



November 7, 2008

## **FLA to Investigate Closure at Jerzees de Honduras**

The Fair Labor Association (FLA) is sending an independent investigator to determine the facts surrounding the Russell Corporation's pending closure of Jerzees de Honduras in early 2009. Since Russell announced its decision on October 8, 2008, allegations that the factory closing may be in violation of freedom of association have surfaced.

Russell Corporation, an FLA Participating Company, has made assurances to the FLA in intensive discussions that their decision to close the factory is business related. The FLA recognizes that economic conditions around the world are creating challenges for the apparel industry and leading to an increased number of factory closings.

Nevertheless, the allegations made regarding the closing of Jerzees de Honduras are very serious and thus warrant an impartial and in-depth investigation to ensure that the FLA Workplace Code of Conduct and workers' rights are being respected. To that end, and with the agreement of Russell Corp., the FLA is taking several steps to gather all of the facts in the case:

- The FLA has engaged an accredited independent monitor to conduct an investigation the week of November 10, 2008. The investigation team will be looking, in particular, at the benchmarks pertaining to the FLA's code regarding freedom of association.
- The FLA also engaged an independent expert to evaluate the business case Russell presented for closing the Jerzees de Honduras factory.

The Worker Rights Consortium (WRC) has issued today a new report on Jerzees de Honduras based on field research that they recently conducted in that country. We will provide this report to the accredited independent monitor and ask him to look into the salient allegations. The FLA will publicly release the reports and findings of the two independent investigations once they have been completed.

The FLA is in ongoing dialogue with Russell and the company is cooperating fully with our investigations. Russell management assures us that the company is abiding by its retrenchment policy, making severance payments to workers according to local law, assisting workers in seeking employment opportunities in other factories, and consulting with the union during this difficult time at the factory.