ACT member brands support an urgent and meaningful increase of Bangladesh's minimum wages for RMG workers

We, the undersigned member brands of ACT, collectively support a timely and meaningful increase in minimum wages for Bangladesh's RMG workers. We believe that wage improvements should reflect workers' living costs, inflation, productivity, and relevant economic conditions[1], while supporting a stable, competitive, and sustainable garment industry.

We are deeply concerned by reports of violence and retaliation surrounding the minimum wage process. We respect the right of workers to raise their demands and call on all stakeholders to respect and protect workers' rights to freedom of association, peaceful assembly and social dialogue.

We urge all members of the RMG Minimum Wage Board to reach a negotiated consensus as a matter of urgency and agree on a timely, meaningful increase in Bangladesh's minimum wage that advances towards a living wage. A prompt resolution is essential to support workers and their families, reduce uncertainty and provide greater stability for the sector.

In line with ILO recommendations, we further encourage the establishment of inclusive, transparent, and evidence-based minimum wage revision processes.[2] Full consultation and, insofar as possible, direct and equal participation of the social partners should be ensured. Clear communication on the timeline, the data, the stakeholders engaged, how they are chosen, and how and when they are consulted is crucial to strengthen transparency and trust.

Regular, predictable intervals of minimum wage revision strengthen the confidence among workers, employers, and international buyers and long-term labour-market stability. As the ILO suggests, these regular adjustments should be more frequent in times of high or hyperinflation.[3]

We recognise that progress towards a living wage depends on effective national industrial relations institutions, including tripartite minimum wage setting and collective bargaining and must be supported by global buyers through their supply chains. As such, we are committed to ensuring that our purchasing practices facilitate the payment of living wages[4] and ensuring that our purchasing practices support higher minimum wage outcomes. In line with our ACT commitments, we will work with our suppliers so that minimum wage increases and negotiated wage increases are appropriately incorporated into purchasing prices.

We as ACT member brands remain committed to sourcing responsibly from Bangladesh and to working with suppliers and trade unions to support higher wages through minimum wages and collective bargaining. We call on all stakeholders to work together towards a fair, transparent and timely minimum wage outcome based on constructive dialogue and collaborative efforts.

- Asos
- Big W
- C&A
- G-Star
- H&M Group
- Inditex
- Lidl
- New Look
- Next
- Patagonia
- Pentland Brands
- Primark
- PVH Corp.
- Sainsbury's
- Tchibo GmbH
- Zalando

[1] https://www.ilo.org/resource/minimum-wage-policy-guide-chapter-5-setting-and-adjusting-minimum-wage
[2] https://www.ilo.org/resource/minimum-wage-policy-guide-chapter-5-setting-and-adjusting-minimum-wage
[3] https://www.ilo.org/resource/minimum-wage-policy-guide-chapter-5-setting-and-adjusting-minimum-wage
[4] https://actonlivingwages.com/app/uploads/2021/04/Memorandum-of-Understanding-English.pdf