

# WORKER RIGHTS CONSORTIUM FACTORY ASSESSMENT

*Niagara Textiles Limited (Bangladesh)*

*Findings, Recommendations, and Company Response*



*June 15, 2023*



WORKER RIGHTS  
CONSORTIUM

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## I. Introduction and Executive Summary

This report concerns the Worker Rights Consortium’s (“WRC”) investigation and remediation of violations of local labor laws and university and buyer codes of conduct concerning occupational safety and health and abusive treatment by Niagara Textiles Limited (“Niagara”), a factory located in Gazipur, Dhaka, Bangladesh, that has produced collegiate apparel for the university licensee, Cutter & Buck, and continues to supply noncollegiate apparel to that licensee’s Swedish parent company, New Wave Group (“New Wave Group / Cutter & Buck”).<sup>1</sup> The factory, which also supplies the UK retailer, Next, employs roughly 5,000 workers.

The WRC investigated and, with the assistance of New Wave Group / Cutter & Buck, secured Niagara’s implementation of, and commitments for, corrective actions to address two serious vehicular accidents, in 2021 and 2022, which resulted in the death of one worker and serious injuries to six other employees. The accident which occurred in 2021 involved the crash of an employer-contracted bus while it was transporting workers to the factory, an incident that resulted in serious injuries to five of these employees. The 2022 accident, which occurred on the factory premises, involved the death of one worker and injury to another when they were struck by a delivery truck whose driver reversed into them while they were standing behind it.

The WRC’s investigation found that Niagara violated Bangladeshi labor laws and/or university and buyer codes of conduct concerning occupational safety and health and abusive treatment, in relation to the 2021 and 2022 accidents by:

- Failing to maintain safe conditions for the transport of workers to the factory in employer-provided buses, and for the operation of delivery trucks on the factory premises;<sup>2</sup>
- Failing to pay adequate compensation to the family members of the worker who was killed in the 2022 accident;<sup>3</sup>
- Failing to properly reimburse workers seriously injured in the 2021 and 2022 accidents for all medical expenses incurred as a result, including those for rehabilitation and convalescence;<sup>4</sup>
- Making a threat of physical violence against one of the workers injured in the 2021 accident for complaining regarding the factory’s refusal to reimburse her medical expenses;<sup>5</sup>

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<sup>1</sup> According to Cutter & Buck, it ceased sourcing from Niagara in early 2022, prior to the fatal accident that occurred on the factory premises in October of that year; however, Niagara continued to appear in licensee disclosure data provided to the WRC by university licensing agents, as a supplier of collegiate apparel to Cutter & Buck, through the end of 2022.

<sup>2</sup> CLC Special Agreement on Labor Codes of Conduct, Sched. I, § II.B.6 (“Health and Safety: Licensees shall provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of Licensee facilities.”); New Wave Group, Code of Conduct for Suppliers (“Factories must treat all workers with dignity and respect and provide them with a safe and healthy environment.”).

<sup>3</sup> ILO Convention 121 (Employment Injury Benefits Convention); CLC Special Agreement on Labor Codes of Conduct, Sched. I, § II.B.6; New Wave Group, Code of Conduct for Suppliers.

<sup>4</sup> ILO Convention 121 (Employment Injury Benefits Convention); CLC Special Agreement on Labor Codes of Conduct, Sched. I, § II.B.6; New Wave Group, Code of Conduct for Suppliers.

<sup>5</sup> ILO Convention 190 (Violence and Harassment); CLC Special Agreement on Labor Codes of Conduct, Sched. I, § II.B.8 (“No employee shall be subject to any physical ... or verbal harassment or abuse.”); New Wave Group, Code of Conduct for Suppliers (“The factory does not engage in or permit physical acts to ... coerce workers.”).

- Failing to provide reasonable workplace accommodations for disability from their injuries to enable workers who were seriously injured in the 2021 accident to resume their employment at the factory;<sup>6</sup>
- Constructively terminating (i.e., causing to involuntarily resign from employment) five workers who were seriously injured in the 2021 accident;<sup>7</sup> and
- Failing to pay statutory severance to five workers who were seriously injured in the 2021 accident.<sup>8</sup>

The WRC shared these findings with Niagara and New Wave Group / Cutter & Buck along with detailed recommendations for corrective action.

With regard to the accident in 2021 involving bus transportation provided to workers by the factory, Niagara addressed the violations found by the WRC in relation to this incident, according to the WRC’s recommendations for corrective action by:

- Compensating the workers who were seriously injured in this accident for all unreimbursed medical expenses;
- Paying these workers statutory severance benefits, along with back pay for the entire period from the dates in mid-2021, when they were constructively terminated by the factory, to the present;
- Issuing to these workers letters offering reinstatement to their former positions at the factory, with reasonable accommodations for any continuing disability from their injuries from the accident;
- Providing a copy of a disciplinary letter to and apology from the manager who had threatened one of the injured workers with violence for complaining of the factory’s failure to reimburse her medical expenses; and
- Committing to improve safety on employer-provided bus transportation by ensuring operations by properly credentialed drivers, limiting workers traveling on each bus to a safe number, and installing monitoring and speed-limiting equipment by no later than July 2023.



**Figure 1: Workers who were seriously injured in 2021 accident after receiving monetary compensation from the factory, June 11, 2023**

<sup>6</sup> ILO Convention 121 (Employment Injury Benefits); CLC Special Agreement on Labor Codes of Conduct, Sched. I, § II.B.6; New Wave Group, Code of Conduct for Suppliers.

<sup>7</sup> ILO Conventions 121 (Employment Injury Benefits) and 158 (Termination of Employment), Article 6.; CLC Special Agreement on Labor Codes of Conduct, Sched. I, § II.B.6; New Wave Group, Code of Conduct for Suppliers.

<sup>8</sup> Bangladesh Labour Act (2006), Article 26; CLC Special Agreement on Labor Codes of Conduct, Sched. I, § II.B.1 (“Licensees shall ... provide legally mandated benefits.”); New Wave Group, Code of Conduct for Suppliers.

Niagara paid the compensation for unpaid medical expenses, statutory severance benefits, and back pay, to the five workers seriously injured in the April 2021 accident, in full, on June 11, 2023.

The five workers received a total of 1,872,892 Bangladesh *taka* (BDT) (USD 17,136.93), with some workers receiving individually more than BDT 400,000 (USD 3,660), the equivalent of more than 4.5 years' regular wages. The WRC will continue to monitor the implementation of the improved safety measures at the factory and on employer-provided transportation, and the scheduled additional payment to the family of the deceased worker.

With regard to the fatal accident on the factory premises in 2022, Niagara addressed the violations found by the WRC in relation to this incident, according to the WRC's recommendations for corrective action by:

- Paying BDT 291,768 (USD 2,670) in additional compensation to the family of the worker who was killed in the accident and arranging for a further BDT 200,000 (USD 1,830) in additional compensation to be paid to the family from an industry association fund, for a total of BDT 491,768 (USD 4,500), which, given the deceased worker's advanced age (80 years old) and the adult nondependent status of all her family members, is commensurate with international standards for compensation for industrial accident victims.
- Paying BDT 6,735 (USD 62) for unreimbursed medical expenses for the worker who was injured in this accident;
- Disciplining the manager who had threatened one of the injured workers with violence for complaining of the factory's failure to reimburse her medical expenses; and
- Implementing safety measures at the factory to separate routes and areas for heavy vehicles from those used by workers on foot.

The WRC finds that, through the remedial actions already implemented and/or committed to by Niagara, the factory has substantially remedied the violations of university codes of conduct identified by the WRC in relation to the serious and tragic accidents that impacted workers at the factory in 2021 and 2022. Although the injuries and the fatality to workers in question should have been avoided, the additional safety measures already implemented and/or committed to by Niagara should substantially reduce the risk of such tragedies recurring in the future.

Moreover, although the factory's treatment of the workers injured in the accidents and the family of the deceased worker, Ms. F., had failed to respect their rights under university codes of conduct, the corrective actions recently taken by the factory have provided them with substantial economic support and a measure of greater justice than they were previously afforded. Throughout this process, Cutter & Buck as licensee, and New Wave Group as its parent company, fully recognized and accepted their responsibility to ensure the remediation that university codes of conduct required. Their representatives worked closely and consistently with the WRC in engaging extensively and substantively with Niagara to bring about this positive outcome.

## II. Methodology

The findings reached by the WRC in this investigation were based on substantial, credible, and mutually corroborative testimony from workers at Niagara—including the employees who were injured in the 2021 and 2022 accidents, which were gathered during offsite interviews; family members of the worker killed in the 2022 accident; and other Niagara employees. The WRC also interviewed doctors who were present when the deceased worker was brought to the hospital emergency room on the day of the accident in 2022. The WRC also reviewed extensive written documentation submitted by workers and by Niagara’s management, including records of medical expenses, and payments thereof, and letters of resignation.

### **III. Findings, Recommendations, and Company Response**

#### **A. Accident in Employer-Provided Bus in April 2021 Causing Serious Injuries to Workers**

##### **1. Background Information on April 2021 Bus Accident**

Employees at Niagara work a single shift that starts at 8:00 a.m. and ends at 5:00 p.m. Some of these workers commute to the factory in a company-provided bus. Workers reported to the WRC that, on April 29, 2021, one of the factory-provided buses had an accident while transporting workers to the factory. Roughly 40 workers were injured in the accident, including eight employees who suffered serious injury. Of these eight workers who were seriously injured, three have subsequently needed long-term medical care.

The WRC investigated the conditions that led to the workers' injury in the accident and the factory's treatment of five of the workers who were seriously injured and brought complaints to the WRC. The WRC found that Niagara violated university and buyer codes of conduct, as well as international labor standards, by, first, failing to ensure the safe operation of the bus transportation it provided to employees and, second, mistreating the seriously injured workers after the accident.<sup>9</sup> The latter conduct involved failing to pay these five injured workers' medical expenses for the injuries they sustained; constructively terminating these workers (forcing them to resign) rather than allowing them to return to work with accommodations for their injuries; failing to pay their statutory terminal compensation benefits; and, in one instance, threatening an employee with violence for complaining about this mistreatment.<sup>10</sup>

##### **2. Failure to Ensure Safe Conditions on Employer-Provided Transportation**

Employees from Niagara reported to the WRC that at the time that the accident in April 2021 occurred, the employer-provided bus that was transporting workers to the factory reportedly was carrying more employees than it could safely accommodate, with many workers standing in cramped positions. Employees reported that such overcrowding has been a regular occurrence on the buses that are provided by Niagara to transport its workers to the factories.

##### **3. Nonpayment of Medical Expenses and Wage and Severance Benefits; Forced Termination; and Threat of Physical Violence against Severely Injured Worker**

Most of the workers who were on the employer-provided bus when the accident occurred reportedly suffered injuries that required minor first aid, which was provided at a local hospital

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<sup>9</sup> ILO Convention 121 (Employment Injury Benefits); CLC Special Agreement on Labor Codes of Conduct, Sched. I, § II.B.6 (“Health and Safety: Licensees shall provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of Licensee facilities.”); New Wave Group, Code of Conduct for Suppliers (“Factories must treat all workers with dignity and respect and provide them with a safe and healthy environment.”).

<sup>10</sup> ILO Conventions 121 (Employment Injury Benefits), 158 (Termination of Employment), Article 6; and 190 (Violence and Harassment); Bangladesh Labour Act (2006), Article 26; CLC Special Agreement on Labor Codes of Conduct, Sched. I, § II.B.1, 6 and 8; New Wave Group, Code of Conduct for Suppliers.

nearby. However, roughly five workers were grievously injured and required hospitalization and long-term medical care. All five of these seriously injured workers were admitted to a hospital in Tangail, a neighboring district to Gazipur, where the factory is located.

While Niagara paid for the initial hospitalization charges for the five injured employees, the factory did not pay for the workers' medicines and tests in the hospital, for which the employees had to incur significant out-of-pocket expense. Niagara's Compliance Officer, a manager named Sumon, told the hospitalized workers to preserve their medical bills as the factory would reimburse them for these expenses later. However, as discussed below, no such payment was subsequently made.

After being discharged from the hospital, five of the workers who had suffered the most serious injuries still needed additional medical care, for which the factory also did not compensate them. Moreover, due to their injuries, these employees were not able to return to their regular work, however, as detailed below, the factory did not provide them with accommodations for the disabilities they continued to experience due to their having been injured in the employer-provided transportation.

As discussed below, by refusing both to pay their medical bills and to provide the workers with reasonable accommodations for their injuries so that they could resume working at the factory, Niagara constructively terminated these five workers, by directing them to resign in the hopes of obtaining terminal compensation from the company. However, as detailed herein, this terminal compensation ultimately was not paid to the workers. Furthermore, in the case of one of the workers, when she complained of this mistreatment, she was threatened with physical violence by a manager.

Details of the cases of these five most seriously injured workers are discussed below.

**a. Ms. A., Sewing Operator - Fractured Leg and Pelvis**

**i. Factual Findings**

The employee, Ms. A., who had worked at the factory for 11 years, was seriously injured in the April 29, 2021, accident, suffering a fractured left thigh and pelvis. She was brought to Kumudini Hospital by Niagara's Compliance Officer, Sumon, and was not released until May 6, 2021, more than two weeks later.

Ms. A. was released from the hospital with her leg still in a cast and still needing further treatment for her fractured pelvic bone. The doctors who treated her prescribed a period of complete rest followed by a long-term course of physical therapy.

Ms. A. received the prescribed treatment: first, complete rest at an ayurvedic (South Asian holistic medicine) center and, then, daily inpatient physical therapy at a private hospital. After one month of this treatment, Ms. A. returned to her residence in Gazipur, where she received outpatient physical therapy for two more months at the Tanha Health Care Center in the Konabari area of Gazipur.



While undergoing treatment at these healthcare facilities, Ms. A. incurred charges of almost BDT 112,100. Since Niagara management did not pay for her treatment, Ms. A. was compelled to take loans to cover these costs.

Ms. A. went to the Niagara factory on November 20, 2021, where she met with the managers, Tariqul and Asad from the factory's timekeeping section, and requested that the company reimburse her for the medical expenses she had incurred for treatment of the injuries she suffered while commuting to the factory in employer-provided transportation. However, the manager, Tariqul, told her that the company refused to pay for her medical expenses and suggested that Ms. A. resign and use her severance to pay the medical bills.

As Ms. A. was in desperate need of money to repay the loans she had taken for her medical expenses, she agreed and signed a resignation letter that was written for her by the manager, Asad. The timekeeping section manager, Tariqul, then told Ms. A. that she would be informed of the amount of severance she would be paid after the company decided on the date of disbursement.

Niagara did pay Ms. A. her salary from April through June 2021. However, she was not paid any wages thereafter, and, after she was compelled to resign from the factory in November 2021, Niagara did not actually pay Ms. A. for the severance benefits and other dues she was owed under Bangladeshi law.<sup>11</sup>

Niagara's refusal—first to pay for Ms. A.'s medical treatment after she was severely injured while commuting to work on a company-provided bus and, subsequently, to either continue paying her wages or to pay her statutory severance and other terminal benefits—had a severe impact on her and her family. The medical debt and loss of income she incurred made Ms. A. unable to pay household costs and afford educational expenses for her children. As a result, Ms. A.'s husband deserted her, taking her children with him.

## ii. *Findings of Violations*

Under international labor standards and, by extension, university and brand codes of conduct, employers are required to pay for all medical treatment needed by workers who suffer occupational injuries.<sup>12</sup> Unless all of the worker's medical treatment for the injury is paid by the government (which was not the case here), this requirement also applies when the injury is suffered by the worker in the course of commuting to the workplace in employer-provided transportation.<sup>13</sup> Niagara's refusal to pay for Ms. A.'s physical therapy and other medical expenses after the April 2021 accident violated this international standard and, accordingly, university and brand codes of conduct as well.

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<sup>11</sup> Bangladesh Labour Act (2006), § 26.

<sup>12</sup> ILO Convention 121 (Employment Injury Benefits Convention), Articles 6, 9(a); CLC Special Agreement on Labor Codes of Conduct, Sched. I, § II.B.6 (“Health and Safety: Licensees shall provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of Licensee facilities.”); New Wave Group, Code of Conduct for Suppliers (“Factories must treat all workers with dignity and respect and provide them with a safe and healthy environment.”).

<sup>13</sup> ILO Convention 121 (Employment Injury Benefits Convention), Article 7.

International labor standards also prohibit employers from terminating workers on account of injuries that render them temporarily unable to work.<sup>14</sup> Niagara violated this standard by constructively terminating Ms. A. on account of her injury, when it refused to pay the costs of medical treatment for the injuries she suffered in the course of commuting to the workplace in employer-provided transportation, which forced her to resign from her employment in the hopes of receiving severance.

Following her constructive termination by Niagara, the company further violated Ms. A.'s rights by failing to pay her the severance and other terminal compensation that she was owed under Bangladeshi law.<sup>15</sup> The WRC calculated that, for her unpaid medical expenses, unpaid severance, and other statutory dues, and back pay from June 2021 through May 2023, Ms. A. was owed a total of BDT 430,200 (USD 3,936).<sup>16</sup>

## **b. Ms. B., Sewing Operator – Severe Leg Injury**

### **i. Factual Findings**

Niagara employee, Ms. B., who had 19 years of service with the factory, was taken to the Tanha Health Care Center by Niagara's Compliance Officer, Sumon, with a severe injury to her right leg that she suffered in the April 29, 2021, bus accident. Ms. B. was discharged from the hospital after receiving treatment the following day.

However, following her discharge, Ms. B. still had to visit the hospital every second day, for the next one and a half months, to have her bandage changed. Moreover, on June 23, 2021, Ms. B. was hospitalized again, this time for eight more days, to undergo skin graft surgery for her injured leg.

When Ms. B. was admitted to the Tanha Health Care Center, Niagara's Compliance Officer, Sumon, had told her that the company would pay for all her medical expenses from the crash and that Ms. B. should preserve the bills. However, Niagara did not pay for the costs of the medical treatments that Ms. B. needed as a result of the injuries she suffered in the crash, which occurred while she was traveling to the factory in unsafe company-provided transportation.

Ms. B. incurred charges of BDT 67,535 (USD 618) for her medical treatment, but these were not paid by Niagara, despite the company Compliance Officer, Sumon, having assured her that they would be. Ms. B. went back to Niagara on August 4, 2021, and met with the company's Timekeeping Officer, Tariqul, and requested that the company reimburse the medical costs that she had incurred as a result of her injuries.

Tariqul asked Ms. B. to meet with the factory's doctor, who stated that Ms. B. could return to work. Ms. B. subsequently was assigned to work on the fifth floor of the factory as a sewing operator.

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<sup>14</sup> ILO Convention 158 (Termination of Employment), Article 6.

<sup>15</sup> Bangladesh Labour Act § 26.

<sup>16</sup> This includes termination benefits under the Bangladesh Labour Act § 26 of BDT 80,500 (basic wages of BDT 5,367 per month times 15 months; rounded), back pay of BDT 237,600 (gross wages of BDT 9,900 per month times 24 months), and unreimbursed medical expenses of BDT 112,100.

However, Ms. B. was only able to work for 15 days before she began to suffer pain from her leg injury.

Ms. B. spoke with Asad, a manager in the factory's timekeeping section, and requested two months of unpaid leave to fully recuperate from her injury. However, Asad advised Ms. B. to resign so she could use her severance to pay for the medical expenses that the factory had refused to reimburse.

Ms. B. resigned on August 19, 2021, but kept working at the factory until October 19, 2021, in order to receive her full legal service benefit. However, when she left the factory in October 2021, Ms. B. was not paid any of her severance or her salary for the hours she worked in October, which, along with her regular work shifts included 45 hours of overtime.

## ii. Findings of Violations

Under international labor standards and, by extension, university and brand codes of conduct, employers are required to pay for all medical treatment needed by workers who suffer occupational injuries.<sup>17</sup> Unless all of the worker's medical treatment for the injury is paid by the government, this requirement also applies when the injury is suffered by the worker in the course of commuting to the workplace in employer-provided transportation.<sup>18</sup> Niagara's refusal to pay for Ms. B.'s medical expenses after the April 2021 accident, including the skin graft surgery, violated this international standard and, accordingly, university and brand codes of conduct as well.

International labor standards also prohibit employers from terminating workers on account of injuries that render them temporarily unable to work.<sup>19</sup> Niagara violated these standards by constructively terminating Ms. B. on account of her injury, by refusing to give her leave from work, and by refusing to pay the costs of medical treatment for the injuries she suffered in the course of commuting to the workplace in employer-provided transportation, which forced her to resign from her employment in the hopes of receiving severance.

Following her constructive termination by Niagara, the company further violated Ms. B.'s rights by failing to pay her the severance and other terminal compensation that she was owed under Bangladeshi law.<sup>20</sup> Niagara also violated Bangladeshi labor law<sup>21</sup> by not paying Ms. B. her wages for October 2021, including wages for the overtime hours performed that month. The WRC estimated that Ms. B. was due at least BDT 404,668 (USD 3,703) for unreimbursed medical expenses, unpaid severance, unpaid wages, and overtime, and back pay from the date of her last wages from Niagara to the present.<sup>22</sup>

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<sup>17</sup> ILO Convention 121 (Employment Injury Benefits Convention), Articles 6, 9(a).

<sup>18</sup> ILO Convention 121 (Employment Injury Benefits Convention), Article 7.

<sup>19</sup> ILO Convention 158 (Termination of Employment Convention), Article 6.

<sup>20</sup> Bangladesh Labour Act § 26.

<sup>21</sup> Bangladesh Labor Act § 121 ("Responsibility for payment of wages. Every employer shall be liable to pay to workers employed by him all wages required to be paid under this Act: Provided that in the case of all other workers, except any worker employed by a contractor, the Chief Executive Officer, the manager or any other person responsible to the employer for the supervision and control of an establishment shall also be liable for such payment.").

<sup>22</sup> This includes termination benefits under the Bangladesh Labour Act § 26 of BDT 135,010 (basic wages of BDT 5,870 per month times 23 months), unpaid regular wages for 19 days of BDT 7,786, unpaid overtime wages of BDT 2,565 for

**c. Ms. C., Sewing Operator – Fractured Pelvis**

**i. Findings of Fact**

Employee Ms. C., who had worked at the factory for 16 years and was injured in the accident on the company-provided bus, was taken to Kumudini Hospital by Niagara’s Compliance Officer, Sumon, on April 29, 2021, with a fractured pelvic bone. Ms. C. received medical treatment at the hospital and was finally discharged on May 8, 2021.

After being discharged from the hospital, Ms. C. was required to continue her treatment with physical therapy. Ms. C. received physical therapy for the following three months, during which time she could not resume work at the factory.

Through Niagara’s manager, Sumon, some of Ms. C.’s hospital charges were paid. However, Ms. C. incurred out-of-pocket costs for medicines and laboratory charges, which the Niagara Compliance Officer, Sumon, said the factory would reimburse later. Ms. C. incurred BDT 109,438 in charges for her medical treatment.

Ms. C., who still walks with a limp and needs regular medical intervention for pain management, was not able to resume working at the factory. Niagara did not reimburse her medical expenses as had been promised and, moreover, did not pay her wages after May 2021.

Ms. C. went to the factory in the second week of October 2021 to seek reimbursement of her medical expenses and to return to work. She met with the manager, Tariqul, from the factory’s timekeeping section, who told Ms. C. that the factory would neither reimburse her for her medical bills nor let her return to work at the factory.

The manager, Tariqul, then advised Ms. C. to resign and use her terminal compensation to pay for her medical expenses. Tariqul then wrote out a resignation letter that Ms. C. signed. However, Niagara did not subsequently pay Ms. C. her severance and other terminal compensation as had been promised.

**ii. Findings of Violations**

Under international labor standards and, by extension, university and brand codes of conduct, employers are required to pay for all medical treatment needed by workers who suffer occupational injuries.<sup>23</sup> Unless all of the worker’s medical treatment for the injury is paid by the government, this requirement also applies when the injury is suffered by the worker in the course of commuting to the workplace in employer-provided transportation.<sup>24</sup> Niagara’s refusal to pay for Ms. C.’s medical

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45 hours, back pay of BDT 191,772 (gross wages of BDT 10,654 per month times 18 months), and unreimbursed medical expenses of BDT 67,535.

<sup>23</sup> ILO Convention 121 (Employment Injury Benefits Convention), Articles 6, 9(a); CLC Special Agreement on Labor Codes of Conduct, Sched. I, § II.B.6 (“Health and Safety: Licensees shall provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of Licensee facilities.”); New Wave Group, Code of Conduct for Suppliers (“Factories must treat all workers with dignity and respect and provide them with a safe and healthy environment.”).

<sup>24</sup> ILO Convention 121 (Employment Injury Benefits Convention), Article 7.

expenses after the April 2021 accident, including her physical therapy, violated this international standard and, accordingly, university and brand codes of conduct as well.

International labor standards also prohibit employers from terminating workers on account of injuries that render them temporarily unable to work.<sup>25</sup> Niagara violated these standards by constructively terminating Ms. C. on account of her injury, by refusing to allow her to return to work and refusing to pay the costs of medical treatment for the injuries she suffered in the course of commuting to the workplace in employer-provided transportation, which forced her to resign from her employment in the hopes of receiving severance.

Following her constructive termination by Niagara, the company further violated Ms. C.'s rights by failing to pay her the severance and other terminal compensation that she was owed under Bangladeshi law.<sup>26</sup> The WRC calculated that Ms. C. was owed BDT 405,838 (USD 3,713) from Niagara on account of her unpaid severance, unreimbursed medical expenses, and back pay from the date of her last wages from Niagara to the present.<sup>27</sup>

#### **d. Ms. D., Sewing Operator – Left Leg Fracture and Laceration**

##### **i. Findings of Fact**

The employee, Ms. D., was taken to Kumudini Hospital by Niagara's Compliance Officer, Sumon, after the bus accident on April 29, 2021, with a compound fracture and lacerations of her left leg. Ms. D. was discharged from the hospital on May 8, 2021, with her leg in a cast. The cast on her leg was removed on August 22, 2021.

During this period, Ms. D. had to make several visits to the hospital for medical treatment. Ms. D. incurred BDT 30,681 in medical expenses that Niagara did not pay despite Niagara Compliance Officer Sumon's assurance that it would.

Ms. D. returned to the Niagara factory at the end of August 2021 and met the factory's doctor in the presence of the fifth floor Line Chief, Mr. Lokman, and the Compliance Officer, Sumon, to request reimbursement of her medical expenses and to return to her regular work. After examining Ms. D., the factory's doctor advised her to rest for a few more months and return to work after she had made a full recovery.

Before Ms. D. left the factory, Niagara's Compliance Officer, Sumon, made photocopies of all her medical papers and assured her that her medical expenses would be reimbursed immediately. However, Ms. D. subsequently did not receive any such reimbursement from the factory.

Ms. D. returned to the factory again in January 2022 and met with the manager, Tariqul, from the factory's timekeeping section and another Compliance Officer, Nahid. She again requested

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<sup>25</sup> ILO Convention 158 (Termination of Employment Convention), Article 6.

<sup>26</sup> Bangladesh Labour Act § 26.

<sup>27</sup> This includes termination benefits under the Bangladesh Labour Act § 26 of BDT 90,000 (basic wages of BDT 4,500 per month times 20 months), back pay of BDT 206,400 (gross wages of BDT 8,600 per month times 24 months), and unreimbursed medical expenses of BDT 109,438.

reimbursement of her medical expenses. The managers asked Ms. D. to return to work at the factory on its fifth floor.

When Ms. D. told them that it would be impossible for her to climb the stairs to the fifth floor with her crutches, Tariqul advised her to resign and take her severance, which she could then use to pay off her medical expenses. Ms. D. then signed a prewritten resignation letter and gave it to the Compliance Officer Nahid. However, Ms. D. was never paid her severance nor her reimbursement for her medical expenses.

## ii. *Findings of Violations*

Under international labor standards and, by extension, university and brand codes of conduct, employers are required to pay for all medical treatment needed by workers who suffer occupational injuries.<sup>28</sup> Unless all of the worker's medical treatment for the injury is paid by the government, this requirement also applies when the injury is suffered by the worker in the course of commuting to the workplace in employer-provided transportation.<sup>29</sup> Niagara's refusal to pay for Ms. D.'s medical expenses after the April 2021 accident violated this international standard and, accordingly, university and brand codes of conduct as well.

International labor standards also prohibit employers from terminating workers on account of injuries that render them temporarily unable to work.<sup>30</sup> Niagara violated these standards by constructively terminating Ms. D. on account of her injury, by conditioning her to return to work on her working on the factory's fifth floor, despite the disability from the bus accident that made this impossible, and refusing to pay the costs of medical treatment for the injuries she suffered in the course of commuting to the workplace in employer-provided transportation, which forced her to resign from her employment in the hopes of receiving severance.

Following her constructive termination by Niagara, the company further violated Ms. D.'s rights by failing to pay her the severance and other terminal compensation that she was owed under Bangladeshi law.<sup>31</sup> The WRC calculated that Ms. D. was owed at least BDT 380,720 (USD 3,484) from Niagara on account of her unpaid severance, unreimbursed medical expenses, and back pay, from the date of her last wages from Niagara to the present.<sup>32</sup>

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<sup>28</sup> ILO Convention 121 (Employment Injury Benefits Convention), Articles 6, 9(a); CLC Special Agreement on Labor Codes of Conduct, Sched. I, § II.B.6 (“Health and Safety: Licensees shall provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of Licensee facilities.”); New Wave Group, Code of Conduct for Suppliers (“Factories must treat all workers with dignity and respect and provide them with a safe and healthy environment.”).

<sup>29</sup> ILO Convention 121 (Employment Injury Benefits Convention), Article 7.

<sup>30</sup> ILO Convention 158 (Termination of Employment Convention), Article 6.

<sup>31</sup> Bangladesh Labour Act § 26.

<sup>32</sup> This includes termination benefits under the Bangladesh Labour Act § 26 of BDT 98,039 (basic wages of BDT 5,767 per month times 17 months), back pay of BDT 252,000 (gross wages of BDT 10,500 per month times 24 months), and unreimbursed medical expenses of BDT 30,681.

**e. Ms. E., Cutting Section Operator – Suffered Fractured Right Leg and Threatened with Violence by Company Manager for Complaining of Mistreatment**

**i. Findings of Fact**

Employee Ms. E., who has worked at the factory for four years, was transferred to Kumudini Hospital from Modern Hospital in Shafipur on April 29, 2021, with a compound fracture in her right leg that she had suffered in the bus accident. Ms. E. was discharged from the hospital on May 2, 2021, with a cast on her leg.

Ms. E. suffered complications during the treatment of her injury and the cast on her leg had to be reapplied multiple times during this two-month period. Throughout this time, Ms. E. visited the factory several times to meet with the factory's doctor and Niagara's compliance officers.

After removing her cast in June 2021, the factory's doctor told Ms. E. that she could resume work. However, when she tried to resume working, her right leg became swollen which made it impossible for her to continue.

Ms. E. then met with Niagara's Timekeeping Section Officer, Tariqul, and requested leave to recover from her injury more fully. However, Tariqul responded by summoning the Niagara's Compliance Officer, Sumon, and then ordering Ms. E. to submit a letter of resignation from her job.

Ms. E. refused to sign the resignation letter that Tariqul directed her to submit, and she demanded that Niagara provide her compensation. The Compliance Officer, Sumon, then took Ms. E. to meet with the factory's Compliance Officer, Nahid, who—in the presence of a company Compliance Officer, Rumana, and Timekeeping Officer, Alamgir—assured Ms. E. that, if she resigned voluntarily, Niagara would pay her the terminal compensation she was due, by no later than July 1, 2021. Having been so promised by the manager, Ms. E. signed three blank sheets of paper that Nahid provided.

Ms. E. returned to the factory on July 1, 2021, to collect the terminal compensation that the company had promised to pay her. Ms. E. met again with the managers, Rumana, Alamgir, and Sumon. When Ms. E. inquired about the termination compensation that the factory had promised to pay her, Alamgir responded, "Listen, you will not get any money [from Niagara], rather you must pay 30,000 to 40,000 *taka* [BDT] to the company for your hospital bill".

Upon hearing this callous response, Ms. E. became upset and asked the managers as to why was she being penalized for an accident that happened for no fault of her own while she was traveling to work on factory-provided transportation. At this, the manager, Rumana, became angry and threatened to physically beat Ms. E. Two women security personnel then were called who escorted Ms. E. out of the factory, without being paid any of the funds she had been promised.

**ii. Findings of Violations**

Under international labor standards and, by extension, university and brand codes of conduct, employers are required pay for all medical treatment needed by workers who suffer occupational

injuries.<sup>33</sup> Unless all of the worker’s medical treatment for the injury is paid by the government, this requirement also applies when the injury is suffered by the worker in the course of commuting to the workplace in employer-provided transportation.<sup>34</sup> Niagara’s refusal to pay for Ms. E.’s medical expenses after the April 2021 accident violated this international standard and, accordingly, university and brand codes of conduct as well.

International labor standards also prohibit employers from terminating workers on account of injuries that render them temporarily unable to work.<sup>35</sup> Niagara violated these standards by ordering Ms. E. to resign from her employment rather than providing her additional leave to recover from her injury, and refusing to pay the costs of medical treatment for the injuries she suffered in the course of commuting to the workplace in employer-provided transportation, which forced her to resign from her employment in the hopes of receiving severance.

Following her constructive termination by Niagara, the company further violated Ms. E.’s rights by failing to pay her the severance and other terminal compensation that she was owed under Bangladeshi law.<sup>36</sup> The WRC calculated that Ms. E. was due BDT 251,466 (USD 2,301) for severance and other terminal compensation, unreimbursed medical expenses, and back pay from the date of her last wages from Niagara to the present.<sup>37</sup>

Finally, the manager, Rumana, violated international labor standards, and university and buyer codes of conduct when she threatened Ms. E. with physical violence for complaining about the factory denying her legally due terminal benefits, an act of misconduct to which the managers, Sumon and Alamgir, became accessories by failing to correct or disavow.<sup>38</sup>

## **B. Truck Accident on Factory Premises in October 2022 Caused Injury and Death of a Worker**

The WRC’s investigation found that on October 26, 2022, a truck reversed into and crushed two women workers from Niagara while they were on the factory premises. The accident, which occurred while the workers were standing behind this heavy vehicle, resulted in the death of one of these workers, Ms. F., and severe injury to and hospitalization of the other worker, Ms. G.

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<sup>33</sup> ILO Convention 121 (Employment Injury Benefits Convention), Articles 6, 9(a); CLC Special Agreement on Labor Codes of Conduct, Sched. I, § II.B.6 (“Health and Safety: Licensees shall provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of Licensee facilities.”); New Wave Group, Code of Conduct for Suppliers (“Factories must treat all workers with dignity and respect and provide them with a safe and healthy environment.”).

<sup>34</sup> ILO Convention 121 (Employment Injury Benefits Convention), Article 7.

<sup>35</sup> ILO Convention 158 (Termination of Employment Convention), Article 6.

<sup>36</sup> Bangladesh Labour Act § 26.

<sup>37</sup> This includes termination benefits under the Bangladesh Labour Act § 26 of BDT 34,456 (basic wages of BDT 4,307 per month times eight months), back pay of BDT 207,750 (gross wages of BDT 8,310 per month times 25 months), unreimbursed medical expenses of BDT 9,260. This amount came to BDT 251,466. BDT 20,000 had been paid by Niagara, as discussed below, making the total due to Ms. E. BDT 231,466.

<sup>38</sup> ILO Convention 190 (Violence and Harassment); CLC Special Agreement on Labor Codes of Conduct, Sched. I, § II.B.8 (“No employee shall be subject to any physical ... or verbal harassment or abuse.”); New Wave Group, Code of Conduct for Suppliers (“The factory does not engage in or permit physical acts to ... coerce workers.”).



The WRC found that, as they were waiting to leave the factory at the end of their shift on October 26, 2022, at about 5:00 p.m., Niagara employees Ms. F. and Ms. G. were crushed by a truck, while they were standing on the entrance path to the factory, between two trucks that were parked there. Niagara workers use this route to enter and exit the factory, as do heavy vehicles dropping off or picking up materials. One of these trucks' drivers did not see the workers standing behind his vehicle, and, when the driver backed out of the spot where the truck was parked, the truck struck the workers.

University and buyer codes of conduct require that suppliers of collegiate apparel comply with their duty to ensure employees' health and safety in the workplace.<sup>39</sup> Where workers are injured in conjunction with their employment, the affected workers must be provided with medical care. Moreover, consistent with relevant international labor standards, university codes of conduct require that where the accident causes permanent disability, trauma, or loss of life, the worker or their surviving dependents must be compensated for the loss of the income the employee would otherwise have earned during their working life.<sup>40</sup>

The WRC found that Niagara had failed to fully pay for the medical care of the injured worker, Ms. G., and had not paid sufficient monetary compensation for the family of the deceased worker, Ms. F., to comply with university standards. In addition, the WRC found that the factory needed to improve its safety practices by separating the routes by which workers and heavy vehicles enter and exit the facility.

## **1. Death of Worker Ms. F.**

### **a. Findings of Fact**

After being struck by the truck, the employee, Ms. F., collapsed at the site of the accident and was later declared dead by doctors at the National Heart Foundation Hospital, where she was taken by Niagara's managers. Ms. F. had worked at the factory as a cleaner and, as attested to by her national and company identification documents, was 80 years old at the time of her death, although other workers at the factory had estimated her to be significantly younger than this.

Ms. F. was survived by two grandchildren, ages 20 and 22, and their father, her widowed son-in-law in his 40s, with whom she lived. Ms. F. had earlier lost both her husband and daughter.

When Ms. F. failed to return home after her shift at the factory on October 26, 2022, one of her grandchildren went to the factory to ask about her whereabouts. When Ms. F.'s grandchild arrived at

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<sup>39</sup> CLC Special Agreement on Labor Codes of Conduct, Sched. I, § II.B.6 ("Health and Safety: Licensees shall provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of Licensee facilities."); New Wave Group, Code of Conduct for Suppliers ("Factories must treat all workers with dignity and respect and provide them with a safe and healthy environment.").

<sup>40</sup> ILO Convention 121 (Employment Injury Benefits Convention); CLC Special Agreement on Labor Codes of Conduct, Sched. I, § II.B.6 ("Health and Safety: Licensees shall provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of Licensee facilities.").

the factory, the plant security guard told Ms. F.'s grandchild that Ms. F. had been taken to a hospital for medical care.

Ms. F.'s family member then tried to reach Ms. F. on the latter's cell phone, which was answered by a Mr. Shahid, who is the owner of a bus company contracted by Niagara to provide transportation for the factory's workers. Mr. Shahid told Ms. F.'s relative that Ms. F. was involved in an accident and had been taken to the National Heart Foundation Hospital where she was undergoing medical treatment. When Ms. F.'s grandchild went to the hospital, he was informed that Ms. F. had died due to her injuries. The family collected her body and buried her the next morning.

The owner of the factory-contracted bus company, Mr. Shahid, told Ms. F.'s family that he would negotiate with Niagara for compensation for the family for their loss. Ms. F.'s family received BDT 167,000 (USD 1,607), an amount negotiated by Mr. Shahid, as compensation for the death of this worker in the accident at the factory.

Mr. Shahid is reportedly a prominent and influential member of the community where Ms. F.'s family lives. Given Mr. Shahid's ongoing business relationship with Niagara, however, he had a clear conflict of interest negotiating with the company for compensation for Ms. F.'s family members.

## **b. Findings of Violations**

Under university codes of conduct, when workers are killed at factories that have been disclosed as suppliers of collegiate goods, their families must be compensated at a level consistent with international labor standards, specifically, ILO Convention 121 (Employment Injuries Benefits), which takes into account the age and dependency status of the family members, as well as the expected future earnings of the deceased worker had the accident not occurred.<sup>41</sup> In this case, the compensation due to Ms. F.'s family was significantly limited by the fact that her surviving family members were all adults of working age, and Ms. F., at the age of 80, was already well past the average age of retirement. However, even given these limitations, the BDT 167,000 (USD 1,607) that Ms. F.'s family received from Niagara, as negotiated by Mr. Shahid, failed to meet this international standard and, therefore, failed to comply with university codes of conduct.

## **2. Severe Injury to Worker Ms. G.**

### **a. Findings of Fact**

The other victim of the accident at the factory in October 2022, the employee, Ms. G., survived being crushed by the truck but was seriously injured and was subsequently hospitalized. Ms. G. reported that she could not recall the accident and only regained consciousness at the hospital, where she underwent medical treatment. According to Ms. G., the doctors who treated her told her that she suffered internal bleeding.

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<sup>41</sup> ILO Convention 121 (Employment Injury Benefits Convention), Articles 6, 9(a); CLC Special Agreement on Labor Codes of Conduct, Sched. I, § II.B.6 ("Health and Safety: Licensees shall provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of Licensee facilities.").

Ms. G. returned to work on December 20, 2022, to the same position. During her two-month absence from work, the factory continued to pay her monthly salary. However, the factory did not pay for all of the medical expenses that Ms. G. incurred after returning home from the hospital.

## **b. Findings of Violations**

Under university codes of conduct, and consistent with applicable international labor standards (ILO Convention 121), workers at factories that have been disclosed as suppliers of collegiate goods who are injured on the job must be fully compensated for the costs of the medical treatment needed for their injuries.<sup>42</sup> Because Niagara failed to provide Ms. G. with full compensation for the cost of her medical treatment, the company violated university codes of conduct related to occupational safety and health.

## **C. Risk of Future Vehicular Accidents at the Workplace**

### **1. Factual Findings**

The WRC found a significant and ongoing risk to workers' safety at Niagara from the use of the same entry and exit route by both workers entering and exiting the facility and heavy motor vehicles making deliveries to and pick-ups from the factory, with no means to separate vehicular traffic and the workers' route to enter and exit the facility on foot.

### **2. Findings of Violations**

Due to the unacceptable and avoidable risk of additional tragedies caused by the failure to separate the areas for heavy vehicles from spaces used by pedestrian workers at the factory, the WRC found that Niagara was in violation of university and brand codes of conduct in relation to occupational health and safety.<sup>43</sup>

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<sup>42</sup> ILO Convention 121 (Employment Injury Benefits Convention), Articles 6, 9(a); CLC Special Agreement on Labor Codes of Conduct, Sched. I, § II.B.6 (“Health and Safety: Licensees shall provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of Licensee facilities.”).

<sup>43</sup> CLC Special Agreement on Labor Codes of Conduct, Sched. I, § II.B.6 (“Health and Safety: Licensees shall provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of Licensee facilities.”); New Wave Group, Code of Conduct for Suppliers (“Factories must treat all workers with dignity and respect and provide them with a safe and healthy environment.”).

## **IV. Recommendations for Corrective Action**

### **A. Corrective Action for 2021 Accident Seriously Injuring Workers in Employer-Provided Transportation**

The WRC recommended that Niagara address the violations of university and brand codes of conduct found by the WRC in relation to this accident by:

- Reimbursing the five workers who were the most seriously injured in this accident for all medical and rehabilitation expenses that the factory had not paid for these employees;
- Paying the five seriously injured workers all statutory severance benefits due to employees who are involuntary terminated without cause;
- Providing the five seriously injured workers with back pay from the date of their constructive termination by the factory to the present;
- Issuing the five seriously injured workers offers of reinstatement to comparable positions at the factory with accommodations for any continuing disability from the 2021 accident;
- Disciplining the manager who threatened one of the workers, Ms. E., with physical violence for complaining of the company's failure to reimburse her medical expenses; and
- Improving the safety of employer-provided bus transportation by ensuring operation by qualified and credentialed drivers, equipment of buses with speed-limiting devices, and provision of sufficient buses to prevent overcrowding.

### **B. Corrective Action for 2022 Vehicular Accident Which Killed and Injured Workers**

The WRC recommended that Niagara address the violations of university codes of conduct found by the WRC in relation to this accident by:

- Providing additional compensation, consistent with international labor standards, to the family of the worker killed in this accident, Ms. F.;
- Fully reimbursing the worker who was seriously injured in this accident, Ms. G., for medical and rehabilitation expenses; and
- Implementing measures to keep the movement of heavy vehicles on the factory premises separate and safe from workers on foot.

## V. Factory and Licensee Response and Current Status of Remediation

### A. 2021 Accident in Employer-Provided Bus Transportation Which Seriously Injured Five Workers

With respect to the 2021 accident, Niagara acknowledged that their company-provided bus met with a serious accident while workers were on their way to work, injuring many workers with several of them requiring hospitalization. Niagara stated that, at the time of the accident, the factory covered the medical costs for the immediate treatment of the five seriously injured workers and informed the injured workers that the factory would reimburse their follow-up medical expenses.

Niagara claimed that none of the five seriously injured workers approached them for any reimbursement of additional medical expenses and that all of these workers voluntarily resigned from the factory as this was the wish of their families. Niagara's claims in this regard were contradicted by the mutually consistent and detailed testimony of the injured workers, who stated that they approached the factory managers several times for reimbursement of their medical bills and each time were refused.

As discussed, workers also testified consistently and in detail that factory managers actively encouraged them to resign from the factory to obtain their severance benefits in order to pay their medical bills. Since Niagara claimed that all five workers had resigned voluntarily, its position was that they were not due statutory severance nor back pay and reinstatement.

Niagara also claimed that its manager had not threatened the worker, Ms. E., with violence for complaining of the factory's failure to pay her unreimbursed medical expenses, however, the worker had testified to this consistently, credibly, and in detail.

Since it was undisputed that the factory had not reimbursed workers for their medical expenses for rehabilitation from their injuries from the accident, the workers' resignation from the factory in order to obtain funds to pay for these expenses could not be considered voluntary and, instead, represented constructive termination (involuntary resignation). As a result, the workers were owed statutory severance payments and, moreover, had the right to back pay to the date when they were offered reinstatement to their positions, which was not until June 2023.

Prior to providing this back pay, Niagara managers, in May 2023, contacted one of the five workers, Ms. E.; brought her to the factory in a company vehicle; and paid her, in return for signing what was termed a "full and final settlement" of her claims from her injuries, BDT 20,000 (USD 185). However, this amount was less than 10 percent of the BDT 251,466 (USD 2,160) that the WRC had determined that this worker must be paid for unreimbursed medical expenses, severance, and back pay (along with an offer of reinstatement of employment) to adequately remedy the violation of her rights under university labor rights licensing standards. Therefore, the WRC found that, even considering this BDT 20,000 payment, Niagara was still required to pay the worker an additional BDT 231,466.

Finally, Niagara also asserted that it had already paid BDT 46,700 in compensation to Ms. C. pursuant to a conciliation agreement reached with a labor union official under the auspices of the

Bangladesh government labor authorities. The worker testified credibly, however, that she had no knowledge of this agreement and had received none of this compensation.

Niagara did not provide any documentation to indicate that the payment had been made to the worker, Ms. C., rather than to the labor union official, or that the worker had knowledge of, much less acceded to, the settlement. Since the worker should not bear the cost of Niagara having paid this sum to an apparently unscrupulous labor union official rather than, as basic due diligence required, to the worker, herself, the WRC determined that the BDT 46,700 Niagara asserted it had paid to the unscrupulous labor union official should not be offset against the amount of BDT 405,838 that the WRC had found the worker was owed for unreimbursed medical and physiotherapy expenses, severance, and back pay.

Having thoroughly reviewed and considered Niagara's responses to the WRC's findings and recommendations, the WRC reaffirmed its determination that, in order to remedy the outstanding violations of university codes of conduct, the factory was required to provide—and Cutter & Buck / New Wave Group as licensee must ensure—payment of the full amounts of compensation to the five workers for unreimbursed medical expenses, severance, and back pay and, as specified above, adjusted only for the BDT 20,000 paid to the worker Ms. E. in May 2023, along with offers of reinstatement of employment with reasonable accommodations for disability.

After extensive engagement with Niagara by the WRC, Cutter & Buck, and its parent company, New Wave Group, a meeting was set for June 11, 2023, at the offices of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). This meeting was attended by the five workers and the representatives of the WRC, Niagara, and New Wave Group. At this meeting, Niagara:

- Paid, in bearer (immediately cashable) checks to the worker, Ms. A., BDT 430,200; to the worker, Ms. B., BDT 404,668; to the worker, Ms. C., BDT 405,838; to the worker, Ms. D., BDT 380,720; and to the worker, Ms. E., BDT 231,466; and
- Provided each of these workers with a letter of reinstatement, with reasonable accommodations for disability, good for 60 days from date of issue.

In addition, Niagara provided the WRC with documentation that it had issued a disciplinary warning to its manager who had threatened one of the workers, Ms. E., with physical violence and that the manager in question had apologized. Finally, Niagara promised to provide the WRC, by no later than June 30, with documentation that it has implemented the additional safety measures recommended by the WRC for employer-provided transportation for factory workers.

## **B. Corrective Action for 2022 Vehicular Accident Which Killed and Injured Workers on Factory Workers**

In February 2023, Niagara paid the family of Ms. F., the 80-year-old worker killed in the accident, a total of BDT 291,798, which was received by the deceased worker's grandson. In addition, Niagara provided documentation that it had applied to a fund administered by the BGMEA for additional compensation of BDT 200,000 to be paid directly to Ms. F.'s family.

New Wave Group / Cutter & Buck committed to the WRC that if this compensation was not received by the family by January 2024, then the former would directly compensate the family. Also in February 2023, Niagara paid the outstanding medical expenses of BDT 6,735 to the injured worker, Ms. G.

Finally, Niagara provided photographic evidence to the WRC that it had implemented additional safety measures inside the factory premises to prevent similar tragedies in the future, including having a specific demarcated walkway for workers and a segregated vehicle parking area. The WRC will regularly monitor the maintenance of these safety measures, as well as the payment of the additional BDT 200,000 compensation to the family of the deceased worker, Ms. F.



Figure 2: Payment of Compensation to Grandson of Deceased Worker

## VI. Conclusion

The WRC finds that, through the remedial actions already implemented and/or committed to by Niagara, the factory has substantially remedied the violations of university codes of conduct identified by the WRC in relation to the serious and tragic accidents that impacted workers at the factory in 2021 and 2022.

Although the injuries and the fatality to workers in question should have been avoided, the additional safety measures already implemented and/or committed to by Niagara should substantially reduce the risk of such tragedies recurring in the future.

Moreover, although the treatment of the workers injured in the accidents and the family of the deceased worker, Ms. F., failed to respect their rights under university codes of conduct, the corrective actions recently taken by the factory have provided them with substantial economic support and a measure of greater justice than they were previously afforded.

Throughout this process, Cutter & Buck as licensee, and New Wave Group as its parent company, fully recognized and accepted their responsibility to ensure the remediation that university codes of conduct required. Their representatives worked closely and consistently with the WRC in engaging extensively and substantively with Niagara to bring about this positive outcome.



Figure 3: Traffic Safety Improvements at Factory