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Living Wage Policy

REV	Date	Author	Position
3.0	March 30, 2026	Leslie Thompson	Vice President HR & Admin
2.0	January 1, 2025	Elaine Lo	Vice President HR & Admin
1.0	January 1, 2024	Elaine Lo	Vice President HR & Admin

1. Purpose

Hayco is committed to ensuring that all employees earn a wage that supports a decent standard of living. This policy outlines our global approach to assessing, monitoring, and progressively improving wage levels across all Hayco entities.

Our commitment to a living wage supports:

- employee well-being
- fair and responsible business practices
- sustainable growth
- alignment with international human rights standards

This policy complements the **Labour & Human Rights Policy**, the **Code of Conduct & Ethics**, the **Environmental Policy** and our global **ESG commitments**.

2. Scope

This policy applies to:

- all Hayco legal entities globally
- all full-time, part-time, temporary, and contract employees

While this policy applies to employees under Hayco legal entities, Hayco also encourages our suppliers and contractors to adopt living wage principles wherever feasible.

3. Definition

A living wage: 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, transport, clothing, and other essential needs, including provision for unexpected events.

This definition aligns with methodologies recognized by the International Labour Organization (ILO).

4. Governance, Roles & Responsibilities

Strong governance is essential to ensuring consistent implementation of living wage standards across all Hayco entities.

4.1 Living Wage Committee

The Living Wage Program is governed by the Living Wage Committee, consisting of:

- VP, Human Resources (Chair)

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- Head of Global Compensation & Benefits
- Regional HR Leaders
- Executive Leadership Team (as required)

The Living Wage Committee is responsible for:

- approving methodology and benchmarks
- reviewing annual assessment results
- endorsing action plans
- ensuring alignment with global ESG reporting

4.2 Global C&B

- Owns the global methodology
- Ensures alignment with international standards (ILO, UNGP, RBA)
- Oversees annual wage gap analysis
- Ensures consistency across all regions
- Consolidates global reporting

4.3 Regional HR

- Supports data collection
- Ensures local compliance
- Coordinates site-level implementation

4.4 Site HR

- Provides accurate wage data
- Supports communication and implementation
- Ensures local execution of approved action plans

5. **Living Wage Targets (Forward-Looking)**

To ensure continuous improvement, Hayco commits to the following global targets from 2025:

5.1 Annual Assessment

Conduct annual living wage assessments for all Hayco entities globally.

5.2 Benchmark Alignment

Use credible, internationally recognized benchmarks, including:

- OXFAM Hong Kong
- Global Living Wage Coalition (GLWC)
- ILO methodologies

5.3 Progressive Improvement

Where gaps exist, implement action plans to progressively reduce the number of employees earning below the living wage.

5.4 Global Implementation

Ensure all Hayco entities complete the living wage assessment process and integrate results into annual reporting.

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5.5 Transparency & Reporting

Report annual progress to:

- Living Wage Committee
- Executive Leadership
- ESG reporting channels

6. **Living Wage Assessment Process**

6.1 Identify Local Living Wage Standards

Hayco uses credible external benchmarks to determine local living wage levels, including:

- OXFAM Hong Kong
- GLWC benchmarks for China and Dominican Republic
- Other recognized benchmarks for new regions

Hayco's living wage methodology is based on objective, externally validated cost-of-living benchmarks and does not differentiate wages based on an employee's marital status, number of dependents, or personal circumstances. This ensures fairness, consistency, and compliance with international human rights principles, including equal pay for equal work. Hayco maintains that wage determination must be non-discriminatory and grounded in credible, population-based living wage benchmarks.

This reflects Hayco's commitment to equal treatment and avoids discriminatory wage practices based on personal or family status.

6.2 Determine Wage Elements Included

Based on ILO (International Labour Organization) guidelines and established living wage methodology, the following are included:

- Basic salary
- Cash allowances (e.g., housing, transport, attendance, child-related allowances, etc.)
- 13th Month Bonus/Christmas Bonus, 14th Month Bonus, and retention bonus
- Production/incentive bonuses: Included if earned during standard working hours at a normal working pace (i.e., without requiring overtime)
- In kind benefits (e.g., housing, meals, transport, medical, accommodation, etc.) – capped at 15% of the total Living Wage, unless justified

Excluded:

- Overtime pay
- Variable performance bonuses
- Employers legally mandated contributions to Social Security or National Health Services

For details, please refer to [*Chapter 15: Measuring prevailing wages to compare to a living wage*](#)

6.3 Data Collection & Gap Analysis

- Collect actual wage data annually
- Compare against benchmark living wage levels
- If any misalignment is identified, review root causes and provide a corrective action plan

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6.4 Reporting

- Global C&B consolidates results
- Annual report submitted to the Living Wage Committee
- Findings integrated into ESG reporting

6.5 Implementation

- Action plans approved by the Living Wage Committee
- Phased implementation based on financial and operational feasibility
- Progress monitored annually

7. Review Mechanism

This policy will be reviewed annually to ensure alignment with:

- Global HR governance
- International standards
- ESG requirements
- Evolving business needs

8. Alignment With Other Policies

This policy should be read in conjunction with:

- Labour & Human Rights Policy
- Code of Conduct & Ethics
- Environmental Policy
- ESG commitments

9. Sanctions & Compliance

Hayco is committed to upholding this policy and any takes breaches of this and our Code of Conduct & Ethics policies seriously. In the event of a potential or actual breach, please report to management, Human Resources, internal email ethics@hayco.com or our external global compliance and sustainability platform app.convercent.com.

The report will be investigated promptly with anonymity and without bias. Pending investigation and the severity of the findings, there may be grounds for disciplinary action up to and including immediate termination and could also result in civil or criminal liability.

Hayco prohibits any retaliation against whistleblowers.

Approved by:



Leslie Thompson
Vice President HR & Admin