



## WORKER RIGHTS CONSORTIUM

### **WRC Statement on the Agreement Between Russell Athletic/Fruit of the Loom, the General Workers Confederation of Honduras, and the Sitrajerzeesh Union** *November 17, 2009*

Russell Athletic and the union representing the former workers of Jerzees de Honduras (JDH) have reached an agreement that, when implemented, will not only bring Russell into full compliance with university labor standards, but which represents one of the most significant advances for fundamental workplace rights in the twenty-year history of apparel industry codes of conduct. The agreement will be of enormous benefit to Russell's workers in Honduras.

The central terms of the agreement, which are summarized below, have been incorporated into an action plan formulated by Russell and the WRC. The Russell-Union agreement and the action plan fully address the WRC's recommendations in this case. The public announcement of the Company-Union agreement can be viewed [here](#) and the Russell-WRC action plan can be viewed [here](#).

Russell and the union have agreed to the following:

- Russell will open a unionized apparel factory near the former site of JDH, called Jerzees Nuevo Dia, and will employ former JDH workers at this facility.
- Russell will offer positions to all former JDH workers, either at Jerzees Nuevo Dia or other Russell facilities.
- Russell will immediately recognize the union of JDH workers – Sitrajerzeesh – as the representative of the workers of Jerzees Nuevo Dia and the parties will promptly commence negotiation of a collective bargaining agreement.
- Russell will make a sizable contribution to a social welfare fund to assist the former JDH workers, with the money to be distributed to workers by the WRC, the Solidarity Center and Sitrajerzeesh.
- Russell and the CGT union federation (the national federation of which Sitrajerzeesh is a part) have agreed to establish a cooperative framework for ensuring respect for freedom of association at all Russell and Fruit of the Loom facilities in Honduras. This nationwide agreement includes a joint Company-

Union worker education program on associational rights and union access to the company's facilities under terms agreeable to both parties.

- Russell will phase out the Collective Pacts now in place in its facilities.
- The parties have developed a robust oversight process involving an ombudsman and a process for mediation where necessary.

In addition, the WRC-Russell action plan also includes a commitment by the Company to non-interference and neutrality at all of its Honduran facilities with respect to workers' decisions concerning unionization, further steps to protect associational rights during the phase-out of the Collective Pacts, a commitment to inform all Honduran employees about the freedom of association-related agreements with the union, and a commitment to work cooperatively with the WRC to facilitate WRC monitoring of implementation.

Beyond the opening of the factory and the hiring of the former JDH employees, the primary achievement of the parties is the cooperation agreement between the company and the CGT on freedom of association. This nationwide agreement between a large private employer and an independent union federation is unprecedented in the history of the apparel sector in Honduras and in Central America. It is hard to overstate the significance of this breakthrough.

Going forward, implementation is of utmost importance and the WRC will monitor it closely.