



Introduction

Early 2021 ProTerra Foundation received complaints about Central Romana Corporation Ltd. regarding involuntary displacement of people in a land area owned by the company, with alleged human rights violations. This issue falls under the Principles of the ProTerra Standard V4.1. Central Romana Mill is an organization certified under the ProTerra Standard for social responsibility and environmental sustainability. The Foundation takes complaints seriously and investigates these in all cases.

The context

The Country

The Dominican law prohibits all forms of forced or compulsory labour, restricts child labour and age for employment, labour discrimination, protection of people with disabilities and refugees, forbids child abuse and sexual harassment, provides for non-discrimination on sexual orientation, gender identity, racial, ethnic and minority groups.

According to IOM (IOM, 2021), "the migration flow between Haiti and the Dominican Republic in the island of Hispaniola is highly active and challenging as it is estimated that over half a million foreign born persons are living as irregular migrants in the Dominican Republic, the vast majority of which - (458,233 persons) being from the neighbouring Republic of Haiti. Consequently, migration management between Haiti and the Dominican Republic and the protection of vulnerable migrants remains a major challenge on the island". In this population includes people with key vulnerabilities such as: the elderly, pregnant/lactating women, children, and people with disabilities.

When Haitians migrate to the Dominican Republic, they rarely bring personal ID or other documents, so these migrants become essentially stateless and rightless people with few legitimate means of income, being one of the sectors the sugar industry, among others.

The Company

Central Romana has had an annual sugar production of more than 400,000 tons, based on two tandems, each with seven mills with a capacity of 11,000 tons, which allow a daily crush of approximately 20,000 tons. Central Romana's mill, Central Azucarero, is the largest producer and exporter of raw sugar in the Dominican Republic, which started sugar refining operations in 1970. In 2012, Central Romana directly employs 25,000 workers, being the main private employer in the Dominican Republic.

Being the largest employer and sugar producer in a country is a big responsibility, even more so if one operates where the issue of regular and irregular Haitian immigration has led this population to occupy jobs in agriculture, construction, tourism and other professions in the service sector.

ProTerra Foundations' Interventions

The commitment to respect human rights is a responsibility that goes beyond compliance with the law. In this sense, companies cannot justify human rights violations, typified in international regulations, by its absence in national laws. Companies must work with due diligence and proactively identify the way in which their relationships with their business partners, the entities that participate in their value chain and any other state or non-state entity directly related to their business



operations, products or services may affect human rights. The role of ProTerra is to intervene in any situation it is required to act.

First steps

After considering the grievance report letters, ProTerra Foundation reviewed regular annual audits on Central Romana facilities and sugar cane fields, having verified the continuous improvement and commitment of the company to the ProTerra vision and mission.

The ProTerra Standard emphasizes human rights and good labour practices such as workplace safety, equal opportunities, and particular attention to preventing child and forced labour, especially Principle 2 and 3 focus on these issues. The certification and audits at the Central Romana mill took place yearly. These had no Core non-conformities under the mentioned principles, and no violation of ProTerra indicators 3.1.1, 3.2.1, 3.2.2 occurred.

Due Diligence Assessment – investigative research

ProTerra Foundation assigned a due diligence assessment to an external independent organization specialized in human rights.

An important tool for collecting information to this aim was interviews, as people have different accounts to the same witnessed facts (see Annex). Another important tool was the verification of documentation related to management processes of the Company, the law of the Country, and credible information about the social reality of the broad environment where the company exerts their economic activity.

This Due Diligence was carried out in June-July 2021. The Company themselves have been evaluated as to their labor and social (L&S) performance against the following standards:

- ProTerra Standard Version 4.1.
- United Nations Guiding Principles on Business and Human Rights (UNGPs).
- International Finance Corporation (IFC) Performance Standards (PS) 1, 2, 4, 5 and 7.
- Dominican Republic legislation.

Additionally, the assessment was aligned to Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR).

Results and Expected Outcomes

Central Romana has shown commitment to environment preservation and social issues as to its operation and employees. One area worth mentioning is the continuous work to improve the bateyes, the housing for the cane cutters.

The alleged human rights violations were about the community, and not directly about employees and their families. The grievance reports refer to Central Romana as a company that causes forced displacement.

The very allegations have not been confirmed in the Due Diligence Assessment, an outcome that supports continuation of the Certification Program.

However, the root causes of the problem that led to the accusation have been determined. One key finding of the Due Diligence Assessment is that the Company's governance must be further



improved, with a focus on land tenure, donation, and acquisition, and on policies regarding human rights in all areas, resulting in improved relations with all stakeholders, especially the Community.

The key findings have been documented and will be reviewed yearly, next to the ProTerra audit, in order to guarantee continuous improvement and engagement with the community. The results report presents the human rights assessment and include an Action Plan summarizing the main identified gaps as well as proposed recommendation for their management.

Conclusion

For buyers of sugar from the Dominican Republic and other developing regions around the World, risk mitigation is of utmost importance as one could be found co-responsible for scandals regarding human right abuses. On the other hand, excluding suppliers or regions and turning away from the problem should not be the way to achieve sustainable supply chains, address the Sustainable Development Goals of the UNO, nor to improve ESG performance. Working with non-profit organizations such as ProTerra Foundation is in the interest of both the sugar suppliers and the buyers to promote mitigation of any distressful situation of workers and communities in the producing regions and to improve sustainable sourcing practices.

Stakeholders interviewed

Stakeholder category	Area/Stakeholder	# interviews
Central Romana	Administration	1
	Public Relations	1
	Operative Resources	6
	Management System	2
	H&S	1
	Environmental	1
	Suppliers	2
	Social Promotion	2
	Land tenure	1
	Railway operation	1
	Agriculture	1
	Agricultural research	1
	Security personnel (i.e. Director, field guards, foremen)	5
	“Ajustero”	1
	Foreman	1
“Listero”	2	
Sugar cane cutter	2	
Meadow workers	6	
Local authorities	Mayor (i.e El Seibo and La Romana)	2
Civil Association	Movimiento Unidos por una Mejor Provincia de El Seibo	3
Community members	Batey inhabitants	2
Total of stakeholders interviewed		50