

KMD BRANDS LIMITED

Commitment to Fair Compensation

KMD Brands recognises a living wage as an essential aspect of work. We are committed to taking action on fair wages within our own workforce and promoting fair wages within our supply chain.

A living wage is remuneration that enables workers and their families to meet their basic needs. It is a human right and an enabling right embedded in the Universal Declaration of Human Rights (article 23 and 25). Living wages advance Sustainable Development Goals 1 (No Poverty), 5 (Gender Equality), 8 (Decent Work and Economic Growth) and 10 (Reduced Inequalities) and contribute materially to the achievement of several other Goals. The [Global Living Wage Coalition](#) defines a living wage as “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.”

A living wage is not the same as a minimum wage. Minimum wages do not always allow for a decent standard of living.

KMD Brands Workforce

KMD Brands is undertaking a living wage gap analysis within our key operating regions, prioritising locations that have reliable living wage benchmarks.

A gender-based pay gap assessment is also being undertaken across much of our workforce. The methodology and robustness of this analysis, is being continuously improved, to allow for a long-term plan to address any gaps that may be identified.

In 2023, we revised the wage structure of our factory workers in our Onsmooth wetsuit factory in Thailand. This provided a lift in salaries to align with the Anker living wage methodology, resulting in an increased standard of living for employees and their families, widespread positivity and staff retention.

As we make progress within our direct operations, we will leverage this experience to further promote a living wage for workers within our supply chain.

Supply Chain

We are committed to taking action on living wages within our supply chain. We recognise that addressing low wages is part of our responsibility to protect and respect human rights.

1. Identify risk and prioritise actions

In 2024, we are working towards identifying wage gaps in our supply chain.

We are focusing on our branded product supply chain across five countries. These countries cover over 90% of KMD Branded product sourced.

We are currently collecting wage data to assess the gap between current basic pay and recognised living wage benchmarks within supplier workplaces across these five countries. This work is supported through use of the Fair Labor Association’s fair compensation tools. Benchmarks included in the Fair Labor Association’s Fair Compensation Dashboard will be used, prioritising the Global Living Wage estimates and benchmarks aligned to the Anker Methodology where available.



Once data is collected, we will develop an engagement plan with priority suppliers. Leverage and risk will be considered and we will publicly report on our findings and planned actions.

2. Internal engagement

We will continue to build awareness and capacity within our internal teams regarding responsible procurement, and work together to identify opportunities to support suppliers.

3. External engagement

Supporting social dialogue is important in understanding the root causes of low wage and promoting the payment of living wages. KMD Brands promotes the fundamental rights of freedom of association and collective bargaining in our [Supplier Code of Conduct](#). In late 2023 we started consultation with both supplier management and workers' representative committees on fair compensation and will continue this throughout 2024.

Our [2023 Annual Integrated Report](#) outlines how we are prioritising worker dialogue and transparent channels for workers to share information, identify issues and foster cooperation.

In 2024, we will also continue to investigate opportunities for collaboration with industry peers and other relevant organisations to drive wider impact.



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