

REMEDIATION ACTION PLANS
(Jerzees de Choloma and Jerzees de Honduras)

Remediation Plan	Action Plan	Target Completion Date
Freedom of Association (FOA)		
1. Issue a statement that will be communicated to all employees and posted in all Russell factories, in local languages, stating that Russell recognizes and respects the right of employees to freedom of association and collective bargaining. [company wide]	a. New Code of Conduct with revised FOA language will be posted in all facilities. b. Letter, developed in consultation with the FLA and the WRC, will be issued to employees at all Russell factories in Honduras pledging respect for FOA and collective bargaining. c. Letter (in b. above) will be read over each factory's public address system and by supervisors to their workers.	Complete
2. Include FOA training in the induction process of all employees. [company wide]	a. Letter (see 1.b.) will be included in the orientation package for new hires. b. A copy of the new Code of Conduct will be included in the orientation package.	Complete
3. Eliminate from hiring forms question on prior participation in associations. [company wide]	Upon investigation, it was determined that this form was used only at Jerzees Choloma. It has been replaced with a form that does not contain the association question.	Complete
4. Examine dismissal records in all Russell factories in the last 6 months to identify potential violations of FOA; act proactively to remediate them. [company wide]	We have begun to review termination records and are working with the CGT on this process.	Complete
5. Offer reinstatement to union members who were dismissed at Jerzees de Choloma and Jerzees de Honduras, with back pay and no loss of seniority.	a. We are working with the CGT on the logistics of this process. b. We have mailed letters requesting employees to contact us regarding reinstatement to their last known address. c. We have placed a general notice in a local newspaper regarding reinstatement. d. An announcement (content agreed with the CGT) will be placed on local radio during the week of 5-Nov-2007. e. We are attempting to contact workers in person at their homes and the CGT is also attempting to contact displaced workers. f. Agreed with CGT to follow guidelines of Honduran law in calculation of backpay. g. An inspector from the Labor Ministry will be requested to be present for the purpose of witnessing reinstatements and validating backpay calculations.	Completed in coordination with CGT; of 118 total workers: - 48 workers reinstated - 62 declined reinstatement - 8 unable to locate
6. Recognize the union at Jerzees de Choloma and start dialogue and collaboration with the union. [Choloma specific]	The company initiated discussions with the CGT on 11-Oct-07. Multiple meetings have taken place, and we have agreed to recognize the union at Jerzees de Choloma and Jerzees de Honduras. The company will abide by legal obligations with respect to the union (e.g., good faith bargaining).	Complete
7. Ensure that proper hiring, termination and nondiscrimination policies and procedures are in place at all factories. [company wide]	Training will be instituted for managers and supervisors on policies and expectations regarding FOA, including nondiscrimination in hiring and terminating workers, and discipline for policy violations.	Complete

Harassment and Abuse		
1. Conduct supervisory training on proper management techniques that avoid harassment and abuse and include these elements in the performance evaluation of supervisors and managers. [company wide]	a. Training modules are being modified and will be re-deployed before the end of the year. We will provide details on the training to the FLA and WRC. b. Performance review forms will be revised to include harassment/abuse evaluation for each manager/supervisor.	Revision to performance review form complete. Training will be complete in 2008 1 st quarter.
2. Review disciplinary procedures to allow workers to challenge supervisory decisions and conclusions. [company wide]	a. We are including space at the bottom of the disciplinary form for the acknowledgment of the employee and signature accepting the discipline or to write the refusal of the same (already complete). b. Training sessions for managers and supervisors will be developed on disciplinary procedures.	Complete
3. Conduct an internal review and take appropriate disciplinary action against supervisors who have been found to engage in harassment and abusive treatment of workers. [company wide]	Written reprimands (final warnings) have been issued to the 2 supervisors identified in the ALGI report who were found to have engaged in harassment and/or abuse, and they have been advised that any future incident would result in termination. A production manager identified in the WRC report has been terminated. Upon further investigation, the other individual identified in the WRC report has been made aware of the allegations, advised of the Company's FOA obligations, and that violations of FOA will result in termination.	Complete
Occupational Safety and Health		
1. Prioritize inspections and cleaning of bathrooms on a predetermined schedule (as opposed to as needed basis). [company wide]	a. We have reinforced our policy of regularly scheduled cleaning rounds where responsible persons have to sign a log. b. Management has to routinely audit cleaning and sign the log also.	Complete
Other Recommendations		
1. Adopt a written retrenchment policy that is based on objective criteria and train managers and inform workers about it. The policy will ensure compliance with domestic law with regard to notice, severance, benefits for certain workers that receive special treatment, and other requirements [company wide]	We will prepare a draft policy and submit to the FLA and WRC for review.	21-Dec-07
2. Commit to give hiring priority to Jerzees de Choloma workers at other Russell facilities in the Choloma area [company wide]	Jerzees de Choloma employees will be given priority in filling available positions at Jerzees de Honduras.	Ongoing
3. Facilitate reemployment of retrenched workers in non-Russell factories in the Choloma region. [company wide]	All employees we terminate/lay-off receive a time of service certification that could help them as a reference to work in other factories. We will search for employment opportunities through the parks in the Choloma area to mention to employees as they are laid off.	Ongoing
4. Other matters	a. We will issue a communication to employees that workers who believe their rights have been violated in the workplace may complain to the WRC, the FLA or other labor rights groups without fear of retaliation. b. We will investigate and seek to remediate any Code of Conduct violations at contract factories. c. The company will comply with the requirements of Article 516 of the Honduran Labor Code with respect to unlawfully terminated union leaders.	Coordinating Article 516 compliance with the CGT; other items complete