

To: WRC Affiliate Universities and Colleges
From: Scott Nova and Manodeep Guha
Date: December 16, 2022
Subject: Successful Payments to Additional Workers at Uni Gears (Bangladesh)

Uni Gears Ltd, an apparel factory in Bangladesh, paid US\$5,094 to five workers on November 23, 2022. This disbursement constituted full payment to all Uni Gears workers who had been identified as not receiving their full severance pay in April 2020. At that time, the factory forced a number of workers to resign in order to reduce the employer's terminal compensation obligations, [as detailed in a previous WRC case brief](#). Uni Gears Ltd. manufactures collegiate-licensed goods for the licensee Outerstuff and produces non-collegiate apparel for Walmart, Target, and Craghoppers, among others.



Uni Gears workers after receiving the funds they were owed on November 23, 2022

The WRC had first engaged with Uni Gears in 2020 after a WRC investigation revealed that the company had forced a number of workers to resign. In Bangladesh, workers who resign are legally entitled to considerably less terminal compensation than those who are dismissed, so these forced resignations constituted an effort by the factory to avoid paying workers the severance pay to which they were legally entitled. The WRC informed the university licensee, Outerstuff, which engaged the factory at the WRC's urging. This led to the full severance payment of US\$12,063 for 11 workers in March 2021.

During the period of initial engagement, however, there were indications that other former employees of the factory—in addition to the 11 workers who had received funds—had been impacted as well. Over the past year, the WRC conducted further outreach in the community around the factory and located five additional former workers who had experienced similar incidents. These five workers have now been made whole.

By making this payment to the remaining five workers who had come forward to claim their severance dues, Uni Gears has now paid a total of US\$17,157 to 16 affected workers—amounting to an average of 10 months' salary for each of these workers. The distribution of payments to the workers were based on calculations approved by the WRC and was coordinated and monitored by a WRC representative.