



June 29, 2009

Remediation Plan Associated with Russell Corporation's Period of Special Review

In its June 25, 2009 resolution placing the Russell Corporation on a 90-day period of special review, the FLA Board of Directors listed six steps that the company must carry out in order to be removed from the special review status. This document sets out a corrective action plan pertinent to the six steps in the Board resolution.

Engage in good faith negotiations with the CGT union regarding further compensation and benefits for all JDH workers, an effective first-hire policy, and reasonable access of union organizers to employees.

- By July 1, communicate directly with the CGT union a willingness to enter into direct negotiations on a range of issues, among them further compensation of JDH workers, an effective first-hire policy for dislocated JDH workers, and reasonable access of union organizers to employees at other Russell/Fruit of the Loom facilities in Honduras.
- By July 10, 2009, create a company negotiating team empowered to carry out negotiations with the CGT and enter into an agreement covering the issues set out in the FLA Board's resolution.
- By July 31, seek to have an agreement with the CGT on modalities for the negotiation ("shape of the table").

Negotiate measures with CGT to ensure the removal of any obstacles to freedom of association, including those posed by collective pacts (*pactos colectivos*), without depriving workers of existing benefits.

- Immediately freeze the negotiation of any *new* collective pacts at Russell/Fruit of the Loom facilities.
- By July 31, 2009, complete an analysis of ways to suspend or eliminate existing collective pacts in Honduras in a manner that does not result in a reduction of promised benefits to workers that were embodied in the pacts.
- By September 30, implement a plan to carry out the suspension or elimination of the existing collective pacts in a manner described above.

- Discuss with the CGT and other civil society organizations, as appropriate, specific actions through which the company could improve communication with workers in a manner that is not perceived as creating obstacles to freedom of association.

Discipline managers who impede or have impeded the rights of workers to organize.

- By July 31, review charges regarding violations of freedom of association at JDH by managers and supervisors contained in reports issued by the FLA or the WRC, giving weight to worker testimony.
- By July 31, review employment status within Russell/Fruit of the Loom facilities in Honduras of managers and supervisors charged with violations of freedom of association at JDH contained in reports issued by the FLA or the WRC.
- Using the information above, by August 15 apply disciplinary measures to managers and supervisors at JDH still employed by Russell/Fruit of the Loom following disciplinary rules developed by the company as part of the remediation process.
- By July 31, review the Standard Operating Procedure for Disciplinary Action adopted by Russell/Fruit of the Loom on February 24, which includes sanctions for violations of freedom of association, and provide greater definition of the specific actions that would trigger disciplinary measures to the policy and procedures, as recommended in the June 19, 2009 independent verification report.

Publicly correct the record with respect to previous communications by Russell about the remediation process. Russell must also commit not to make any additional public statements about the FLA or this review process without the prior approval of the FLA.

- Effective immediately, refrain from making any public statements or statements to stakeholders making reference to the FLA or the FLA remediation process without prior approval of the FLA.
- By July 15, issue a public communication from a high-level policy official at Russell/Fruit of the Loom, correcting the record with respect to statements made by the company regarding the FLA and the remediation process, most prominently those made in a letter issued by Russell on May 1, 2009.

Improve training efforts to ensure all employees have a better understanding of the rights to freedom of association and collective bargaining as embodied in international labor standards. The trainer shall have strong credentials in freedom of association and collective bargaining and a credible reputation among the key

stakeholder groups. Any training should be integrated in an on-going manner in Russell factories, such as has been done with Russell’s “open door” policy.

- By July 30, develop a comprehensive plan for delivering training on freedom of association and collective bargaining to Russell/Fruit of the Loom factories in Honduras. The plan should have significant activities within the 90-day special review period but should extend into 2010 and beyond. Freedom of association and collective bargaining rights should be fully integrated into Russell/Fruit of the Loom’s overall training and policy communication in the same manner as the “open door” policy, which was highlighted in the independent verification report.
- By July 15, vet potential curriculum writers/trainers for the freedom of association/collective bargaining training with stakeholders and accept suggestions from stakeholders.
- By July 30, select an expert to write the curriculum for the freedom of association/collective bargaining training. The expert should have credentials in the freedom of association/collective bargaining areas and a credible reputation among key stakeholder groups.

Engage with all relevant stakeholders in this review period to facilitate resolution of the remediation process. Key stakeholders include Fair Labor Association member universities, Worker Rights Consortium, Clean Clothes Campaign and Maquila Solidarity Network.

- Consult with relevant stakeholders, especially the key stakeholders listed above, on ways to make the remediation process more effective and on significant remediation steps that involve policy changes or engagement of consultants *prior* to making the changes or engaging the experts.

Continue to implement all other applicable aspects of the remediation plan as presented on January 29 and February 12, 2009.

- By July 15, complete a review of the remediation plans presented on January 29 and February 12, as well as the June 19 independent verification report, and identify areas where remediation is incomplete. Working with FLA staff, develop specific activities that can be undertaken to enhance the remediation plans and their effectiveness.
- Provide status reports on the implementation of this remediation plan and the earlier ones to the FLA every four weeks for dissemination to a broader set of stakeholders.
- Provide a comprehensive report on the implementation of the remediation plans immediately after the end of the 90-day special review period.