



Living Wage Assessment Manual	Support Answer: 3.1 Labor Practices
	Topic: Living Wage Methodology
	Report Year: 2023

Living Wage Commitment

BJC believes that every worker has a right to compensation that is sufficient to meet basic needs and provide some discretionary income. We are committed to ensuring that fair labour practices are upheld throughout our supply chain.

This includes workers' rights to living wage and the development of publicly disclosed living wage strategies.

BJC is committed to complying with all applicable laws, conventions and regulations. Additionally, the company follows the international guidance of living wage provided by the following methodology.

The Methodology :

a) Own Operation

The methodology for identifying the living wage in Thailand relies on the latest Economic Survey of the National Statistical Office of Thailand, the Ministry of Digital Economy and Society.

The survey provided information regarding the "Average Monthly Expenditure per Household by Type of Expenditure and Social-economic Class" (Table 1). Among various types of economic class, BJC focuses on the employees in "Basic Work", which constitutes the majority of the company's workforce.

Based on the methodology, the living wage includes three basic expenses of workers and their families i.e. food, housing and clothing and additional expenses include, health, transportation, personal care items, childcare and education of the basic needs. Unnecessary and non-consumption expenditures such as alcoholic beverages, tobacco product, recreation and religious activities are excluded from our Living Wage methodology.



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Living Wage Calculation

1. The Table 1* shows that at the average the household expenses of the employees in "Basic Work" (exclude unnecessary expenses) = **11,858 THB/Month**
2. 11,858 THB = 324.34 USD (1 USD = 36.56 THB)
3. 324.34 USD/160 Hours** = **2.02 USD/Hour**

Note:

*The information in the Table 1 below is the latest information from the National Statistical Office of Thailand with separate category of jobs and expenses.

**As for the calculation of hourly living wage estimate, we divide the monthly living wage by 20, which is the approximated working days per month. Then we divide it by 8, which is the standard work hours per day.

The above living wage assessment cover 100% of the FTEs in Thailand.



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Table 1

Average monthly expenditure per household

2021 The Household Socio-Economic Survey, National Statistical Office, THAILAND

Type	Laborers in Basic Work		Average Whole Country	
	Included Items	Excluded Items	Included Items	Excluded Items
Total monthly expenditure	15,094		21,616	
Food & Beverages (Excluding alcoholic)	6,176		7,281	
Alcoholic beverages		251		251
Tobacco products		159		127
Housing, furnitures & major equipment	3,122		4,632	
Apparel & footwear	197		359	
Personal supplies	531		701	
Medical & healthcare	170		364	
Vehicles purchase		915		1,775
Vehicles repairing & maintenance				
Transportation	932		1,692	
Communication	613		860	
Education	117		337	
Recreation and religious activities		145		226
Special ceremony expenses		143		196
Non-consumption expenditure		1,624		2,814
Total	11,858	3,237	16,226	5,389



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b) Contractors, Suppliers and Franchisees

To ensure our contractors, suppliers and franchisees pay attention to their employees' living standard, BJC provides them with "The Living Wage Guideline" which includes basic assessment questions to raise our contractors/suppliers/ franchisees' awareness on the living wage.

The Living Wage Guideline

BJC expects its partners to have guidelines for encouraging all employees to work happily and to ensure welfare and compensation as required by law and meet the basic needs such as food, housing, apparel and other essential needs. BJC recognizes that ensuring employees have a quality of life and wellbeing will help to encourage employees to be happy at work. This will support sustainable business success throughout the company's value chain and for sustainable growth. Contractors, suppliers and franchisees can use this document to understand and use it as a guideline for determining employee compensation. Details about the employee's living wage considerations are as follows:

1) Living Wage

It is a wage which allows employees to live adequately, able to take care of themselves and their families with dignity and a good standard of living. The living wage must not be lower than the minimum wage required by law, and must be sufficient to fulfil the basic needs of employees such as food, housing, and apparel for employees and their families.

2) Living Wage Calculation

Contractors, suppliers and franchisees can use standardized information from the public sector, private sector and international guidelines to provide a framework for determining the appropriate living wages for employees, such as the Office of National Statistics, other government agencies, or information from the Asia Floor Wage Alliance. The calculation is based on conditions such as adequate income for employees to be able to take care of themselves and their families.