

## Villa Altagracia Project Factory: Compliance Assessment Process

This document outlines the procedures for the verification of compliance with applicable labor standards at the Villa Altagracia Project facility located in Villa Altagracia, Dominican Republic and owned by Alta Gracia Project Holdings, Ltd.

### Applicable Labor Standards

The labor standards with which the facility is obligated to comply are those enumerated in the Worker Rights Consortium document titled “Labor Standards for the Villa Altagracia Project Factory.” These standards are an amplification of the standing WRC Model Code of Conduct and differ from the Model Code in that they 1) contain stronger and more detailed obligations with respect to living wage and freedom of association, and 2) are adapted specifically for the Dominican Republic. In addition, the factory is subject to the codes of conduct of colleges and universities that are licensors of Alta Gracia Project Holdings, Ltd and any firms sourcing collegiate apparel from the factory.

### Monitoring Procedures

In order to verify compliance with the code, the WRC will undertake the following activities:

- Ongoing monitoring of compliance with the living wage requirement, through regular review of factory payroll records and through worker interviews and review of worker pay slips to ensure that factory records match actual payments to workers.
- Ongoing monitoring of compliance with all other code standards through:
  - Interviews and other communications with union representatives, if applicable (at least every other week)
  - Interviews and other communication with individual workers, conducted off-site, at locations workers choose (at least monthly)
  - Interviews and other communications with factory managers (at least every other week)
  - Regular review of other relevant factory records (on an ad hoc basis)
  - Regular visits to the facility (at least every other week)
  - Real-time troubleshooting, in consultation with all stakeholders, as needed

- Periodic top-to-bottom assessments of compliance, including off-site interviews with workers in locations they choose, interviews with factory managers and supervisors, a review of all relevant documentary records maintained at the worksite, and an inspection of the facility's work environment, machinery, and safety gear.
- Issue-specific assessments, as needed. An issue-specific assessment may be triggered by a worker complaint or by the WRC when it identifies an issue of concern through its ongoing communications with stakeholders. A mechanism will be maintained to enable workers to submit confidential complaints to WRC staff. When complaints are received, there will be a timely and thorough inquiry focused on the subject of the complaint.

The WRC recognizes that the most effective day-to-day monitoring of compliance with labor standards is performed by workers and their representatives, acting through democratic labor organizations. In recognition of this reality, the WRC's monitoring process includes the following elements:

- The WRC will consult with the factory-level union on an ongoing basis throughout the monitoring process.
- If, at any point, the workers in the factory are not organized into a union, the WRC will conduct a top-to-bottom compliance assessment every four-to-six months.

### Remediation

The factory is subject to the following conditions with respect to the remediation of instances of non-compliance with the project's standards.

- In the event of a finding of a violation of the program's standards, the factory is obligated to act in a timely fashion to correct the violation.
- If and when a violation is identified, the WRC will provide factory management and representatives of AG Triada, LLC with detailed recommendations for remedial action – developed in consultation with workers, their representatives, and other stakeholders – and an associated timeline to complete such actions.
- If a violation is not corrected within the timeframe specified, the WRC reserves the right to withdraw its verification of compliance. Under such circumstances, the factory and AG Triada, LLC shall relinquish the right to place a WRC hangtag on the product or make any other public reference to the WRC's verification, until such time as the WRC has confirmed that the violation has been corrected. If a pattern of repeated violations occurs, the WRC can withdraw the right of AG Triada, LLC to use the WRC hangtag, and to make any other public reference to WRC verification of compliance, for an extended period of time or permanently, at the WRC's sole discretion.

## Public Reporting

The WRC will make public, by posting on its website, the results of all top-to-bottom compliance assessments. The WRC will also make public, through the same means, the results of all issue-specific investigations, except where the worker(s) concerned and/or duly elected worker representatives object.