

Discussing the 'S' of ESG in Travel



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Highlights



- History of the Living Wage Movement
- Why this still matters
- What actually is the Living Wage?
- Why paying the Living Wage is good for workers, business and society
- Living Wage, Living Hours & Living Pension Accreditations





History of the Living Wage movement

Where did it all begin?

TELCO Assembly, Bethnal
Green, November 2001



Our movement has...

- Put **£3bn back** into the pockets of low paid workers.
- Lifted over **460,000 workers** onto the real Living Wage
- Has close to **15,000** accredited Living Wage Employers including over **50%** of the FTSE 100.



The problem of low pay

- **1 in 8** UK employees earn below the real Living Wage
- Low pay is a gender issue. Nearly **1 in 5** women in work earn below the real Living Wage
- Low pay is a race issue. **16% of white workers** earn below the Living Wage, compared with **19% of workers from a racialised community.**
- **2 in 3** children in poverty have a parent in work
- **Inflation** is increasing so the squeeze on low-income families is intensifying



Low pay and racialised communities



- **Nearly all** racialised groups are at a higher risk of earning below the real Living Wage
- **Nearly half (45%)** of racialised workers are given less than **1 weeks' notice** of their shifts compared to 28% of white workers
- **In almost all** minority ethnic groups, women earn a lower hourly rate than men
- Minority ethnic women are **twice as likely** to be on Zero Hours contracts as white men.







£12
UK Living
Wage



£13.15
London Living
Wage

EXPLAINING UK WAGE RATES

The Minimum Wage

Government minimum

What is it?

£10.18

Is it the law

Statutory

What age group is covered?

21 and older

How is it set?

Negotiated settlement based on recommendations from businesses and trade unions

Is there a London weighting?

No London weighting

National Living Wage

Government minimum for over 23s

What is it?

£10.42

Is it the law

Statutory

What age group is covered?

23 and older

How is it set?

A % of median earnings, it aims to reach 66% of median earnings by 2024

Is there a London weighting?

No London weighting

Real Living Wage

The only wage rate based on what people need to live

What is it?

£12 across the UK, £13.15 in London

Is it the law

Voluntary

What age group is covered?

18 and older

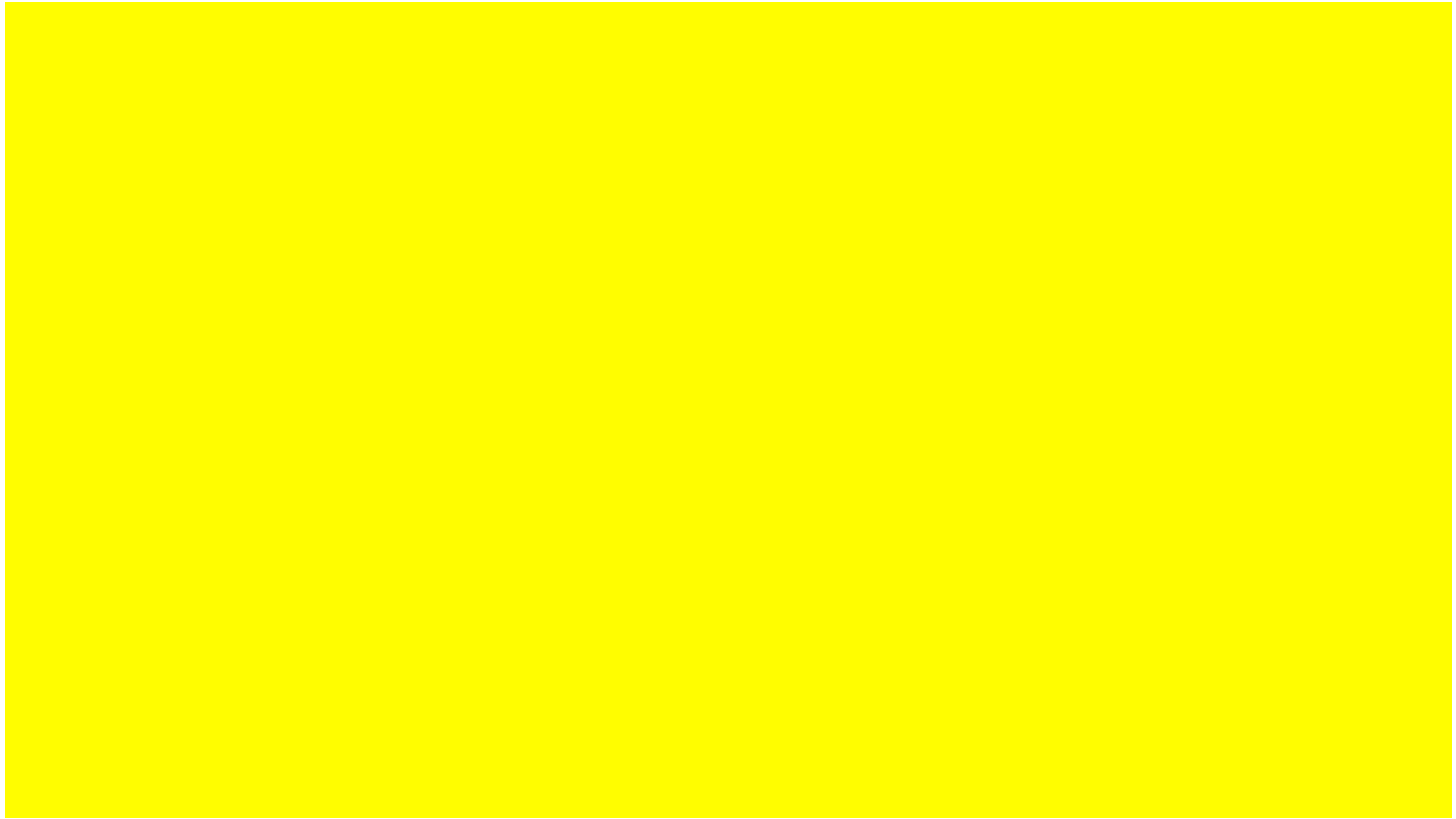
How is it set?

Calculation made according to the cost of living, based on a basket of household goods and services

Is there a London weighting?

Yes - separate higher rate for London

#LIVINGWAGE





The real Living Wage is good for business

We surveyed our network and here's what Living Wage Employers said were the benefits of paying a real Living Wage...

87%

Of businesses said it has enhanced their reputation as an employer

64%

Of businesses said it has helped improve relations between staff and managers

66%

Of businesses said it has helped them differentiate from competitors

62%

Of businesses said it has improved recruitment of Living Wage employees

60%

Of businesses said it has improved retention of Living Wage employees



KPMG & ISS Case Study

**Better quality
service**

**Fewer
helpdesk
complaints**

**Reduction in
staff turnover**

**Better performing
staff & reduced
overheads**

**Lower
absenteeism**

**Increased staff
productivity &
motivation**

**Employee loyalty to
customer & supplier**

**Improved
relationships with
third party
contractors**

**Less time spent
on micro-
management**

HOW DOES ACCREDITATION FIT INTO ESG STRATEGIES



Putting employees at the core of “Social” strategies

Employee Benefits & Wellbeing

The Local Community & Economy

Social Mobility

What is Living Wage Employer accreditation?

Mark of a responsible employer

Accredited Living Wage employers commit to:

- ✓ pay all directly employed staff the Living Wage
- ✓ having a plan in place to roll the Living Wage out across third party contracts as they come up for renewal, usually over 2-3 years.
- ✓ The Living Wage applies to people who deliver services on the premises e.g. catering, cleaning, security





Recognised Service Providers

For businesses who provide services to clients such as Cleaning, Hospitality, Security, Recruitment or Transport on a contract by contract basis.

These businesses champion the real Living Wage by always submitting a real Living Wage costed bid for tenders.

Recognised Service Providers

*proudly working
together with the*

*Living
Wage
Foundation*

Our other accreditations



Living Hours accreditation

For organisations to demonstrate their commitment to providing secure working hours and shifts, alongside the real Living Wage.



Living Pension accreditation

For organisations to demonstrate their commitment to providing stability and security for workers now and in the future.



Decent notice period for shifts: of at least 4 weeks

A contract that accurately reflects
the hours you regularly work



A guaranteed minimum of 16 hours a week

Auto enrolment vs Living Pension

Auto enrolment

Government minimum for certain groups of employees

What is it?

8% of earnings between £6,240 & £50,270

How much is that in pounds and pence?

£1,373*

How much do employers have to pay?

3% of earnings between £6,240 & £50,270 (£514.80 per year*)

Is it the law?

Statutory

Does it apply to all employees?

It applies to all employees earning over £10k per year and over age 22**

Living Pension

A savings rate designed to build up a retirement pot based on the real cost of living

What is it?

12% of all earnings up to £50,270

How much is that in pounds and pence?

£2,800*

How much do employers have to pay?

7% of all earnings up to £50,270 (£1,630 per year*)

Is it the law?

Voluntary

Does it apply to all employees?

It applies to all employees***

* based on a Living Wage employee working a 37.5 hour week

** employees under these thresholds but earning above £6,240 have to be given the option to join

*** all employees must have access to a Living Pension regardless of age and earnings, whether by auto-enrolment or opting in



Thank you!

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