



**WORKER RIGHTS
CONSORTIUM**



**WORKER RIGHTS CONSORTIUM
VERIFICATION REPORT
Re: Labor Rights Compliance at Altagracia Project Factory
(Dominican Republic)**

FINDINGS

February 28, 2020

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I. Introduction

This report documents compliance with labor rights standards at the Villa Altagracia Project Factory (henceforth “Alta Gracia” or “the factory”), located in Villa Altagracia, Dominican Republic. The Worker Rights Consortium (WRC) carries out comprehensive and regular monitoring to ensure that Alta Gracia is complying with the enhanced labor standards to which it has committed, which include the payment of a living wage to all workers and guarantees of respect for freedom of association.¹

Since the time of the factory’s inception, the WRC has undertaken intensive and constant monitoring at Alta Gracia. The WRC’s monitoring includes weekly visits to the factory, ongoing contact with workers and worker representatives, regular communication with factory management and owners, and a thorough review of documents and legal standards. The WRC’s monitoring for the period covered in this report, which is September 1, 2018, to August 31, 2019, confirms that Alta Gracia is, for the tenth consecutive year, in compliance with the elevated labor standards to which the factory has committed.²

During the current monitoring period, the WRC collected and reviewed evidence related to labor rights compliance at Alta Gracia and maintained communication with all interested parties. During this period, worker representatives raised specific complaints with regard to employee wages and with regard to harassment and abuse. However, the WRC’s thorough investigation of these allegations did not result in findings of labor rights violations.

In January 2019, the Alta Gracia factory was forced into a temporary suspension of production after an investor unexpectedly withdrew an expected capital investment. Upon learning that the suspension would be necessary, the factory met with the union and, together, workers and management developed a plan to navigate this difficult situation. The WRC was engaged with both parties throughout this process to ensure that the company was acting with transparency and that all decisions were made in consultation with the workers and their representatives. Ultimately, and fortunately for all involved, the suspension lasted only eight days and the factory was able to pay the workers for the days that they were not at the factory.³

Such unplanned suspensions of production are, unfortunately, not unusual in the garment industry, given the environment of economic volatility in which factories operate. What is unusual is for a factory to consult closely with, and work in partnership with, workers and their union in managing the crisis, rather than making decisions unilaterally and with little consideration for the hardship such crises can create for workers. As in the course of its normal operations, Alta Gracia proved, in a moment of crisis, to be a model for the industry.

¹ “Labor Standards and Verification” for the Villa Altagracia Project Factory available on the WRC website, https://www.workersrights.org/wp-content/uploads/2019/10/Alta-Gracia-Labor-Standards_updated-October-2019.pdf.

² The past nine monitoring verification reports prepared by the WRC on Alta Gracia can be viewed on the WRC website, <https://www.workersrights.org/our-work/alta-gracia/wrc-monitoring-and-public-reports/>.

³ The WRC issued an update to affiliate universities on January 22, 2019, outlining the circumstances that led to the suspension and the steps that the company took to resolve the situation. This update is available on the WRC website: <https://www.workersrights.org/communications-to-affiliates/alta-gracia-update/>.

Despite this significant challenge during the current monitoring period, Alta Gracia continues to distinguish itself from other apparel factories operating in the Global South. The factory's payment of a living wage to its employees enables them to enjoy quality of life standards far superior to those of other garment workers in the Dominican Republic and around the world. The workers tell stories of improved nutrition, building or improving their homes, and sending their children to school, including to university, all as a result of their living wage salary. Alta Gracia works diligently to ensure that potential violations related to workers wages' and hours and occupational health and safety are quickly identified and remedied. While these kinds of problems are common occurrences in garment factories around the world, what is unique about Alta Gracia is the factory's willingness to review possible complaints and promptly take action to remedy them. The Alta Gracia factory is further differentiated from other garment facilities by the fact that its employees have freely organized an independent trade union. The union operates without interference from management and factory managers meet regularly with union leaders to address and resolve workplace issues. Both the union and the entire workforce are treated with a level of respect that is highly uncommon in garment factories around the world.

As of August 31, 2019, the close of the current monitoring period, the WRC found Alta Gracia to be in full compliance with its labor rights obligations, including those required by Dominican law, those set forth in university codes of conduct, and the superior standards to which the factory has agreed to comply.

II. About the Factory

Alta Gracia, located in the Villa Altagracia Free Trade Zone in the San Cristobal province of the Dominican Republic, is a cut-and-sew facility that produces university licensed apparel, including t-shirts, sweatshirts, and pants. At the end of the current monitoring period, August 31, 2019, the factory employed a total of 121 workers.

The Alta Gracia factory was founded in 2009 with a commitment to pay a living wage, fully respect freedom of association, and uphold labor standards that exceed those required by Dominican law and traditional university and corporate codes of conduct. The parent company at the time, Knights Apparel, signed an agreement with a Dominican labor union federation and the WRC affirming its commitment to these principles. At the time of the factory's inception, the WRC calculated a living wage for the Dominican Republic based on a rigorous study of the basic costs incurred by garment workers in the country. The factory agreed to pay workers no less than the WRC's living wage calculation and, since 2009, has made an annual adjustment to the wage to account for inflation. The agreement also includes important commitments by Alta Gracia to respect workers' right to freedom of association and to maintain compliance with all Dominican and international labor standards. The WRC knows of no other garment factory in the world that has agreed to and fulfilled such commitments.

In 2015, Knights Apparel was acquired by Hanesbrands and Alta Gracia Project Holdings Limited was spun off into an independent company. The company's US operations are now owned by the investment group AG Triada based in Atlanta, Georgia, and its CEO is Barry Davison.

For the tenth consecutive year, Alta Gracia management has provided the WRC with unrestricted access to the factory. The WRC makes weekly visits to the factory where it has the opportunity to interview employees, seek information from worker representatives, inspect factory health and safety conditions, meet with management, and review relevant records. The WRC is aware of no other export apparel factory in the world that provides this level of access and transparency to an independent monitoring organization.

As a part of the agreement between the WRC and Alta Gracia, the WRC allows the company to place a hangtag on garments produced at the factory by which the WRC confirms that these garments are assembled at a factory that respects workers' rights and pays a living wage. The WRC grants the company permission to affix the hangtag conditional upon Alta Gracia's continued compliance with all applicable labor rights standards.

III. Monitoring Methodology

To verify compliance with the labor standards adopted by Alta Gracia, the WRC carries out monitoring in accordance with the following protocol:

- Ongoing monitoring of compliance with the living wage requirement, through regular review of factory payroll records, worker interviews, and a 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); and
 - 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 is 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.

IV. Applicable Standards and Findings

A. Wages and Benefits

Code Requirements

The factory shall pay employees, as a floor, wages and benefits which comply with all applicable laws and regulations and which provide for the essential needs of and establish a dignified living wage for employees and their families. The living wage must be provided by the “take-home” or “net” pay earned by an employee working a country’s legal maximum workweek which, in the case of the Dominican Republic, is 44 hours, exclusive of any overtime, and without requiring any work to be performed during meal or rest periods. A living wage is the amount of money required, based on local market prices, to meet the basic needs (housing, energy, nutrition, clothing, healthcare, education, potable water, childcare, transportation, and savings) of an employee and two dependent children.

At the time of the factory’s inception in 2010, the Worker Rights Consortium determined, through a country-specific market basket analysis, that the living wage in the Dominican Republic was, at that time, 222,042 Dominican Pesos per year, serving as the basis for the Living Wage Standard. Each year, the WRC adjusts this calculation based on inflation in the Dominican Republic. To comply with the Living Wage Standard, all employees in the factory must be paid a gross wage sufficient to result in take-home pay of the adjusted living wage for the current year.

In order to be in full compliance with the living wage standard, the factory must:

- a. Pay all employees in the factory at least the Living Wage Standard, regardless of an individual employee’s level of production for a regular workweek, exclusive of any overtime hours. The only bonus that may be considered as payment toward fulfillment of the living wage obligation is the annual mandatory Christmas bonus, which all employees in the Dominican Republic receive regardless of production level. All production bonuses, all other non-mandatory bonuses and incentives, and all compensation for overtime hours must be paid in addition to the Living Wage Standard.*
- b. Make no deductions from employees’ pay other than those mandated by contract or by law.*
- c. Pay employees for any overtime hours at the premium rate required by law, using the Living Wage Standard, or the actual straight time wage, whichever is higher, as the basis for calculating the premium rate.*
- d. Employ all employees on a year-round basis and compensate them in accordance with the Living Wage Standard, without unpaid lay-offs or furloughs, so that the annual wage earned by a given employee – not including non-mandatory bonuses, incentives, and overtime – is consistent with the Living Wage Standard. The only circumstances under which an employee may receive less than the living wage over the course of a year is if*

the employee, of his or her own volition, takes unpaid leave for some portion of that year. Unpaid leave is time off that is taken voluntarily and that is not required, by law or by contract, to be compensated as paid vacation, paid sick leave, or other paid leave. Compliance with this requirement by the factory may be suspended only with advance request to and agreement by the union representing workers at the factory. Such a request shall only be made by the factory in cases of force majeure or other exceptional circumstances necessitating non-seasonal suspension or termination of operations at the factory.

- e. Minimize the use of temporary and part-time employees so that, in the course of a year, no more than 10% of the hours worked at the factory are worked by individuals who are not full-time, year-round employees. Pay any part-time or temporary employees no less than the Living Wage Standard for all regular hours worked, plus any applicable bonuses, incentives, and overtime pay.*
- f. Ensure that the value of the living wage is not eroded through inflation by adjusting the Living Wage Standard in November of each year to account for the increase in the cost of living over the prior twelve months, if any, as measured by the Dominican Central Bank. If a union is present in the factory, the factory may, at the union's request, modify the schedule for revising the Living Wage Standard to incorporate the revision into the collective bargaining process, provided that employees are made whole for any loss of wages due to delay in the revision of the Living Wage Standard that may result. Wages must be increased to reflect increases in the cost of living, but there will be no reduction in wages in the event of deflation.*
- g. Treat the living wage standard, in the context of collective bargaining, as a floor for negotiations, rather than the upper limit of what employees may earn. The factory's management must bargain over wages and benefits with any duly constituted union at the factory.*

Findings

For the current monitoring period, the WRC found Alta Gracia to be in full compliance with all provisions of the Living Wage Standard.

In keeping with our monitoring protocols, the WRC verified compliance by conducting a detailed review of factory payroll records and hour logs for 12 pay periods, one per calendar month, between September 1, 2018, and August 31, 2019. The WRC also interviewed Alta Gracia workers and reviewed individual pay stubs to ensure that the factory continues to comply with the Living Wage Standard.

By way of its review, the WRC was able to verify that Alta Gracia continues to pay its workers a living wage. A review of payroll documents and pay stubs, together with information provided by workers during off-site worker interviews, confirmed that following a wage adjustment that was implemented on November 15, 2018, Alta Gracia workers earned no less than 5,997.07

Dominican pesos (US\$116.74⁴) per week, not including compensation for overtime hours performed. This is equivalent to a monthly salary of 25,983.67 Dominican pesos (US\$505.50)⁵, which is more than two and a half times the salary that is earned by other garment workers in the country.

Alta Gracia's Living Wage Agreement stipulates that the factory will make an annual adjustment to the workers' wage to ensure that the amount paid to workers continues to qualify as a living wage and does not erode as a result of inflation. The collective bargaining agreement (CBA) signed between the factory management and the SITRALPRO workers' union further clarifies this by requiring that the factory increase workers' salary by four percent each year in the month of November and allows for the parties, following a review of the consumer price index for the previous year, to discuss adjusting the four percent figure up or down if the inflation rate is significantly higher or lower than four percent.⁶

The most recent increase to the living wage occurred just following the end of the current monitoring period. On October 22, 2019, as stipulated by the terms of the CBA signed between the parties, the WRC notified both parties that the inflation rate for the period September 2018 to September 2019 was 2.02%.⁷ Subsequent to this notification, the parties met to discuss the inflation rate and agreed that the company would increase workers' salaries by four percent, as established in the CBA. Effective November 15, 2019, workers at Alta Gracia are earning a weekly wage that is no less than 6,235.95 Dominican pesos (US\$121.39) per week.

The WRC verified that, during the current monitoring period, Alta Gracia complied with the payment of overtime hours as required by Dominican law and in accordance with the Living Wage Standard.

Alta Gracia's regular work schedule differs from the standard Dominican workweek. The standard workweek in the Dominican Republic consists of five, eight-hour workdays, Monday through Friday, and a four-hour workday on Saturday for a total of 44 hours per week.⁸ Since the time of the factory's inception, Alta Gracia has employed a schedule of 44 total hours that consists of four nine-and-a-half-hour shifts Monday to Thursday and one six-hour shift on Friday. This schedule allows workers time during a business day (Friday) to take care of personal matters and to spend more time with their families on the weekend. Given that the standard workweek at Alta Gracia is completed by Friday afternoon, Alta Gracia pays workers for any

⁴ For the purposes of this report, the WRC has used the exchange rate from Dominican pesos (DOP) to US dollars reported on the last day of the reporting period, August 31, 2019, which was US\$1:DOP 51.37.

⁵ This figure is based on the Dominican calculation of a monthly wage, which is averaged as 23.83 eight-hour workdays per month and outlined by the Dominican Ministry of Labor in Resolution No. 14-2017, <http://www.omlad.gob.do/ResolucionesSalariales.aspx>.

⁶ Collective Bargaining Agreement between Altagracia Project and Workers Union of Altagracia Project (SITRALPRO), Article 6.4.3.

⁷ Central Bank of the Dominican Republic, <http://www.bancentral.gov.do/>.

⁸ Dominican Labor Code, Articles 147 and 148.

hours worked after the completion of the 44-hour workweek at an overtime premium of 100 percent for all overtime hours worked.⁹

During the current monitoring period, workers identified isolated incidents in which a newly-installed time clock system had not properly noted the number of overtime hours worked. However, these workers reported to the WRC that, after reporting the specific incidents to the factory's human resources department, the error was promptly corrected and the workers were paid the legally required amount for all overtime hours worked.

The WRC's review of factory payroll documents once again confirmed that Alta Gracia's calculation of payroll deductions complies with Dominican law. The factory deducted the required 5.91% combined deduction for employee contributions to the national pension and health care systems.¹⁰ The factory also deducted 45 Dominican pesos (US\$0.88) per week for union dues for those union members who have authorized this deduction. The WRC verified that the dues collected by the company were remitted to the union.

As a part of our review of payroll documents, the WRC found that there were isolated instances in which the factory had provided incomplete paperwork for unpaid absences. In these cases, the factory had filed a document detailing the name of the worker, the reason for the absence, and the number of hours of work missed but had not solicited the worker's signature on these documents, which would show that the worker was in agreement with the deduction of his or her salary for the missed hours of work. After discovering on a limited number of occasions that the employee's signature was missing from these documents, the WRC requested management be diligent in its efforts to ensure that workers were signing these documents affirming their agreement that they had taken leave without pay. After the WRC made this request to management, the factory promptly remedied this issue and the problem ceased to appear in subsequent reviews of payroll.

The WRC found that Alta Gracia complied with the Living Wage Standard with regard to the use of temporary workers. The Standard states that the total number of hours of work performed by temporary employees during a year may not exceed 10 percent of the total number of hours performed at the factory during this same period. During the current monitoring period, the factory did make use of temporary workers during the months of May to August 2019. WRC monitoring of the number of hours performed by temporary workers confirmed that the total number of hours did not exceed the 10 percent limit established by the Standard.

The WRC reviewed the files of workers who were fired or resigned from the factory's employment and found that Alta Gracia had handled these cases in an appropriate manner. A total of 81 workers were severed from the company's employment during the current monitoring period. However, a total of 60 of these workers had been hired on a temporary, seasonal contract.

⁹ Dominican law defines overtime rates based on the traditional work schedule, as referenced in the previous footnote and differing rates are assigned to the overtime premium rate, depending on the day of the week and the time of day that overtime is performed, Labor Code, Articles 203 and 204.

¹⁰ Dominican Labor Code, Article 201, and Law 87-01 on the Dominican Social Security System.

All of the workers who were owed severance¹¹ were paid these benefits in full, as required by law.¹² In all cases, severance was calculated at the rate of the Living Wage Standard and based on the employees' length of service. As stipulated by law, the payments were made within a period of 10 days following the date that each worker's contract was terminated.¹³

B. Working Hours and Overtime

Code Requirements

Working Hours: Employees shall not be required to work more than 44 hours per week and are entitled to no less than 36 consecutive hours of rest, at least once per week.

Overtime Compensation: All overtime hours must be worked voluntarily by employees. In addition to their compensation for regular hours of work, employees shall be compensated for overtime hours as follows: 1) For hours in excess of 44 hours and up to 68 hours in a single week, at a rate 35% above of the normal wage; 2) For hours in excess of 68 hours in a given week, at a rate 100% above the normal wage; 3) For hours worked on holidays, at a rate 100% above the normal wage.

Findings

During the monitoring period, as in past years, Alta Gracia maintained hours of operation from 7:30 a.m. until 5:30 p.m. from Monday to Thursday with an unpaid lunch break between 12:00 and 1:00 p.m. and on Friday from 7:00 a.m. to 1:00 p.m. with a paid, half an hour break from 9:00 a.m. to 9:30 a.m. This reflects a modification from the factory's original schedule, which required workers to report to work a half an hour earlier Monday through Thursday with a 25-minute paid break from 9:00 until 9:25 a.m. The modified schedule from Monday to Thursday, which allows workers to come in a half an hour later, omitting the paid break from 9:00 a.m. to 9:25 a.m., was agreed upon by management and workers and implemented during the 2015-2016 monitoring period. During the current monitoring period, in response to discussions held with the SITRALPRO union, the factory instituted a five-minute break at 3 p.m. that allows workers the opportunity to stretch and move around before returning to their workstations to finish their daily shift.

Workers continue to be paid for a total of 44 hours per week, a schedule that complies with Dominican law.¹⁴ As outlined in the previous section, all hours that are worked at the end of the workweek, which concludes on Friday at 1:00 p.m., are considered overtime and are paid at a premium of 100%.

¹¹ Dominican law requires payment of severance to all workers who have been in the company's employment for a period of more than four months and therefore excluded some of the temporary workers. See Dominican Labor Code, Article 29.

¹² Dominican Labor Code, Article 80.

¹³ Dominican Labor Code, Articles 80 and 86.

¹⁴ Dominican Labor Code, Article 157.

Based on the WRC's verification of factory payroll, as outlined in the previous section, the WRC found Alta Gracia to be in compliance with the standard related to working hours and overtime.

C. Child and Forced Labor

Code Requirements

Child Labor: The factory shall not employ any person at an age younger than 16.

Forced Labor: There shall not be any use of prison labor, indentured labor, bonded labor, or other forced labor.

Findings

The WRC's monitoring during the current monitoring period found Alta Gracia to be in full compliance with the standards for child and forced labor. The WRC's finding is based on regular interviews with workers and factory leaders and the WRC's observation of working conditions and employees at the factory during its weekly visits to the factory.

D. Health and Safety

Code Requirements

The factory shall provide a safe and healthy working environment to prevent accidents, illnesses, and other injuries to health arising out of, linked to, or occurring in the course of work or as a result of the factory's operations. The factory shall comply with the health and safety laws and regulations of the Dominican Republic.

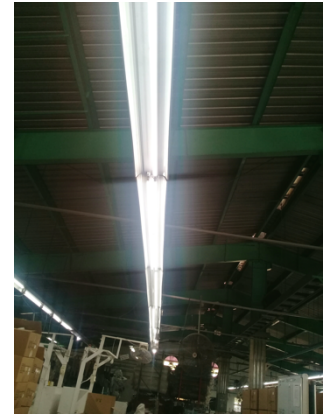
Findings

As documented in the WRC's previous monitoring reports, Alta Gracia has been a model factory with regard to compliance with national and international health and safety standards. At the time of its founding and during the early years of its operation, the factory submitted to rigorous assessment by specialists in the field of industrial health and safety to ensure that operations were established under optimal health and safety conditions.¹⁵ The factory has strived not only to meet the minimum requirements outlined by Dominican law but to listen to workers about new ideas of how to improve the factory's health and safety conditions and to make constant improvements to this end.

During the current monitoring period, the Health and Safety Committee implemented and oversaw a number of improvements to the factory. Factory management reported to the WRC that, in June 2019, Alta Gracia invested approximately US\$75,000 in the purchase of new equipment and chairs for workers. Specific improvements to the factory's physical installations included the following:

¹⁵ To read more about the establishment of Alta Gracia's health and safety program, view the WRC's previous monitoring reports at <https://www.workersrights.org/our-work/alta-gracia/wrc-monitoring-and-public-reports/>.

- In March 2019, the factory purchased a new vacuum cleaner to clean up fabric dust on the factory floor.
- In past reporting periods, the WRC reported on the factory's improvement to lighting in some parts of the factory. In May 2019, 24 additional lights were replaced with LED lighting, which provides improved illumination for workers on the factory floor.
- The factory continued to pursue measures to improve its cooling system this monitoring period. In June 2019, the factory repaired the plant's exhaust fans and purchased 14 new fans. The factory also acquired a water pump that helps to keep the factory cool through a rooftop cooling system.
- In May 2019, Alta Gracia purchased 38 new chairs that meet appropriate ergonomic standards for garment workers.
- In July 2019, the factory purchased three new water coolers to provide additional sources of drinking water for factory employees.



The factory continued to improve illumination on the factory floor during the current monitoring period.



The installation of additional fans helps to provide additional ventilation.

As per requirements of Dominican law, Alta Gracia has a functioning Health and Safety Committee. The Committee is comprised of six members, one of whom is a representative of the SITRALPRO union.¹⁶ In the WRC's monitoring report on Alta Gracia for the previous monitoring period, September 2017 - August 2018,¹⁷ we noted the fact that the company fell short of the legal requirement that the Committee should meet one time per month.¹⁸ In its report, the WRC recommended that the factory ensure that the Committee was compliant with the law by holding a meeting once every month. During the current monitoring period, the Committee met a total of eight times. While this represented an improvement over the previous monitoring period, the factory did not fully comply with the requirement that the Committee should meet once a month.

Recommendation

The WRC continues to recognize Alta Gracia's efforts to maintain excellence in factory health and safety and to invest resources into making continued improvements. The WRC's sole recommendation with regard to factory health and safety is that the factory continue to make every effort to ensure that the Health and Safety Committee comply with Dominican labor law by holding a



The factory purchased new chairs that meet ergonomic standards for garment workers.

¹⁶ Regulation 522-06 on Safety and Health in the Workplace and Resolution 04-2007, Article 6.2.1.

¹⁷ Worker Rights Consortium, "Verification Report Re: Labor Rights Compliance at Altagracia Project Factory (Dominican Republic)," 15-16, February 15, 2019.

¹⁸ Regulation 522-06 on Safety and Health in the Workplace and Resolution 04-2007, Article 6.4.2.

meeting once every month. The WRC will continue to monitor the factory's compliance with this requirement.

E. Nondiscrimination

Code Requirements

No person shall be subjected to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.

Findings

The WRC found no evidence during the current monitoring period of discrimination in hiring, promotion, or treatment in the workplace. Workers and union representatives report that there is no discrimination on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.

F. Harassment and Abuse

Code Requirements

Every employee shall be treated with dignity and respect. No employee shall be subjected to any physical, sexual, psychological, or verbal harassment or abuse. The factory will not use or tolerate any form of corporal punishment.

Findings

The WRC found no evidence of harassment or abuse at Alta Gracia during the current monitoring period. This assessment was based on interviews with workers and union representatives that were conducted on an ongoing basis.

G. Collective Bargaining and Freedom of Association

Code Requirements

The factory shall recognize and respect the rights of employees to freedom of association and collective bargaining. No employee shall be subjected to harassment, intimidation, or retaliation in their efforts to freely associate or bargain collectively. The factory shall not cooperate with any effort by governmental agencies or other organizations to use the power of the State to prevent employees from organizing a union of their choice. The factory shall allow union organizers free access to employees. Consistent with Dominican law, the factory shall recognize the union of the employees' choice as their representative for purposes of collective bargaining.

In addition, the factory must maintain an open attitude toward the unionization of the factory and its employees' participation in union activities and a positive approach towards dealing with any union that employees choose voluntarily to form or join. The factory must communicate clearly to employees that its management will negotiate in good faith with any duly constituted union. If a union is not present in the factory, management must enter into a neutrality and access agreement if a union or union federation so requests. If a union is present in the factory, the factory must provide free access to the union's representatives to carry out their representational functions, without undue restriction.

Findings

The WRC's verification of Alta Gracia during the current monitoring period found the factory to be in full compliance with standards on freedom of association and collective bargaining.

The workers continue to be represented by the SITRALPRO union, which has been the registered union at the factory since 2010. For the current year, the WRC again found that the union is able to conduct representational activities free of any interference from management. Union leaders are factory employees and the factory continues to allow these employees to take adequate time during the workday to complete representational functions, including meetings with management, consultations with workers, and representation of workers when they are called to meet with a member of management. Factory management and union leaders hold regular meetings to discuss workplace issues. The parties have established a monthly calendar for meetings and, during the current monitoring period, met a minimum of one time every month. There were many months during which the parties met multiple times during the same month. The WRC participated in many of these meetings as an observer.

Workers continue to be covered by the terms of the second CBA, which was signed between the parties in 2016. During the current monitoring period, the union and the management initiated a negotiation process for a third CBA, the signing of which was not finalized during this period.

The WRC commends the Alta Gracia factory for its ongoing commitment to respect for freedom of association at the factory.

H. Women's Rights

Code Requirements

- a. Female employees will receive equal remuneration, including benefits, equal treatment, equal evaluation of the quality of their work, and equal opportunity to fill all positions open to male employees.*
- b. Pregnancy tests will not be a condition of employment, nor will they be demanded of employees.*

- c. Employees who take maternity leave will not face dismissal nor threat of dismissal, loss of seniority or deduction of wages, and will be able to return to their former employment at the same rate of pay and benefits.*
- d. Employees will not be forced or pressured to use contraception.*
- e. Employees will not be exposed to hazards, including glues and solvents, that may endanger their safety, including their reproductive health.*
- f. The factory shall provide appropriate services and accommodation to women employees in connection with pregnancy without loss of income to the employee.*

Findings

During the current monitoring period, the WRC found the Alta Gracia factory to be in full compliance with the standards outlined above on women's rights.