



October 11, 2023

Sheikh Hasina, Honorable Prime Minister
Government of the People's Republic of Bangladesh
Prime Minister's Office
Old Sangsad Bhaban
Tejgaon, Dhaka-1215, Bangladesh

Subject: Urgent Action Needed Regarding Minimum Wage in Bangladesh

Dear Honorable Prime Minister,

The undersigned companies urge a successful conclusion to ongoing negotiations under the minimum wage review mechanism that incorporates the views of all stakeholders and reflects the economic realities in Bangladesh.

We recognize the value that Bangladesh holds as the third largest supplier of garments as well as a fast-growing supplier of footwear and travel goods to the world. Bangladesh's commendable sustainability efforts in the garment, footwear, and travel goods sectors have garnered well-deserved recognition. We value this critical partnership.

As the minimum wage consultations advance, we ask the government to consider the following important points:

1. The consultations should be inclusive and include all relevant stakeholders, including a constructive dialogue with labor groups and trade unions.

2. The consultations should seek to raise the minimum wage to a level that corresponds with a wage level and benefits that are sufficient to cover workers' basic needs and some discretionary income and takes into account inflationary pressures. We note that the average monthly net wages for garment workers in Bangladesh has not been adjusted since 2019, while inflation has increased significantly over that time. We continue to recommend that the government of Bangladesh adopt an annual minimum wage review mechanism to keep up with changing macroeconomic factors.
3. The government can play an important role in facilitating new union registration, condemning violence, threats, or intimidation against union members, and overall fostering an environment that respects workers' collective bargaining rights and empowers them as essential stakeholders in the nation's progress. We strongly urge the government to ensure that there is no retaliation against participants both during and after the minimum wage review to foster and promote an atmosphere of open dialogue and inclusivity through the minimum wage negotiations, and beyond.

We acknowledge that apparel brands and retailers sourcing in Bangladesh have a role to play in enabling the above recommendations. We are committed to implementing responsible purchasing practices to fulfill that role.

Thank you, Prime Minister, for your attention to these pressing matters. Under your esteemed leadership, we are optimistic that the final increased minimum wage reached will make significant strides towards ensuring worker welfare by properly reflecting the severe economic challenges that garment workers have faced through the pandemic, the subsequent supply chain crisis, and the current rate of inflation.

Sincerely,

AEO, Inc.

Abercrombie & Fitch

adidas

Amer Sports

Burton

Gap, Inc

Hugo Boss AG

KMD Brands

Levi Strauss & Co.

lululemon

Patagonia

Puma SE

PVH Corp

SanMar

Under Armour

ALDI SOUTH Group