

David Jones' Living Wage Journey

Past Progress

What is a living wage?

Governments of all countries in which we source raw materials and manufacture goods set minimum wages for their workers. It is widely recognised by corporations, NGOs, academics and industry bodies that these minimum wages are often insufficient for workers to afford a decent standard of living.

The Global Living Wage Coalition defines a living wage as:

“Remuneration received for a standard work week 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, healthcare, transport, clothing and other essential needs, including provision for unexpected events.”

Our commitment

David Jones understands that payment of a living wage underpins a number of human rights and is committed to promoting conditions that support every worker's opportunity to receive a living wage. David Jones' commitment to living wages forms part of our expectations outlined in our [Supplier Code of Conduct](#).

Context and challenges

There is currently no clear benchmark for what constitutes a living wage in the regions we source raw materials and manufacture goods. However, progress is being made. Using the Anker Methodology, the Global Living Wage Coalition has developed 31 regional living wage benchmarks, of which five have been developed for the garment and textile industry.

David Jones consulted with suppliers in various countries and interviewed both workers and their managers in factories in China, where the majority of our production takes place. This research helps us to better understand how we can mitigate some of the challenges associated with the provision of a living wage, and inform our work with industry partners, suppliers, NGOs and workers to enable change in our supply chain. Some of the challenges include:

- ✦ Living wage is a fluid benchmark that is specific to both time and location. Living wage benchmarks increase with economic development and continuously change due to factors such as commodity cost movements, inflation, taxation, government policies, food and rental price fluctuations. These factors can differ and fluctuate between countries, regions, cities and towns, so benchmarking a living wage in a specific country is a real-time challenge
- ✦ The nature of the global supply chain means a retailer paying higher prices for goods doesn't necessarily translate to the payment of higher wages for workers. Retailers are reliant on suppliers passing on benefits to their own suppliers and in turn, their workers
- ✦ Collective bargaining is a common way for workers to unionise and push for better rights and working conditions, including wages. However, promoting higher wages through collective bargaining and freedom of association can be a challenge due to the macro-environment in various countries who want to remain competitive for international business.

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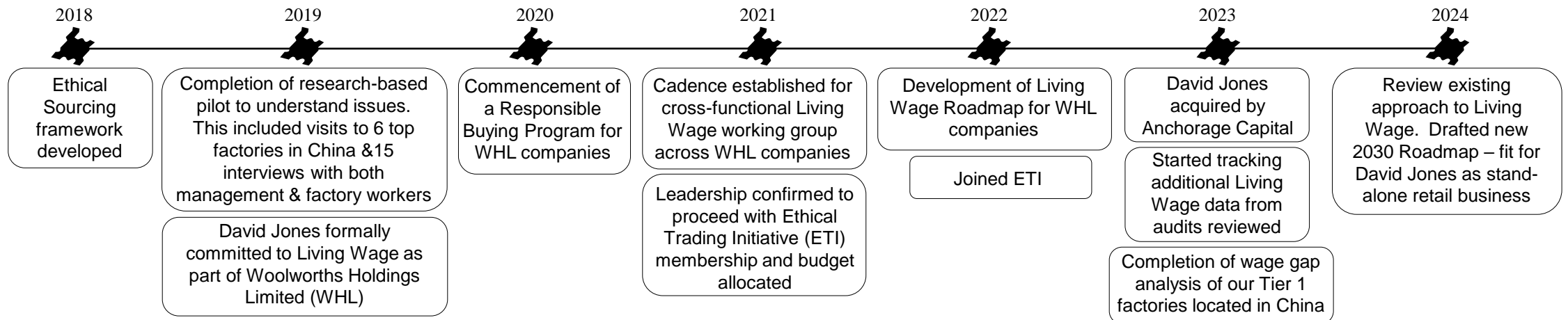
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David Jones Objectives

David Jones aims to achieve the following four outcomes through its actions toward living wage:

- Engage:** Understanding the gaps and challenges that exist in ensuring a decent standing of living for all workers in the supply chain. As stated above, there is no clear benchmark for what constitutes a living wage in the regions in which we source raw materials and manufacture goods. On-the-ground research is crucial to learn more about the contextual challenges our workers and suppliers face daily.
- Educate:** Team members at David Jones Support Centre to be trained in Responsible Buying Practices. David Jones is proudly committed to establishing long-term business partnerships and has been working with some suppliers for more than 20 years. This training aims to strengthen the capacity of our team and foster collaboration within our supply chain. We remain committed to working with our long-term business partners to improve buying practices.
- Empower:** By developing and testing a project strategy within our supply chain, we will quickly identify the challenges and opportunities for applying living wage protocols. We will work collaboratively with industry stakeholders to implement key project components, such as grievance mechanisms, to increase workers' voice.
- Experience:** We will learn from our experiences to successfully design and implement a roadmap for our key regions of operation. As living wage benchmarks are regional and our supply chain spans multiple countries, the approach we take for each region and each country may need to be customised to address specific regional and contextual challenges. We will evaluate the effectiveness of our strategy and identify opportunities for improvement.

Timeline of Actions



Continued collaboration with industry stakeholders through attending webinars and utilising resources from various organisations, such as ETI and Oxfam. Working with stakeholders in our industry will help inform our future response, now as a stand-alone business