



## **Statement on minimum wage compliance in Sindh's garment and textile sector**

The memberships of the undersigned organisations represent international brands, retailers, suppliers, and workers in global garment and textile supply chains, many of whom source from suppliers in Sindh.

Based on information from recent assessments of these suppliers, certain workers in Sindh's garment factories are being paid below the legal minimum wage because current law allows employers to count bonuses and allowances paid to skilled workers to contribute toward the worker's minimum wage threshold. This practice does not meet international labour standards and creates a livelihood risk for workers and a compliance risk for international buyers.

On Tuesday 16 June 2026, this group sent a letter to the Honourable Labour Minister and the Chief Minister's office to ask that the July 2026 gazette notification for semi-skilled, skilled and highly skilled workers includes an explicit anti-adjustment clause (as per Clause xiii of the July 2025 unskilled notification).

We also asked the Sindh Minimum Wages Board to issue a formal written clarification confirming that no variable payment, bonus or allowance may be counted toward the minimum wage for any worker category. We believe that the Board's annual notification cycle is an opportunity to close this gap before another year passes.

We are pleased to report that the Labour and Human Resource Department of the Government of Sindh has promptly responded to our letter with a clarification which confirms that Section 9(1) of the Sindh Minimum Wages Act, 2015, has never been to permit conditional payments that defeat the purpose of the law. It also says that "The legal position remains that the minimum wage notified under Section 6 of the Act constitutes the guaranteed wage floor, and any arrangement which effectively results in payment below such notified rates would be inconsistent with Section 9 of the Act and liable to legal consequences". The Labour and Human Resource Department

confirmed its commitment to review the language, scope and applicability of the notification in the forthcoming wage notification cycle.

The response also highlights the Government's appreciation of the International Labour Organization's (ILO) offer of technical support to facilitate the alignment of Sindh's wage-setting and notification framework with evolving international labour standards, responsible business conduct principles, and international best practice.

Jointly, our organisations extend their support to the Government's efforts to engage constructively with stakeholders, including ILO and international buyers, for continuous improvement of wage governance mechanisms and strengthening compliance frameworks in Sindh.

We are ready to engage directly with the Minimum Wages Board and the Human Resource and Labour Department and have offered to share our legal analysis.

As the Sindh Minimum Wages Board reviews the scope and applicability of the notification, we are encouraging our members to engage collaboratively with suppliers, trade unions, worker representatives and civil society in Sindh, in line with due diligence expectations and in light of the clarifications provided by the Human Resource and Labour Department, Government of Sindh.

In cases where members establish that suppliers have included bonuses and/or allowances as part of the minimum wage calculation, we encourage them to work collaboratively with their suppliers to ensure that workers receive any owed wages in a timely manner.

The Sindh Province has a strong and growing position in global supply chains. A clear, well-enforced minimum wage, as committed by the Government of Sindh, will not only benefit workers, but help solidify that position with multinational companies who are faced with growing legal compliance requirements from the Corporate Sustainability Due Diligence Directive and the European Union's Forced Labour Regulation, amongst others.

We look forward to working with the Government of Sindh and international organisations to ensure that the minimum wage calculations align with international expectations.

## The Signatories

	<p><b>American Apparel and Footwear Association (AAFA)</b> represents more than 1,100 world famous name brands, retailers, and manufacturers. AAFA is the trusted public policy and political voice of the apparel and footwear industry, its management and shareholders, its more than 3.6 million U.S. workers, and its contribution of more than \$523 billion in annual U.S. retail sales.</p>
	<p><b>amfori</b> is the leading global business association for open and sustainable trade. We bring together over 2,500 retailers, importers, brands and national associations representing a combined turnover of more than 1.7 trillion euros. We enable companies across the globe to operate successful and responsible businesses, by helping them improve the Environmental, Social and Governance (ESG) performance of their value chains through robust due diligence.</p>
	<p>The <b>Ethical Trading Initiative (ETI)</b> is the leading alliance of trade unions, NGOs and companies, working together to advance human rights in global supply chains. We convene and collaborate with key stakeholders to improve business transparency and accountability and bring about positive change.</p>
	<p><b>Ethical Trade Denmark</b> is the national multi-stakeholder platform for responsible and sustainable trade. Our vision is to build a sustainable future for everyone through responsible global trade. Our multi-stakeholder platform counts among its members more than 100 small, medium, and large companies and organisations across the public, private, and non-profit sectors.</p>
	<p><b>Ethical Trade Norway</b> is a multistakeholder organisation with 200+ members and a resource center for responsible business conduct. Our purpose is to promote and encourage human rights and environmental due diligence (HREDD) in supply chains. All of our members have to publicly report on a yearly basis their progress on HREDD.</p>
	<p>The <b>Fair Labor Association (FLA)</b> promotes human rights at work. We are an international network of companies, universities, and labor and civil society organizations collaborating to ensure that millions of people working at the world's factories and farms are paid fairly and protected from risks to their health, safety, and well-being.</p>
	<p><b>Fair Wear</b> is a multi-stakeholder initiative that advances workers' rights across global supply chains. We enable human rights and environmental due diligence to become part of everyday business practice based on 25+ years of experience in the garment, textile and footwear industry.</p>