



Factsheet on DEVELOPING CREDIBLE RSPO DECENT LIVING WAGE BENCHMARKS

A CREDIBLE RSPO DLW BENCHMARK

- Follows RSPO endorsed methodology
- Undergoes rigorous, independent research
- Ensures stakeholders' participation
- Involves strict quality control.

DLW BENCHMARK

- The DLW Benchmark is used to identify Living Wage Gaps (LWG)
- Identifying LWGs allow RSPO to strengthen its standards and promote good practice of paying living wages.

BACKGROUND

- A living wage is defined by the International Labour Organization (ILO) as a basic human right under their conventions and recommendations to the Universal Declaration of Human Rights Article 23.
- Indicator 6.2.6 of the RSPO Principles and Criteria (P&C) 2018 requires that a Decent Living Wage (DLW) must be paid to all workers, including those on piece rate/quotas, for whom calculation is based on achievable quotas during regular working hours.
- DLW is the remuneration received by a worker, for work performed on regular hours, in a particular place sufficient to afford a decent standard of living for the worker and their family. This definition is adopted from the Global Living Wage Coalition (GLWC) and is widely accepted by sustainability organisations.
- According to the procedural note for Indicator 6.2.6 in the RSPO P&C 2018, the RSPO Secretariat will endeavour to carry out DLW country benchmarks for palm oil producing countries in which RSPO members operate and for which no GLWC benchmarks exist.
- A Decent Living Wage Task Force has been formed to oversee the development of the RSPO DLW benchmarks.

Credit: RSPO, SayanCHUENUDOMSAVAD



THREE APPROACHES TO ESTABLISHING A CREDIBLE RSPO DLW BENCHMARK

APPROACH 1

Conduct a full-fledged DLW estimation using Anker method (applicable to major certified supply base areas, where there are no GLWC benchmarks).

APPROACH 2

Apply the existing GLWC benchmark and do adjustments if needed (applicable to certified supply base areas with existing GLWC benchmarks).

APPROACH 3

Apply the existing Anker Reference Value (ARV) or conduct a new ARV (applicable to areas with smaller sized certified supply bases).



***NB:** In the event the NIWG is aware of credible DLW studies in its jurisdiction which have been conducted by independent researchers/organizations using the Anker method, NIWG shall share it with the Secretariat.

ROLE OF THE NATIONAL INTERPRETATION WORKING GROUP (NIWG)

- Ascertain DLW study locations with the RSPO Secretariat
- Facilitate independent local researchers and link them with relevant organisations/bodies for interviews and document reviews
- Ensure stakeholders' participation (e.g., trade union representatives, growers representatives)
- Discuss the report, provide inputs and feedback (validation)
- Support members' assessment of their prevailing wages through the application of templates
- Participate in determining LWGs and address identified gaps where necessary.

ROLE OF RSPO SECRETARIAT

- Provide support to the NIWG when required
- Provide guidance and recommendations
- Monitor progress and ensure consistency in assessing prevailing wages
- Hire consultants and local independent researchers
- Coordinate and monitor the research process
- Verify benchmarks and final reports
- Support in identifying LWGs and the remedial processes

Credit: RSPO, PT. BGA

FAQS:

What is the RSPO endorsed methodology?

The RSPO has endorsed GLWC's Benchmarks and the Anker Methodology. The manual on the methodology is published and available online free of charge: [Living Wages Around the World. Manual for Measurement](#). RSPO has developed a simplified [guidance](#) for its members based on this extensive manual.

Can I opt for Approach 3 and use Approach 1 later?

Yes. However, all three approaches are regarded by RSPO as equally credible if they are followed in accordance with the associated criteria.

Approach 1 requires more resources and takes longer time, therefore, if the GLWC benchmark is present, RSPO strongly advises to avoid choosing Approach 1 and opt instead for Approach 2. In considering Approach 2, if the context of the existing GLWC benchmark is significantly different from those of the locations of interest, adjustments to the existing benchmark can be made without requiring a full fledged study.

Approach 3 is dependent on secondary data and based on a carefully constructed model and regression analysis. However, its specific context is limited to rural and urban levels; if further contextualisation is needed, collecting primary data in specific locations might be required.

Do GLWC benchmarks focused on non-palm oil sectors also apply to the palm oil sector?

YES and NO.

YES, because GLWC benchmarks are primarily area/location specific but can be further customised for a specific sector in the location. If the palm oil sector and its workers are located in a similar area where the GLWC study was focused on or share the same characteristics of the location, the existing GLWC benchmark can be applicable to the palm oil sector without requiring further adjustments.

NO, if the the context of the existing GLWC benchmark is significantly different from the palm oil sector's context. In this case, the GLWC benchmark should be adjusted to take the different contexts into account.

Why are there three approaches?

Using the three approaches encourages efficient use of resources and time for developing benchmarks for all RSPO certified supply bases without compromising the credibility of the estimates and consistency with the RSPO endorsed methodology. RSPO reserves the right to decide on resource allocations and welcomes stakeholders to provide the necessary support for the process.

Visit rspo.org to learn more about
the RSPO Guidance for Implementing a Decent Living Wage.