Summary Report:
THIRD PARTY COMPLAINT—JOEANNE DOMINICANA
(DOMINICAN REPUBLIC)

On March 20, 2013, the labor union federation “Federación Dominicana de Trabajadores de Zonas Francas, Industrias Diversas y de Servicios” (FEDOTRAZONAS) in the Dominican Republic filed a Third Party Complaint with the Fair Labor Association (FLA) regarding the factory JoeAnne Dominicana, located in Santiago de los Caballeros, Dominican Republic. The Complainant alleged violation of the freedom of association of workers, who began to meet in January 2013 with the intention of forming a union at JoeAnne Dominicana. According to the complaint, workers who participated in organizing meetings held outside of the factory in January were identified and singled out by management for dismissal. On March 22, 2013, the FLA accepted the complaint for review at Step 2 of the Third Party Complaint process. FLA requested that brands sourcing from the factory – FLA-affiliated brands Franklin Sports and Fruit of the Loom, and Dick’s Sporting Goods (an adidas-group licensee) – investigate the allegations and their remediation status, and report to the FLA within 45 days. On April 2, the three companies agreed to waive the 45-day internal investigation period and to support the engagement of an independent third-party expert to assess the situation and make recommendations.

Independent Investigation

On April 3, 2013, the FLA engaged Comisión para la Verificación de Códigos de Conducta (COVERCO) to conduct an independent investigation at JoeAnne Dominicana focusing on the following:

1. Whether the environment within the factory allows workers to freely organize a union of their own choosing.
2. The allegations that workers who attended a meeting at FEDOTRAZONAS’ offices on January 24, 2013, were terminated for their alleged sympathy toward unionization.
3. Alleged statements by management to the effect that worker terminations were related to their participation in the organization of a union.

COVERCO conducted fieldwork for its investigation between April 9 and 12, 2013. In the first phase of the investigation, COVERCO conducted 48 interviews of workers, managers (including the General Manager, Human Resources Manager and President and CEO of the company), the workers dismissed between January 28 and February 8, 2013,
leaders of FEDOTRAZONAS, the factory’s legal counsel, and civil society organizations
in the area. In the second phase, COVERCO reviewed personnel records of active
workers and of former workers dismissed during October 2012 and January and February
2013. The factory was fully cooperative in terms of interviews and access to records.

Findings

1. A meeting was held on January 24, 2013 at the headquarters of
FEDOTRAZONAS attended by 6-7 workers of JoeAnne Dominicana; the
objective of the meeting was organizing a union at JoeAnne Dominicana.
2. The effort to establish a union became known to supervisors and managers at
3. Between January 28 and 31, 2013, at least 6 workers involved in the union
meetings were dismissed; according to worker testimony, the dismissed workers
were identified as “union members.”

Recommendations

1. JoeAnne Dominicana should compensate for lost wages and reinstate dismissed
workers involved in the formation of the union.
2. Ensure that JoeAnne Dominicana will not discriminate against workers involved
in future efforts to form a union.
3. Include in JoeAnne Dominicana’s worker induction program, policies and
procedures respecting the right of freedom of association and banning anti-union
discrimination; implement through an institution or an expert a continuous
program and objective evaluation of the knowledge acquired through training
regarding policies and procedures respecting the right of freedom of association
and banning anti-union discrimination.
4. JoeAnne Dominicana should provide training on human relations to all employees
and on conflict resolution to all managers, including middle management and
supervisors.
5. JoeAnne Dominicana should develop a policy and procedure to deal with seasonal
employment adjustments that would include, in addition to seniority, other
measureable and objective indicators.
6. FLA-affiliated brands, through JoeAnne Dominicana, should communicate to all
workers their commitment to respect freedom of association and collective
bargaining.
7. FLA-affiliated brands to ensure JoeAnne Dominicana’s compliance with the
remediation plan and commitments.

1 The COVERCO assessment report is available in English and Spanish at
www.fairlabor.org/reports/joannedominicana.
Remediation Plan

JoeAnne Dominicana and the FLA-affiliated brands have developed the following remediation plan:

<table>
<thead>
<tr>
<th>Action items</th>
<th>Responsible</th>
<th>Due Date</th>
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<tbody>
<tr>
<td>Take steps to ensure that there will be no discrimination against workers</td>
<td>CEO and Company President/ General Manager/ Human Resources Manager</td>
<td>June 10, 2013</td>
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<td>involved in future efforts to form a union.</td>
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<tr>
<td>Include in its orientation program, policies and procedures, the prohibition</td>
<td>General Manager/ Human Resources Manager</td>
<td>June 10, 2013</td>
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<td>of acts of anti-union discrimination and the recognition of employees’</td>
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<td>freedom of association.</td>
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<tr>
<td>Implement training programs to ensure that these policies and procedures</td>
<td>General Manager/ Human Resources Manager</td>
<td>July 31, 2013</td>
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<td>are known at JoeAnne Dominicana.</td>
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<tr>
<td>Implement human resources training concerning conflict resolution techniques</td>
<td>General Manager/ Human Resources Manager</td>
<td>July 31, 2013</td>
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<td>for managers, middle managers and supervisors.</td>
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<td>Develop a policy describing the procedures for evaluating which employees</td>
<td>General Manager/ Human Resources Manager</td>
<td>June 12, 2013</td>
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<td>should be terminated as a result of fluctuations in workload at the JoeAnne</td>
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<td>Dominicana facility.</td>
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<td>Offer a comparable position and pay lost wages to the six dismissed workers</td>
<td>Human Resources Manager</td>
<td>June 15, 2013</td>
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<td>identified in the COVERCO report.</td>
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In addition to the remedial actions above, the FLA staff recommends the following actions in order to help strengthen the implementation of the remediation plan and contribute to the improvement of the industrial relations environment at JoeAnne Dominicana:

- Develop and implement disciplinary procedures that respect the right to due process of workers, especially in cases of dismissals. Workers should be properly informed of the procedures;

- Develop and implement a grievance system that would ensure confidentiality. Workers should be properly informed of the system;

- Consider establishing a temporary ombudsperson position to help mediate between workers and management, assess the industrial relations climate in the factory, and recommend appropriate training based on needs. The ombudsperson should provide FLA-affiliated companies with monthly updates of the implementation of the remediation plan.
Next Steps

The FLA will monitor the implementation of the above remediation plan, particularly the reinstatement of workers, and will commission an independent verification of progress in the last quarter of 2013.