



## **FINAL REPORT REGARDING JOEANNE DOMINICANA IN THE DOMINICAN REPUBLIC APRIL 2014**

In March 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 violations 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 complainant, workers who participated in organizing meetings were identified and singled out for dismissal, with six workers who participated in such meetings subsequently dismissed. The FLA accepted the complaint for review at Step 2 of the Third Party Complaint process and requested that the 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. As the three companies waived the 45-day internal investigation period, the FLA engaged Comisión para la Verificación de Códigos de Conducta (COVERCO) to conduct an independent investigation at JoeAnne Dominicana and report its findings and recommendations.

COVERCO conducted the fieldwork for its investigation between April 9 and 12, 2013. In June 2013, the FLA published COVERCO’s report confirming that the right of freedom of association of workers attempting to form a union at JoeAnne had been breached and making a series of recommendations to redress the rights of affected workers and to prevent future breaches. Based on COVERCO’s recommendations, JoeAnne Dominicana’s management, working together with the FLA-affiliated brands, developed a remediation plan that began to be applied in June 2013.<sup>1</sup>

In February 2014, the FLA commissioned the Fundación Laboral Dominicana (FLD), a labor rights organization based in Santiago, Dominican Republic, to verify the implementation of the remediation plan at JoeAnne Dominicana. The FLD’s verification team visited JoeAnne Dominicana on February 19-20, 2014 and reviewed documents substantiating the implementation of the plan, interviewed representatives of management and of the union’s organizing committee, and also interviewed workers and mid-level managers of the enterprise.

The FLD verification team found that, generally speaking, JoeAnne Dominicana fulfilled the vast majority of the remediation plan, although remediation needs to be strengthened or completed with respect to others:

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<sup>1</sup> COVERCO’s assessment report, in English and Spanish, is available at [www.fairlabor.org/reports/joannedominicana](http://www.fairlabor.org/reports/joannedominicana)

- The process of reinstatement of the workers dismissed in January 2013 that was carried out by the company fulfilled the agreements and recommendations embodied in the remediation plan. The affected workers were also paid for lost wages during the period when they affected by the dismissal.
- There is documentary evidence that JoeAnne Dominicana has adopted policies and procedures regarding non-discrimination, including the development of a document setting out norms and policies with respect to non-discrimination and freedom of association that is part of the induction process. JoeAnne Dominicana has also implemented a training program addressing non-discrimination and freedom of association. Although JoeAnne Dominicana has implemented an education and personnel sensitization program that has created an environment of tolerance of freedom of association and non-discrimination with respect to union membership, there remains at the factory a climate of apathy and apprehension toward participation in the union, which the verifiers attribute to the employment crisis in the sector and the fear of intolerance by other companies -- workers believe they will not be able to find employment at other factories because of their participation in a union and hold the strong belief that unionized companies do not remain in business.
- With respect to the training plan for workers, supervisors and mid-level managers implemented by the factory, the verifiers consider that in terms of (1) the number of participants; (2) the number of effective training hours; and (3) the methodology used, the plan has been useful but insufficient and it should be repeated and updated. Similarly, while significant progress has been made, the company needs to make transparent the criteria for determining workers to be dismissed as part of employment reductions.
- Finally, in the judgment of the verification team, the Mediator has fulfilled the role he was assigned in the remediation plan and his continued presence at the factory is related to new allegations raised by the union federation FEDOTRAZONAS outside of the framework of the remediation plan that was the subject of the current independent verification.

The full report of the verification, in English and Spanish, is available at:  
<http://www.fairlabor.org/reports/joannedominicana>.

The FLA will continue supporting the implementation of the remediation plan and the collaborative process between JoeAnne Dominicana management and the union federation FEDOTRAZONAS.