim can also be made by multiple entities about group commitments, actions or performance.

<table>
<thead>
<tr>
<th>WHO IS THE CLAIM ABOUT?</th>
<th>DEFINITION</th>
</tr>
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<tbody>
<tr>
<td><strong>Individual</strong></td>
<td>The claim made is about a single entity where that could be a company, a scheme, an organisation, a government or any other individual entity.</td>
</tr>
<tr>
<td><em>(claim about single entity)</em></td>
<td></td>
</tr>
<tr>
<td><strong>Individual within a collective</strong></td>
<td>The claim made is about a single entity and their contribution towards a collective effort. The collective should be clearly referenced in the claim.</td>
</tr>
<tr>
<td><em>(claim about a single entity's role as part of a collective)</em></td>
<td></td>
</tr>
<tr>
<td><strong>Collective</strong></td>
<td>The claim made is about the collective commitments, actions or performance by a group of organisations or a coalition, undertaking actions collectively.</td>
</tr>
<tr>
<td><em>(claim about multiple entities)</em></td>
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</table>

It is important that claims do not mislead their audience on the extent of the claimant’s contribution. It should be clear what has been achieved directly by the claimant and where additional partners (or external influences) have contributed. It is important to understand what the claim suggests about the claimant’s role in making progress or achieving living wages or wage improvements and whether this is an accurate portrayal. In general the need for collective action to achieve a result increases when moving further from an organisation’s sphere of influence.

3.4 Identify the type of claim you are making – commitment, action or performance

The claims-maker should identify what primary type of living wage claim they are seeking to make – commitment, action or performance – and ensure that they have all the necessary information both to include within the content of a claim and supporting information to back up the claim. If such information is not in place, claims should not be made. In addition to the general guidance in section 2.4, the following additional guidance should be considered when making commitment, action claims and performance claims.

If making **commitment claims**, consider the following:

- Are you making a public commitment or an internal commitment (only to key partners and suppliers)?
- Is there an intention to make a public commitment over time and if not, are you clear why?
- Are your partners, suppliers and stakeholders aware of your commitment? Do they support it?
- Do you have a timeframe for your commitment? Is it realistic? What if it is not met in that timeframe?
- Do you have a system in place to report progress against your commitment?
- Are you clear about what actions you are taking to implement your commitment? Are your actions adequately resourced and implementable in the timeframe you have set for your commitment?

If making **action claims**, consider the following:

- Are your actions linked to your commitment?
- Is the action a direct action - pertaining to the supply chain itself – or an indirect action – linked to the enabling environment that you are working in?
- If direct supply chain-based actions, do you have the consensus needed to implement such actions? Is there shared responsibility?
- Do you know what the prevailing wages are in the sector/country you are implementing actions in? Have you done a living wage gap assessment based on a credible benchmark?
- Is the living wage benchmark you are using for calculating gaps and planning actions publicly available?
- Is your action related to certified products that you source? Is the certification scheme aware of your actions?
- Is the action claim being made based on an individual action, an individual claim based on a collective action or a collective claim based on a collective action? (see box x for more on this)
- Do you have a monitoring mechanism in place to track and report against your actions? Have you collected baseline data?
- Does your action require verification (i.e. proof that the action has actually occurred)? Who will provide such verification, how?
- Will you publicly report on your actions?
- Do you have a process to support learning from your actions? Will your learnings be shared with your partners and peers?

If you are making **performance claims**, consider the following:

- Are your performance claims linked to the actions and commitment claims you have made? Is the link made in theory realised in practice?
- What level of performance or change are you making claims about? Do you have systems to monitor and verify the level of performance you are claiming?
- Are you making a ‘status claims’ i.e., reporting on a status at a point in time or a ‘trends claims’ i.e., reporting on a change in status over time? Status claims need to be supported by data at the point in time of making the claim. Trends claims need comparative data over two or more points in time, such as a baseline and endline or before and after scenarios.
- Are you making claims about changes in actual wages received by workers? Claims about living wage performance, especially about changes in wage outcomes to workers, should be made extremely cautiously as their validation requires direct wage data verification, which is difficult and resource-intensive to do.
- Are you claiming attribution or contribution towards performance outcomes? Performance claims on living wages need to be clear if the claim is making an attribution claim i.e., direct causal link between the actions of the claims-maker and the outcome achieved, or a contribution claim i.e. a link between actions and outcomes achieved with the claim-maker contributing but not claiming sole attribution or causation recognising that other factors may also have had a role in achieving the outcome.

**ATTRIBUTION OR CONTRIBUTION CLAIM?**

**Attribution claims** – An attribution claim can be made where performance outcomes resulted directly and solely from a set of defined actions or investments made by the organisation and enables that organization to claim responsibility for specific outcomes. Making an attribution claim requires the highest degree of causality, quantitative accuracy, and rigour because it results in the right of sole ownership of an outcome. A counterfactual is required to act as a baseline or reference point for an attribution claim to be made i.e. a measure of a comparable location to the location where the action or investment in question has taken place, but that was not the beneficiary of the intervention. As such, attribution claims are usually reserved for quantitative claims about discrete outputs or short-term outcomes. E.g. “Our (company) investment of EUR X resulted in a wage increase of 3% for 50% of workers in our coffee supply chain in 2022 compared to an average of 1% in the same region and timeframe.”

**Contribution claims** – A contribution claim can be made when an organisation’s actions or investments have contributed to specific living wage performance outcomes. Stakeholders should make claims about contribution only if their actions are relevant to that performance outcome, are timely (leading to improvements in a timely manner), and are at a scale to meaningfully impact performance. Making a contribution claim requires a lighter burden of proof than attribution as they are humbler in communicating one’s contribution to an outcome rather than stating they have solely caused it. Contribution claims still need to be backed by research or data that clearly links the action of the claims-maker to the outcome realised over a set period of time. An example contribution claim would be “Our (company) actions have contributed to 75% of workers in our cocoa supply chain in X region receiving a living wage in 2023.”

Washing and packing of bananas © Santiago Engelhardt for Fairtrade International
3.5 Clarify scope of living wage commitment, actions and claims

Clear claims are specific rather than being generalised. Such specificity emerges from being specific about the scope of the living wage commitment or action being undertaken in the first place.

Living wage claims should clarify:

- the sector and product that the living wage claim applies to
- the country and region that the living wage claim applies
- which category, tier or type of the claim applies to.

Note that living wage claims that are made at the sector level can be pulled up for supporting information checks on any product within that sector. Caution needs to be borne while making claims on worker categories where the company is not the direct employer as the proof of burden then falls on the company. Claims should clearly and transparently reflect if commitments or actions are restricted to specific worker types (such as tier 1 of the supply chain or preferred partners and suppliers) and should not mislead the reader into thinking they apply to the entirety of the company’s action or supply chain.

3.6 Clarify the subject of the claim

The subject of a claim is who the claim is about. Is the living wage claim being made about a worker, product (or partial product e.g. ingredient), programme or company? Claims can have different subjects and it is important that they are clear about this and that supporting information is provided for the relevant subject. Examples of different subjects for living wage claims can include:

- Workers: ‘70% workers in our supply chain earned a living wage in 2025’
- Products: ‘This is a living wage product’
- Programme: ‘The company wage improvement programme has benchmarked living wages in all our sourcing regions’
- Company: ‘We are a living wage employer’

The subject of any claim should be made clear. Different levels of proof and types of supporting systems need to be in place depending on if the claim is being made about a worker, product, programme or company. Claims should not be made about a particular subject if the systems are not in place to provide the evidence required to support it. For example, a claim about a product introduces questions about traceability and chain of custody. A traceability system needs to be in place to provide the evidence required to back up the claim.

3.7 Contextualise the claim to audience and location

The audience of a claim is who the claim is intended for. A claim can be made towards different audiences - business to consumer, business to business (e.g. producers, companies), or internal (within an organisation or collective) and can be made publicly or privately. Being clear about the audience of your claim is critical to ensure clarity to the intended audience and that supporting information to back up the claim is accessible by that audience. Also, claims to specific audience groups such as consumers are bound by stricter legal requirements in country of production and point of sale. A claim made to the general public for example would usually require a greater level of evidence than one made internally. However, a lack of consistency between internal and public claims could indicate misrepresentation by the claims-maker.

In addition to the audience, the location of a claim is a key consideration to ensure the claim is not misleading. Claims can be made at different places:

- on product
- in-store
- public websites and communication
- social media
- due diligence or annual reports

Claims-makers should account for the following:

- Legal requirements for certain types of claims such as on product and in-store
- Space available to make clear claims and ability to share or link the reader to supporting information
- Traceability mechanisms especially for product-based living wage action or performance claims
- Ability to correct claims (for eg: claims made on Twitter cannot be edited)
- Communications about living wages at point-of-sale, whilst less tricky than product claims, also have a high responsibility in ensuring that information is clear and accurate and claims do not mislead consumers.

Finally, the overall placement or context of the claim is important. This refers to the wider context of the reportage being made, or information being provided. For example, a commitment claim about a company ‘starting to strategise on
living wages’ in a section of a report on ‘human rights impacts’ is misleading as it suggests that the organisation is delivering impacts on living wages when in reality it is not. Contextualising a claim also extends to providing more contextual information about the sector, region, country that the actions and claims apply to.

### 3.8 Managing your claims

Claims management refers to the system put in place by the claims-maker to consult over, verify, control and review claims. Holistic claims management brings together all the elements laid out in this guidance. Here we detail three specific elements of claims management that we think are essential for the living wages context.

**Consultation:** Progress on living wages and achievement of wage improvements for workers are more likely the outcome of concerted and collective efforts often combining supply chain actions with a strong enabling environment for wage increases to materialise. Claims made on living wages must reflect this reality and claims-makers must make efforts to be open, consultative and transparent with partners on the claims they are making – for both individual as well as collective claims.

Ask yourself the following questions:

- Are the claims reflective and respectful of contributions and collective efforts made even if the lead actions were by the claims-maker?
- Has there been any consultation or right to preview afforded to important partners such as supply chain partners, sustainability schemes involved and so on before a claim goes public?
- Specifically, regarding claims reporting on wage outcomes for workers, has effort been made to consult with relevant trade unions or worker representatives to verify the claim and support it? Are worker representatives supportive of such claims being made?
- Has the timing of the claim (i.e. when you are going public with it) been discussed with partners to ensure that it is supportive of any local realities and is not disruptive to any ongoing dynamics at the local or supply chain level?
- For actions or outcomes that occur within the context of a specific supply chain or sourcing region, have partners considered joint and collective claims to avoid duplicative and confusing claims on the same outcomes?

**Verification:** Claims verification refers to the processes that a claims-maker puts in place to ensure the veracity, robustness of the claim and the accuracy of the supporting information provided. The primary responsibility of claims verification rests with the claims-maker but it is possible to seek the support of or work in partnership to make or verify specific types of living wage claims. For example, a company making an action or performance claim in relation to a certified product or supply chain may rely on the certification scheme owner to support with verification of some or all claims made. In such cases, we strongly recommend documentation and clarification of roles and responsibilities for verification for internal and public accountability.

The extent and depth of verification needed depends on the type of living wage claim made. In general, claims-maker should ensure that a system is in place to provide verification or assurance of accuracy of the minimum information provided within the text of a claim or in the supporting evidence provided. Additionally, consider the following:

- Which of your living wage claims are assured? Assured claims are those that results from an assurance process implemented by a standard-setting or verification body or internal assurance processes established by the company. An assurance claim is the result of a robust and transparent verification system that ‘assures’ that the claim made is accurate.
- Frequency of verification and its link to how frequently claims are being made
- The cost of verification of living wage action or performance claims and who bears such costs
- The merits of self-verification as against external verification (especially for certain types of claims such as wage outcomes for workers)
- Verification burden (i.e. who has to participate in verification exercises) and how this is fair for all types of claims being made
- Systems to store, clean, anonymise and share data especially linked to verifying claims at worker-level
- Considerations of level of proof – does making a claim for a certain category of worker require verification at every worker or for a robust sample? Opportunities to integrate claims verification into pre-existing or prevalent verification processes

**Control and review:** A controlled claim is a claim that requires prior approval for use. Examples of controlled claims are marketing claims that need to be approved by a company, product claims that need to be approved by a legal or regulatory body or sustainability logo claims which are controlled by specific standard-setters and sustainability schemes. The claims management system should, at a minimum, include the following:

- A record of all living wage claims made and supporting information provided
- A system for keeping supporting information updated and relevant
- A system to assess the shelf-life of living wage claims and archive or renew outdated claims
- A centralised team or department for controlling who makes living wage claims and how Aim for increasingly levels of transparency around living wage actions, outcomes and claims to foster a culture of accountability in the sector
- Resourcing to support making credible claims and enabling partners to do so
- A public contact point to raise or manage complaints about claims
Four steps for making living wage claims

1. **IDENTIFY**
   - Need to make **living wage claims**
   - **Type** - commitment, action or performance claim
   - **Claims-maker** - individual or collective claim

2. **CLARIFY**
   - **Scope** - sector, region, worker type
   - **Subject** - worker, employer, product

3. **CONTEXTUALISE**
   - **Audience** - to consumer, business, investor
   - **Location** - on pack, in store, online
   - **Placement** - wider context of reporting or message

4. **MANAGE**
   - **Consulting** with stakeholders over claims-making
   - **Verifying** claims
   - **Controlling** claims use
   - **Reviewing** claims
Conclusion

As living wage action picks up pace, there is a growing desire by various actors to make more public claims and communications around such action and what results from it. This document responds to this need by laying out a framework and guidance to ensure that such claims and communications made in the living wage space are credible. The goal is to help stakeholders think carefully before making claims about their living wage commitments, actions and performance and to back up claims robustly.

That being said, despite more action in this space, we are still a long way off from seeing actual wage increases for workers. It may take several years for actions to translate into wage outcomes for workers, requiring that claims around both actions and outcomes are made carefully and with humility. Ultimately we want to incentivise more concrete actions that result in wage improvements for workers and claims must be a means to that end and not an end in themselves.