

Sustainability

Metrics that matter: Reporting on fair wages

A guide to navigating the complex pay fairness reporting and due diligence landscape relevant to the social aspects of ESG

March 2025



The growing landscape of pay fairness requirements

In a global environment with over 2,400 sustainability regulations and a multitude of ever-increasing pay fairness mandates, the environment that organisations are operating within is constantly changing.

This landscape of pay fairness reporting is evolving rapidly, marked by the introduction of several landmark pieces of legislation focused on pay equity and transparency. From Gender and Ethnicity Pay Gap reporting to the comprehensive measures introduced under the EU Pay Transparency Directive, the trend towards enforcing pay transparency is unmistakable.

With the recent green light given for the European Corporate Sustainability Due Diligence Directive ("EU CSDDD") and the earlier accepted, and now in force, EU Corporate Sustainability Reporting Directive ("CSRD"), it is evident that businesses are going to have to determine their approach and strategy to navigate all requirements contained in the current, new and upcoming Environmental, Social and Governance ("ESG") and due diligence legislation.

These regulations require companies to report on their progress, undertake due diligence and provide increased transparency across both their direct employees and also their (often complex) supply chains.

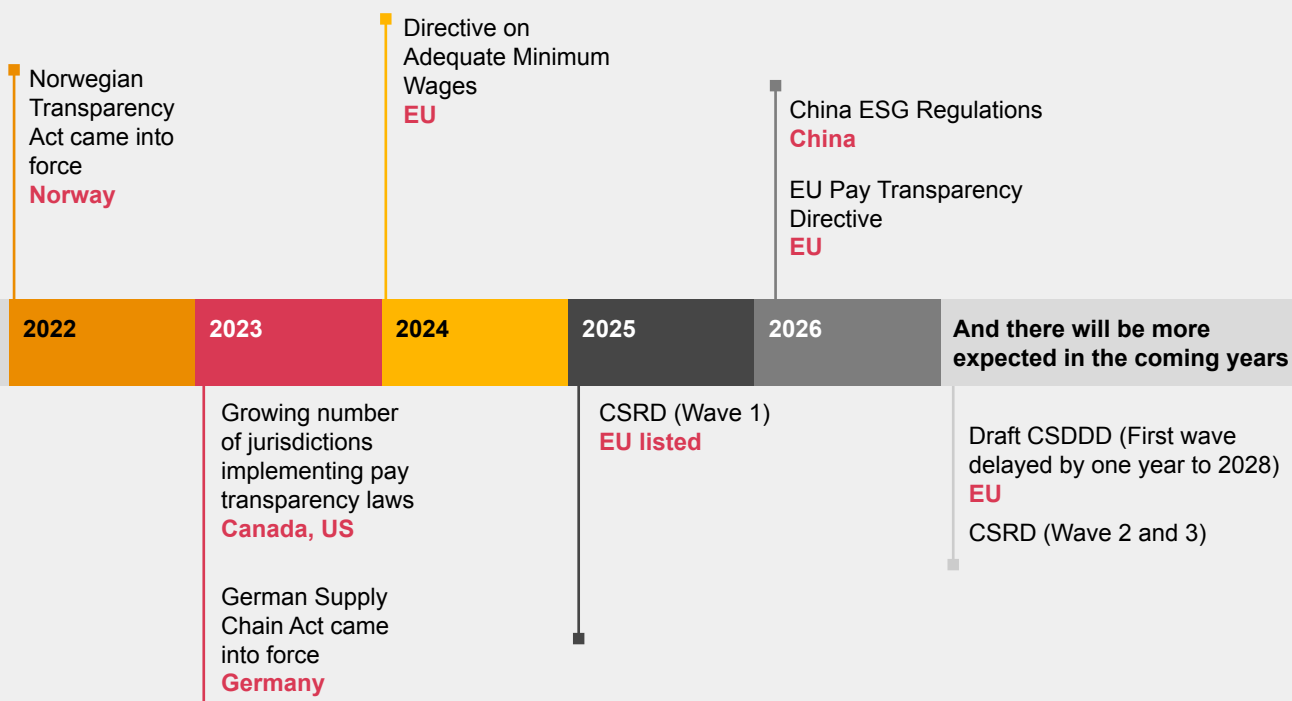
Whilst we await the potential changes to the remit of reporting for CSRD and CSDD, which is delayed under the recent EU Omnibus Directive 2025 ("Omnibus"), the broader significance of pay fairness within the social agenda of global sustainability regulations continues to rise with an expanding array of disclosure and reporting requirements.

Consequently, it is more important than ever for organisations to continuously adapt to ensure they are collecting and evaluating data which allows them to report on key metrics and meet ever-stringent transparency standards. At the same time, they must remain adaptable to changing regulatory requirements, with consideration to reporting in a way which articulates the underlying pay philosophy of the organisation with a view to attracting and retaining talent.

So, what lies ahead for organisations and how can they prepare now?

The regulatory landscape around pay fairness reporting is evolving...

Examples of recent reporting and disclosure requirements (further details provided in the Appendix)



Emerging reporting on living wage



The concept of living wages is one of the emerging topics which is being introduced into reporting regimes, and is a tangible measure for organisations in assessing the fairness of pay across their global workforce. Building on our previous reports together with WageIndicator Foundation (WageIndicator), **'Living wage: an emerging standard'** and **'Working towards paying a living wage'**, it seemed fitting to delve deeper into the ever-evolving reporting landscape facing organisations in this report, and to bring this to life using living wage as an example, especially as it is one metric which may be considered when considering fair pay/adequate wages within an organisation.

It is easy to assume that reporting on such a specific metric, (which may be perceived to be a precise number), is straightforward, consistent and comparable over time. This would enable the organisation, along with auditors, to make year-on-year comparisons, benchmark against others, and provide clear insights to external stakeholders, such as consumers or investors. However, practical experience reveals that reporting on aspects of pay fairness, including living wage, which can be perceived as more complex and requires many more considerations than may be expected. This has a knock on impact in relation to the timeframes which may be required to determine an approach, and implement the strategy to enable the reporting.

This guide serves as an overview for the nuances between due diligence laws and reporting requirements to consider the common challenges, as well as practical steps that organisations can take to start preparing now, along with case studies to provide examples of how companies may be approaching this.

It is clear that compliance is becoming increasingly viewed by many as a clear necessity, not only for increased pay transparency, but also to prevent supply chain disruptions, financial burdens, not to mention reputational damage. However, it can also have the benefits of providing existing and potential talent/suppliers with key information relevant to an organisation's social conscience.

So, why is this the case and why does it matter now?





Common complexities and challenges

In our practical experience of working with clients to report across aspects of pay fairness, there are many complexities that may arise. This is not a surprise for many organisations with complex, global pay structures and with localisation in a number of areas, say in payroll providers or decentralised pay policies. Even where policies are centralised, there are operational challenges to work through to access and validate data, which is required for reporting, and to audit the metrics which will be reported in the future.

In our previous paper, [Working towards paying a living wage](#), we explored the challenges and ambiguities associated with making commitments from a living wage focus to the workforce and supply chain.

The remit of reporting on living wage takes a step even further with Adequate Wage reporting under the current remit of CSRD, where Minimum Wages and Collective Bargaining Agreements also must be considered on a regional basis. We have therefore used living wage as an example to bring common complexities across pay reporting to life, as this is a topic that many organisations are making increasing commitments to, or looking to in the coming years.

Definitions

Irrespective of the area of pay fairness which is being considered, say gender pay, living wage or adequate wage, and whether this is for an organisation's own workforce or the supply chain, one of the first steps is understanding and determining the relevant definitions which will be used for the purposes of the reporting, and how these will be applied practically to the organisation and the workforce in question. This is a live issue for many organisations who are currently working through the requirements of CSRD under Wave 1.

Considering living wage in particular to illustrate the impact of definitions, there are a number of different benchmarks available from a number of suppliers, which although embedded in the same principles, have variations in approach and therefore the living wage rates which are determined. The most prominent global actors that provide living wage benchmarks and estimates, which have also been recognised by IDH within their living wage recognition process are:



Common complexities and challenges

Translating this into the reporting requirements which currently exist, three of the five mentioned above, are incorporated as potential reference benchmarks within the EU Sustainability Reporting Standards for an 'Adequate Wage' where living wage estimates are to be used, namely: Global Living Wage Coalition, Fair Wage Network and WageIndicator Foundation.

Between the above mentioned living wage estimate providers, differences can be found in the methodologies, such as:

01

Items that are included in the 'basket of goods' to estimate the living wage (such as transportation, healthcare and housing).

02

Family types. To estimate the living wage to afford a decent standard of living for workers and their families, different family sizes can be used.

03

Timing and extent of data collection, which also influences the release dates of the data.

Global coverage of dataset and access to regional rates to perform a precise review.

04

Transparency of the data collection and methodology. This is one of the requirements under the ILO principles for the estimation of living wages.

Performing a global gap analysis on salary data against living wage estimates or Statutory Minimum Wages (which is another metric which can be used when determining if adequate wages are paid), whilst using different methodologies or different release dates, may give substantially different outcomes.

However, while there are differences in approaches, the underlying definition of a living wage has been recently agreed on by the International Labour Organization ("ILO")¹. The definition of an Adequate Wage is also set out in the European Sustainability Reporting Standards ("ESRS") Social ("S1"): Own Workforce². The first step for many organisations currently therefore is to understand how these crossover and the relevant data points required for reporting to then consider if this data is already collected/the approach which may be required to be able to meet the reporting requirements.

As there are various different living wage data providers, ultimately it is the choice of an organisation to determine which provider is the best fit to provide rates that are robust and representative of their global workforce. What's most important, however, is for the approach taken by the organisation to be consistent with transparency and clarity of any choices made.

The International Labour Organization ("ILO") defines a **Living Wage** as:

- 'The wage level that is necessary to afford a decent standard of living for workers and their families, taking into account the country circumstances and calculated for the work performed during the normal hours of work.'
- Calculated in accordance with the ILO's principles of estimating the Living Wage.
- To be achieved through the wage-setting process in line with ILO principles on wage setting.'

Under ESRS S1, '**Adequate Wages**', is defined as:

'A wage that provides for the satisfaction of the needs of the worker and his/her family in the light of national economic and social conditions'.

Further guidance is then provided in relation to what might be used as the benchmark to determine adequate wages in each region globally, which mentions both minimum and living wages. An initial policy decision is therefore the basis on which adequate wages will be measured, a key aspect of which may be the complexity involved (which may be impacted by the global footprint of the organisation, level of globalisation etc), and also if a combination of minimum and living wage may be adopted in different countries.

¹<https://www.ilo.org/resource/news/ilo-reaches-agreement-issue-living-wages>

²<https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:32023R2772>

Common complexities and challenges (continued)

Data gathering, analysis and design of methodology

Before reporting on any aspect of pay fairness, the process of performing the relevant data analysis can be a challenging step, from accessing relevant data, technically reviewing pay elements and designing an appropriate methodology aligned with the reporting requirements. When this is extended to a global scale, the complexity increases significantly due to regional differences in local processes, systems and pay types. These additional layers of complexity must be carefully navigated to ensure accurate and fair reporting across different regions.



Timing of analysis

Differences may arise due to the choice of benchmark date to perform the analysis.

For example, living wage rates are largely dependent on cost of living as at a certain time period in a certain geographical area, and therefore significant gaps can arise when comparing against benchmark data that is not aligned to the date of the analysis.

Given the recent economic fluctuations in many global regions, the output of analysis will differ greatly if an organisation were to compare salary data from May 2024 with living wage data from April 2023. It is therefore important to consider the snapshot date to be used, and the period for which benchmarks have been calculated.

There may be a lesser impact for countries with a more stable cost of living, however, in countries with high inflation such as Argentina, Turkey and Venezuela, any analysis may show gaps and fluctuations over time.

It is therefore important that if comparing salary data from May 2024, that living wage estimates are used from a similar period, such as January, April or July 2024 to provide a reasonable approach. This may be important when considering the provider of external benchmarks. For example, WageIndicator release an annual average of its quarterly living wage data releases every October that might enable a yearly comparison with salary data easier. However, quarterly rates are also available which would allow an organisation to monitor living wage rate movement, which would be important where commitments to paying a living wage have been made.



Geographical location and basis of reporting/extraction of benchmark rates

Certain areas of pay fairness have specific local regulations which must be adhered to, but are not consistent (eg. gender pay reporting). Organisations clearly want and need to adhere to local regulations, but many are also considering how to report holistically on a global basis, but this is not straightforward. Many are therefore looking to determine an approach which allows a level of transparency which provides value in the reporting, but which does not require a large number of footnotes/caveats to explain differences in calculation basis between countries which could either confuse the reader or cast doubt on the information being provided.

Linked to this, and relevant to living wages, an organisation will be required to consider the geographical basis on which living wage is considered as the level on which benchmarks are extracted can provide different results when performing gap analysis. Living wage benchmarks tend to be provided on both a country basis, and also a regional basis which can incorporate both rural and urban rates. Whilst it is potentially easier to compare country level living wage data with pay data for the countries where an organisation operates, it will not be as precise and it may lead to gaps being shown incorrectly. Living wage benchmarks are largely based on cost of living, and regional differences can be substantial, especially in countries like the United States, Brazil, but also Germany or the Democratic Republic of Congo. Consideration may also be required between where a company performs its business and where workers live when considering the accuracy of analysis for audit and reporting purposes.

All of the above leads to the need for an organisation to consider the mapping of regulations between different countries, and also the geographical mapping of each of the business' locations to ensure that a robust analysis and reporting principles are agreed and implemented.

Common complexities and challenges (continued)



Technicalities of the pay element review

One of the key parts to report on pay fairness aspects involves a comprehensive review of each component that constitutes the total reward value to each worker, and determining how it should be treated. This involves examining the type of pay, the regularity of payments and specific characteristics such as whether the pay is contractual, guaranteed, or available to all workers. Each pay element must be assessed against the relevant regulations to determine its eligibility for inclusion in the analysis. This process can become particularly complex when dealing with a multitude of pay elements and geographical variations across different regions. Additionally, inconsistencies in treatment may arise due to differing pay regulations, such as those governing Gender Pay Gap reporting versus local Minimum Wage legislation or living wage methodologies.

Using living wage to illustrate this, there are different interpretations and methods to consider what types of payments should (or should not) be included within living wage payments. When selecting a benchmark, it is important to ensure that any gap analysis compares like with like and use a consistent methodology.

The absence of clear rules or standards regarding which allowances, bonuses and in-kind benefits should be included creates variability in interpreting how a living wage should be implemented. Such elements often differ vastly between companies and sectors, and therefore consideration must be given to all elements of pay. Typical questions to consider include:

- Is a 13th or 14th month payment considered a basic allowance?
- Is a pension fund deductible? And for whom?
- How are allowances factored in, such as private healthcare? How is the value compared against healthcare cost estimates within the living wage?
- Can I deduct overtime pay or is that considered as extra pay (especially since overtime is commonplace)?
- All employees eat in the canteen and we provide transportation to the production sites, which is at a high cost. Can we deduct this from food cost estimates within the living wage?
- If housing is seen as part of the basic wage, especially when we provide it for workers but not their families?

It is therefore important to consider each element of pay against the methodology that is being applied, as the treatment can depend on how payments are structured and applied in practice.

For example, WageIndicator's philosophy is 'the more simple the rule, the higher the chance of compliance' and would suggest that some basic principles generally can be followed, such as:

- In general, a basic wage at living wage estimate level should not include allowances, bonuses or in-kind benefits.
- However, a living wage estimate might include certain allowances, bonuses or in-kind benefits if they are the same for all employees, regular and guaranteed/contractual.

In principle, this highlights the need to gather and understand local pay elements and policies, to perform a granular review of pay elements to determine how each should be treated in the analysis. Each organisation will therefore have its own set of complexities in terms of pay and how this feeds into the calculations of the various areas of reporting. In reality, there is an investment in year one to effectively set the baseline for calculations and reporting, which can then be evolved in future years – both as regulations develop, but also to add value in the level of reporting and to extend commitments to the supply chain.

Navigating commitments and reporting in the shifting regulatory landscape

Taking all of this into account, it is therefore not a surprise that current commitments often vary in levels of transparency and lack consistency. It is also not uncommon for specific commitments to areas such as diversity (say, beyond gender) and living wages to currently be behind closed doors, given the lack of requirement today to make disclosures public. Where reported, commitments are often reported within Annual Reports or within Sustainability, Reward or ESG Reporting. As an example, living wage is often also featured within Fair Pay charters or principles, or Social policies.

However, the introduction of new EU regulation such as the **CSRD**, which echoes recent efforts of local legislation such as the **German Supply Chain Act** on Corporate Due Diligence and the **Norway Transparency Act**, changes the landscape of pay transparency that many organisations operate within. Not only this, but the **CSDDD** was approved by parliament in April 2024 and will impose a legal obligation on in-scope companies to conduct human rights due diligence. We have provided a summary in the Appendix for further information.

So, what are the overriding decisions relevant to reporting?

Decisions

Implications

01

Global or local reporting?

Reporting obligations may be on a local (country level) basis or a global basis (e.g. CSRD). With emerging regulation only increasing, it is important for organisations to horizon scan for new regulatory reporting that may impact the business, before deciding on the basis for reporting, and how key messages may translate in different markets and cultures.

02

Level of transparency?

Whilst the rise of new reporting regulation will increase transparency and disclosure, there will be a choice over the level of disclosure that an organisation chooses to make. Taking CSRD as an example, at the core, the requirement statutory disclosure is whether or not all workers are paid an adequate wage and if not, the percentage (and type of workers) which are paid below. This still leaves ambiguity over the level of detail that organisations will provide to support such statements. Based on current experience, we expect best practice reporting to go beyond this, given the value which can be gained by positive reporting. We have shared some examples on pages 10-12.

03

Linkage to broader pay philosophy or just statutory requirements?

Given the extent of workforce metrics within Social reporting requirements, it is important to consider the crossover and potential repercussions across the various aspects of reporting. For example, when closing any living wage gaps, consideration should be given to impacts (either positive or negative) to Gender Pay gaps, as well as broader reward structure implications (factoring in potential pay compression).

04

External validation

With the introduction of new regulations companies will be required to include disclosures which will become subject to auditing as part of non-financial audit reporting (e.g. CSRD), and also the due diligence requirements of CSDDD). Organisations therefore need to ensure that they have a full audit trail of decisions and basis to be used, as well as maintaining working papers to allow for review and sign off.

What's next?

Preparing to report: what are the key steps to take?

It's clear that with the increasing level of regulation relevant to pay fairness that the importance of pay transparency and wages for all employees and within the supply chain is rising up the agenda for various stakeholders in an organisation, beyond reward or HR teams to sustainability. While it is not new for certain areas, eg. gender pay and in some cases, living wage commitments to be factored into ESG or Social Sustainability commitments, considering how to measure and assess the subsequent impact of such measures and then report in a way which provides value to an organisation is now fast becoming a priority.

In this paper we have considered the complexities of reporting, including the initial barriers and challenges which may exist for many global organisations in understanding what, when and how to think about pay reporting. This is based on our practical experience of working with businesses, which has consistently highlighted that working through the complexities can take time, including engagement with relevant stakeholders to ensure that a thorough approach is taken. We appreciate that organisations are at different stages when considering pay fairness, and there can be differing approaches, and therefore there is not one set way in which the increased transparency relevant to pay fairness will be achieved. However, it is clear that the regulations and approaches being taken by organisations in terms of the reporting should enable commitments that are achievable and sustainable, both for businesses and workers alike.

We recognise that choices organisations make when considering their approach to regulations such as CSRD and CSDDD will primarily be linked to ensuring compliance, but this should also facilitate reporting which is comparable, accountable and transparent across regions, countries and across global operations. This will encourage an easy to understand approach for stakeholders, investors, customers and workers, and should allow progress to be tracked over time.

It's evident that progress is being made in this area and also being encouraged by external bodies. As an example, the International Labour Organization (ILO)¹ recently reached an agreement on the definition of living wage, and the United Nations Forward Faster² initiative also aims to increase accountability and transparency by calling for public declaration of commitments with clear actions to meet the targets.

So, what are the the key questions and actions that organisations should consider to get ready?

Understand the regulatory impacts for your organisation	Assess your risks and consider the basis for reporting	How will reporting be reviewed, tested and assured?
<ul style="list-style-type: none">Does the organisation understand the regulations that currently apply to the organisation, both local and regional?Has consideration been given to the timeframes for reporting, and the time to get ready?How is the organisation horizon scanning for new and emerging regulation?	<ul style="list-style-type: none">Has consideration been given to the definitions of key reporting terms, such as 'Own Workforce' or 'Adequate Wage' within CSRD?How are reporting decisions and narratives impacted by the supply chain?Has analysis been undertaken to enable reporting?	<ul style="list-style-type: none">Consider what ongoing review will be required to ensure disclosures are robust and audited on a regular basis, factoring in CSDDD requirements.How will commitments be reviewed and reported? Do commitments extend to all markets and the supply chain?How has the organisation approached the narrative being issued, and how this may develop in the future based on regulations?

¹<https://www.ilo.org/resource/news/ilo-reaches-agreement-issue-living-wages>

²<https://forwardfaster.unglobalcompact.org/home>

Case studies: What does good reporting look like for living wage?

Fugro – Fugro Guarantees living wage for Every Worker, Regardless of Family Size or Work Hours

Source:

<https://wageindicator.org/salary/living-wage/faq-living-wage/living-wage-experience-wthin-companies-cases/fugro-guarantees-living-wage-for-every-worker-regardless-of-family-size-or-work-hours>

Fugro's journey towards implementing and ensuring a living wage started in the 2018, wherein the importance of living wage was emphasised for the first time in the Annual Reports. Since 2018, Fugro performs an annual living wage assessment, and has since increased wages in a few individual situations that surfaced in these assessments as being below the living wage standard. The 2023 assessment compared the data in Fugro's global human resource system with benchmark data provided by 'WageIndicator'. The living wage analysis is part of the fair pay analysis and has been conducted in April and November. Overall, living wage minimums were respected. A few exceptions were found and will be corrected to the level of at least living wage.

How does Fugro report on the living wage?

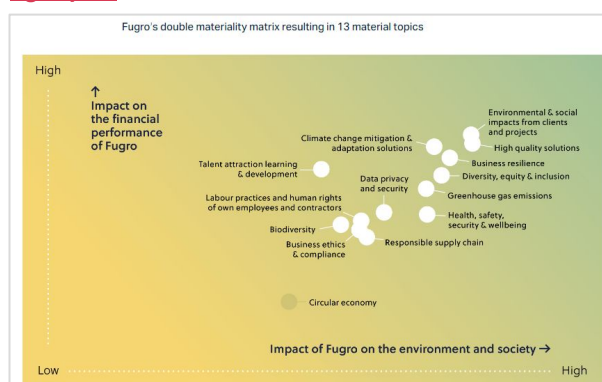
Fugro started reporting on the living wage in their 2018 report, which (in their words) was very basic and in 2019, provided more details but did not show figures. Starting this year, they will report on specific figures. With the new EU directive on Corporate Sustainability Due Diligence (CSDD), they will report by country and case.

Is Fugro implementing the living wage in its supply chain as well?

They have yet to start working on their supply chain, but it is a strategy that they intend to introduce in the future.

Fugro – Key ESG Topics

<https://www.fugro.com/about-us/sustainability/key-esg-topics>



For further information and example reporting: Fugro Annual Report

WageIndicator also release further case studies with organisations on a monthly basis.

<https://wageindicator.org/salary/living-wage/faq-living-wage/living-wage-experience-wthin-companies-cases>

Fugro – 2023 Annual Report (pg.47)

Living wage

In addition to equal pay for men and women, Fugro is committed to living wages for all its employees and subcontractors. Fugro respects national statutory minimum wages, and the living wage in case this is higher. Living wage is a wage that provides employees with the necessary income to maintain a decent standard of living for themselves and their dependents, based on the cost of living in the local context. Since 2018, Fugro performs an annual living wage assessment, and has since increased wages in a few individual situations that surfaced in these assessments as being below the living wage standard. The 2023 assessment compared the data in Fugro's global human resource system with benchmark data provided by 'WageIndicator', a well-known labour market data base. The living wage analysis is part of the fair pay analysis and has been conducted in April and November. Overall, living wage minimums were respected. A few exceptions were found and will be corrected to the level of at least living wage.



Case studies: What does good reporting look like for adequate wage?

Pandora is committed to equitable and adequate compensation and are actively working towards implementing a Global Adequate Wage Policy.

Source:

<https://pandoragroup.com/staticcontent?url=https://pandoragroup.gcs-web.com/static-files/05f649f3-325e-46d7-a5ce-b5a2e69f865d&format=pdf&title=Annual%20Report%202024>

Pandora's journey to advancing equitable and adequate wages globally

In 2024, Pandora completed a benchmarking study to evaluate their wage practices against adequate and living wage standards in every country where they operate. This data was sourced from Wageindicator.org.

In the 2024 Annual Report, it was disclosed that 98% of Pandora's employees are paid at or above the adequate wage benchmark. Pandora identified 17 countries where at least one employee fell below the adequate wage threshold, with the proportion of employees impacted ranging from less than 1% to 80% of the workforce. This is disclosed in Figure 1.

By March 2025, Pandora expect to have closed the wage gaps in 13 out of the 17 countries where at least one employee fell below the threshold, with the remaining four countries in 2025. To address the disparities, Pandora have developed an equitable and sustainable wage framework.

Setting Clear Targets for Wage Equity

Pandora's objective is to pay an adequate and equitable wage in all countries where they operate. They use external wage benchmarks to establish internal pay ranges for each country. This is to ensure wages cover basic living needs and support a decent standard of living.

Figure 1 - Example reporting – Pandora Annual Report (2024, pg.93)

ADEQUATE WAGE		2024	2023
%			
Number and share of employees paid an adequate wage		34,508	98%
<i>Number and share of employees not paid an adequate wage by country¹</i>			
Chile	148	80%	-
Ireland	140	71%	-
Luxembourg	14	70%	-
South Africa	60	63%	-
Colombia	103	59%	-
Peru	38	56%	-
Singapore	42	45%	-
Portugal	42	16%	-
Netherlands	34	15%	-
Denmark	36	3.3%	-
Mexico	25	3.1%	-
US	130	2.0%	-
Brazil	13	2.2%	-
Belgium	4	1.8%	-
Czech Republic	2	1.3%	-
Romania	1	0.7%	-
Thailand	3	0.03%	-

¹ We plan to close the gaps by March 2025 in Belgium, Brazil, Colombia, Czech Republic, Denmark, Ireland, Mexico, Peru, Portugal, Romania, Singapore, Thailand and the US. We aim to resolve the remaining gaps in Chile, Luxembourg, the Netherlands and South Africa in 2025.

Pandora – 2024 Annual Report (pg.54)

Adequate Wage is one of the five material social sustainability matters.

MATERIAL SUSTAINABILITY MATTERS

SOCIAL MATTERS

The reasoning behind each matter is outlined below and further elaborated in the subsequent chapters.

ADEQUATE WAGE

Ensuring all employees are paid equitably and receive adequate wage is central to Pandora's commitment to social responsibility. Failure to meet national or legal wage standards could result in financial penalties, reputational harm and reduced employee trust and retention.

OWN OPERATIONS

- Minimum pay standards and living wage discrepancies

Pandora – 2024 Annual Report (pg.93)

ADEQUATE WAGE POLICY

We are in the process of developing Pandora's Adequate Wage Policy, with the goal of finalising it in 2025. The policy will ensure that employees' wages are not only compliant with local regulations but also reflect the cost of living in each country where we operate. It will outline the third-party and international standards we follow. Key internal stakeholders are being consulted during the development of the policy, which will be approved by the Board of Directors. The policy will be made publicly available on our corporate website under 'Policies'. ↗

Appendix – Reporting summary

There is a growing legislative focus on social sustainability standards

With so many regulations in place, we have provided a number of examples below which require many organisations to act now. We have provided high-level background information, although there are many technicalities to consider. It should be noted that this list is for illustration only and by no means comprehensive, and therefore we recommend you reach out to your PwC contact or WageIndicator for more information, and/or if you have any queries.

Regulation	When?
Under the CSRD , businesses in scope are required to report on their strategies, impacts, risks and opportunities according to the European Sustainability Reporting Standards (ESRS). ESRS S1 and ESRS S2 set 'social' reporting requirements covering a companies own workforce (S1) and workers in the value chain (S2). The CSRD expands on non-financial reporting obligations for impacted entities beyond those set out in the Non-Financial Reporting Directive ('NFRD') and Adequate Wages is one of the many areas of workforce that requires disclosure. Please note that there are currently proposed delays to CSRD and CSDDD, with changes expected to the ESRS reporting requirements under the Omnibus.	Into force by? 2024 First adoption date? Financial Year 2024 will be reported in 2025 for Wave 1
The CSDDD will impose a legal obligation on in-scope companies to conduct human rights due diligence (considering working conditions, discrimination, employment rights, child labour, living wages and the right to collective bargaining to name certain key areas). Companies will be expected to prevent, mitigate and remedy negative human rights impacts by implementing practical steps. Because adverse impacts on human rights can change over time, the due diligence process is continuous in nature.	Into force by? 2024 First adoption date? 2028
In the EU, the Adequate Minimum Wage Directive focuses on ensuring that workers in the EU earn Adequate Minimum Wages which is essential to guarantee adequate working and living conditions, as well as to build fair and resilient economies and societies, reducing in-work poverty and also reducing the Gender Pay gap (recognising the gender gap below the minimum wage). The Directive is not seeking to set a uniform minimum wage across the EU, but specifying criteria to ensure Adequate Wages are set at a national level by defining a 'double decency threshold' below which no minimum wage should be set. This means that countries may use indicative reference values, such as 60% of the median wage and 50% of the gross average wage and/or reference values used at a national level (Müller, 2024, ETUI). Whilst the Directive only refers to the EU27 countries, it may also have an impact for companies working in and/or operating under European laws and regulations.	Into force by? 2022 First adoption date? 2024
There are also country specific, national regulations that must be taken into account including examples as set out below:	
<ul style="list-style-type: none"> China: ESG regulations encourage companies to disclose their sustainability-related information across four core areas – governance, strategy, risk management and metrics and targets. 	Into force by? 2024 First adoption date? 2026
<ul style="list-style-type: none"> Norway: The Norway Transparency Act requires companies to identify and address their impacts on workers or host communities through their supply chains. The due diligence considerations are increasingly extended to address Human Rights and fair labor conditions. 	Into force by? 2022 First adoption date? 2023
<ul style="list-style-type: none"> Germany: The LksG regulates corporate responsibility for human rights compliance in supply chains. The ESG Act provides companies with clear and reasonable legal regulations for fulfilling human due diligence obligations and avoiding human rights violations. There are 11 internationally recognised human rights conventions from which behavioural requirements or prohibitions for corporate action can be derived including: the prohibition of child labor, slavery, forced labor, the disregard of occupational health and safety, the withholding of an appropriate wage, the disregard of the right to form trade unions or employee representatives, the denial of access to food and water, and the unlawful deprivation of land and livelihood. These rules are monitored by the Federal Office of Economic and External Affairs (BAFA), which is equipped with appropriate enforcement instruments. 	Into force by? 2022 First adoption date? 2023

These regulatory developments link back to the **United Nations Guiding Principles on Business and Human Rights ('UNGPs')**¹ and the **OECD Guidelines for Multinational Enterprises on Responsible Business Conduct**², aiming to stimulate responsible business conduct. Within this, advocating for a living wage plays a key part of the development agenda.

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Additional resources



For more information please see PwC's [2023 Global Living Wage Survey](#) and [Living Wage: An Emerging Standard](#) in conjunction with WageIndicator Foundation.

Blog – Compensation with a Conscience: Integrating Living Wages into Reward Frameworks – Paying a Living Wage is increasingly recognised for its role in creating a sustainable business, plays a major role in attracting and retaining workers in a global environment and helps to ensure an engaged workforce that feels respected and treated fairly. But how can organisations marry up this strategic ambition with their existing reward frameworks, and what are the impacts they need to take into account when doing so?

Podcast – Living wage: Why businesses are focused on pay adequacy – Join host Heather Horn welcomes PwC partners Barry Murphy and Paula Letorey to discuss the 2023 Survey results, market trends, and key steps organisations should take now to prepare for market and regulatory movement.

Webcast – Global Workforce Fairness and Sustainability

WageIndicator Foundation: [WageIndicator – Living Wages Worldwide 2023 report](#), [FAQs](#)



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