Mosaic Brands Ethical Sourcing & Compliance- Living Wage Roadmap

Introduction

Mosaic Brands Limited (MOZ) is dedicated to upholding human rights, fair working conditions and fair pay as detailed in our ethical sourcing manual and business practices. MOZ is proud to have achieved compliance with meeting minimum wage standards, guidelines, and is devoted to do more.

This Roadmap highlights the key millstones to achieve living wages. MOZ is prepared for the journey and challenges ahead, and looking forward to achieving our final goal of implementing Living Wage.

Our Commitment

Mosaic Brands Ltd (MOZ) is committed to achieving a Living Wage at our factory levels. We acknowledge that this process could involve multi-stakeholder engagement at all levels of our supply chain and across the retail sector.

In collaboration with our partner agency QIMA, MOZ can utilise the QIMA Living Wage benchmark to set our Living Wage standard. Through mutual collaboration with factory management, workers committees, and local government, MOZ can start the process to identify a suitable Living Wage for each region that MOZ operates.

Defining a Living Wage

A living wage as defined by the Global Living Wage Coalition is, “The remuneration received for a standard workweek 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, health care, transportation, clothing, and other essential needs including provision for unexpected events.”

Setting the Roadmap

Setting a Living Wage standard would require MOZ alongside its partnering factories long term communication and negotiation. The MOZ Roadmap to a Living Wage Standard is set out over a five-year timeline. MOZ will monitor its progress by achieving the below goals and making adjustments to our timeline when needed.

1. Establish Verified Living Wage Benchmark- Year 1-2

By using a verified Living Wage benchmark MOZ can ensure that the wage data collected has been gathered by a reliable source that is respected across the international labour rights industry. It is important to note that this benchmark cannot be standardised across all suppliers. To set a successful benchmark regional based data must be considered.

2. Wage Gap Analysis- Year 3

Using the established Living Wage bench marker in comparison with wage data collected during annual auditing reports MOZ could begin to find gaps in pay. This analysis could be guided by our corporate partner Oxfam. Oxfam is an industry

leader in promoting Living Wages, and MOZ strongly values our partnership.

3. Factory Engagement- Year 3

To successfully implement a Living Wage across the MOZ supply chain, dialog between all parties involved in vital. By 2024 we hope to initiate open dialog with our factory suppliers. All vendors could be invited to participate in e-learning programs to teach the long-term benefits of paying a Living Wage. When possible MOZ aims to collaborate with other buyers to ensure the Living Wage is adapted for all factory orders.

4. Wage Negotiation- Year 4

Wage negotiations could be based on the concept that costing prices must include wages as an itemised cost. By itemising the cost of the worker wage as a set fee, the wage could be protected during costing negotiations, and unaffected by piece price per costing round. The protected wage per worker group could be factored by multi-inputs such as; service length, skill set, region, local minimum wage, and most importantly the identified Living Wage benchmark.

5. Payment Term Commitment- Year 5

In conjunction with the declared Vendor Terms and Agreement set out during the on-boarding process, a fix payment term can be set. MOZ could reward vendors with preferential treatment to those vendors who commit to mandating a Living Wage by 2025.

6. Set expectations for non-compliant partners- Year 5

MOZ must consider that not all business partners will agree to the terms of implementing a Living Wage. While MOZ acknowledges that achieving 100% success rate is ideal, we must consider the possibility of outliers. By creating a soft exiting plan for non-participating vendors, the workforce could be protected while potential new business relationships or job opportunities are sought.

7. Internal Training on Ethical Sourcing and Product Development- Continuous

Alongside MOZ current bi-annual trainings on vendor relations and purchasing practices, MOZ could launch a training to show internal teams their impact on achieving a sustainable Living Wage. Each member of the MOZ must understand how their actions can affect the long-term commitment and challenges of implementing a Living Wage.

Closing Remarks

The creation and implementation process of a Living Wage is intricate and has foreseeable challenges. Mosaic Brands Limited is committed to partnering and collaborating with stakeholders to achieve the standard of a Living Wage, and will continually reflect on its Road Map to a Living Wage to achieve implementation.