PUMAs support of Bangladesh Minimum Wage Letter of Appeal

As an accredited company of the Fair Labor Association (FLA), PUMA supports FLA’s letter shared in August 2023, together with other Multi-Stakeholders Initiatives, which appeals to the Chairman of the Minimum Wage Board to champion local union demands for increases in the minimum wage, which is currently well below the rising cost of living in Bangladesh.

PUMA recognizes that the current legal minimum wage in the Ready-Made Garment sector is significantly below a living wage, the same is reported in our 2022 annual report. “The payments in Bangladesh, despite being above industry average, fall well short of the Global Living Wage Coalition Benchmark and reached 70% of the Global Living Wage Coalition Benchmark (69% in 2020).”

As part of PUMA’s efforts to ensure fair wage practices at the factories of our suppliers, PUMA has defined the failure to make a full payment of at least the minimum wage a zero-tolerance issue. This means that to become or remain active PUMA suppliers, companies must pay minimum wages in full compliance with local regulations. Provisions around the payment of overtime hours and social insurance are also clearly articulated in PUMA’s Code of Conduct and are scrutinized regularly based on our Compliance Audit. At PUMA, we collect wage data annually from our core Tier 1 factories. We use the Fair Labor Association (FLA)’s Fair Compensation Dashboard to analyze wage data and to compare aggregated and anonymized data from industry peers and, where available, against living wage benchmarks of the Global Living Wage Coalition (GLWC).

As a responsible business partner to our suppliers, we recognize that our own business practices, as well as our trading terms and conditions can have a significant impact on the organization at our suppliers’ factories. The aim of the PUMA Responsible Sourcing Policy is to reduce potential negative impacts. PUMA’s responsible purchasing practice policy was developed in 2019, to create a framework for guiding decisions and maintaining consistency through key principles including the price paid for product to include reasonable labor costs, such as overtime premium payments, social insurance payments and costs to comply with environmental standards. We recognize the importance of freedom of association and collective bargaining as a key means through which employers, their organizations and trade unions can establish fair wages and working conditions. PUMA respects workers’ rights to Freedom of Association and collective bargaining and requires its suppliers to guarantee the right of their employees to join unions, or other work or industry related associations, and to bargain collectively. PUMA has taken multiple initiatives to ensure Freedom of Association in our supply chain. PUMA is committed to keep sourcing in Bangladesh and continuing our partnerships with Bangladeshi suppliers in the future.