



WORKER RIGHTS CONSORTIUM

**WORKER RIGHTS CONSORTIUM ASSESSMENT  
PETRALEX (HONDURAS)  
FINDINGS, RECOMMENDATIONS AND STATUS**

**April 20, 2015**

## **I. Introduction**

This memorandum summarizes the WRC's findings regarding violations of workers' right to freedom of association at Petrallex, a sewing factory located in the ZIP Bufalo Industrial Park, located in Villanueva, Cortes, Honduras, and recommendations for remediation of these violations. The factory, which employs approximately 2,000 workers, is owned by a firm located in Clemmons, North Carolina, which is also named Petrallex.

Petrallex produces licensed apparel for Box Seat, College Vault by adidas by Outerstuff, Outerstuff, Team Athletics, Gear for Sports, Under Armour by Gear for Sports, VF (both JanSport and Section 101 by Majestic), and the Dallas Cowboys. Public reports indicate that the factory also produces non-collegiate apparel for Family Dollar, Aeropostale, National Wholesale, and Prime Life.

As outlined in this memo, violations at Petrallex were documented as early as 2007; credible reports indicate that the company has repeatedly refused to acknowledge a union formed by Petrallex workers, known as SITRAPETRALEX, and, instead, terminated union leaders despite clear prohibitions in Honduran labor law and university codes of conduct to the contrary.

The WRC has conducted an investigation into terminations in November 2014 and March 2015 in response to a complaint filed by the federation to which the plant-level union is affiliated, known as the Federacion Independiente de Trabajadores de Honduras (FITH). As part of this investigation, the WRC conducted worker interviews and reviewed documentary evidence. The WRC requested that Petrallex provide access to the factory so that WRC staff could interview relevant personnel, review additional documents, and receive testimony from factory management; as is further described below, Petrallex did not cooperate within the timeframe available.

Our investigation concluded that, in recent months, Petrallex terminated at least 17 workers who were involved in the SITRAPETRALEX union, affiliated to the FITH, or family members of the SITRAPETRALEX union, in violation of Honduran law and university codes of conduct. The evidence indicates that at least 15 of these terminations were either retaliatory, or in violation of Honduran law protecting union leaders, or both. The details of our findings are outlined below, followed by recommendations for remediation.

As in all cases in which workers have been terminated in retaliation for exercising their associational rights, it is imperative that all relevant workers are promptly reinstated with back pay for the time off the job. Each day that these workers are off the job not only compounds the damage to the terminated workers, but sends a message to the full workforce that any worker who engages in union activity is subject to retaliatory termination. The WRC also provides

recommendations, including workplace training, to remedy the chilling effect on the workplace with regards to associational rights.

Given Petrallex's history of similar violations, it is likely that engagement by the university licensees that source apparel from the factory will be necessary to ensure full remediation. The WRC has contacted all licensees disclosing Petrallex as a supplier and several have noted that they are monitoring the case and, in some cases, have contacted the factory. The WRC has shared these findings and recommendations with licensees and will be providing additional information to universities on the progress of remediation and actions taken by licensees as the situation develops.

## II. Background

A credible chronology of violations at Petrallex from 2007 through 2012 is provided by a complaint filed with the U.S. Department of Labor and by the official Department of Labor response to this complaint.

On March 26, 2012, twenty-six Honduran labor unions, together with the AFL-CIO in the United States, filed a labor complaint with the U.S. Department of Labor charging the Honduran government with violating the labor provisions of the Dominican-Republic Central America Free Trade Agreement (DR-CAFTA).<sup>1</sup> One of the cases outlined in the complaint was that of the Petrallex facility.

As the complaint documents, Petrallex workers registered the Sindicato de Trabajadores de la Empresa Petrallex, SITRAPETRALEX, with the Honduran labor authorities on May 7, 2007. Following its formation, in keeping with Honduran law, the workers in the union elected a leadership committee. In Honduras, the workers serving as members of a union's leadership committee are protected from dismissal by a law known as *fuero sindical*, which bars the employer from dismissing founding members of a union absent a finding from a competent court that the terminations were warranted by just cause.<sup>2</sup>

However, as the complaint documents, the company dismissed the entire leadership committee, without government approval and in violation of Honduran law, in June 2007. Following the dismissals, the workers elected a new leadership committee. This second group was also fired, again in violation of the *fuero sindical* law. This occurred two more times, with newly-elected

---

<sup>1</sup> AFL-CIO and Honduran Unions, *Public Submission to the Office of Trade & Labor Affairs (OTLA) under Chapters 16 (Labor) and 20 (Dispute Settlement) of the Dominican Republic-Central America Free Trade Agreement (DR-CAFTA) Concerning the Failure of the Government of Honduras to Effectively Enforce Its Labor Laws and Comply with Its Commitments under the ILO Declaration on Fundamental Principles and Rights at Work*, March 26, 2012, <http://www.dol.gov/ilab/reports/pdf/HondurasSubmission2012.pdf>.

<sup>2</sup> Labor Code of Honduras, 1959, Article 516.

leadership committees fired in December 2007 and February 2008. The complaint also states that a group of union supporters were fired in January 2008. In response to the mass dismissals in 2007 and 2008, the union requested that the Honduran Ministry of Labor conduct a special inspection of the violations at PetraleX. The resulting report, published in May 2008, stated that a total of 134 union leaders and supporters were fired during the period in question, in violation of the Honduran Labor Code.

On February 27, 2015, the Office of Trade and Labor Affairs (OTLA) of the U.S. Department of Labor published its Review of this complaint.<sup>3</sup> OTLA's Review confirmed the facts outlined in the submission presented by the AFL-CIO and the Honduran unions.

According to these documents, PetraleX committed a number of violations of Honduran law, notably:

- **Failure to allow Ministry of Labor inspectors to inspect.** The company refused to allow Ministry of Labor inspectors into the factory in order to carry out their duties as mandated by Honduran law, a violation of Article 95(8) of the Honduran Labor Code.
- **Anti-Union Discrimination.** Article 10 and Article 96(3) of the Honduran Labor Code prohibit employers from taking reprisals against workers with the intention of impeding their exercise of rights, including the dismissal of or other adverse action against workers for their decision to participate in union activities.
- **Fuero sindical (protection from dismissal for union leaders).** Article 516 of the Honduran Labor Code prohibits the employer from dismissing a worker with protected union leadership status without obtaining prior authorization from the courts.
- **State Protection.** The Honduran Labor Code also provides protections, in its Article 517, for the founding members of a union.

### III. Findings (2014-2015)

#### A. Dismissal of union leaders protected by *fuero sindical*

##### 1. November 2014

Representatives of the FITH union federation report that, since 2010, a number of workers have attempted to form new leadership committees for the SITRAPETRALEX union, but have been terminated before the committees could be registered with the Ministry of Labor. Workers reported to the WRC that they decided to reactivate the work of the union in 2014 because they

---

<sup>3</sup> Office of Trade and Labor Affairs, Bureau of International Labor Affairs, U.S. Department of Labor, *Public Report of Review of U.S. Submission 2012-01 (Honduras)*, February 27, 2015, [http://www.dol.gov/ilab/reports/pdf/Final\\_Report\\_of\\_Review-Honduras\\_Submission\\_022715\\_redacted.pdf](http://www.dol.gov/ilab/reports/pdf/Final_Report_of_Review-Honduras_Submission_022715_redacted.pdf).

were concerned about basic rights and benefits, including the payment of a fair wage, the failure to provide workers with transportation in accordance with Honduran law, verbal mistreatment by supervisors, insufficient health care coverage, failure to make special accommodations for pregnant workers, and other workplace concerns. The WRC has not confirmed these allegations.

On October 12, 2014, FITH officials report, workers held an election in which six Petrallex workers were elected to a new leadership committee. Within the following week, they registered the election results with the Ministry of Labor. The Ministry acknowledged this registration on November 27, 2014.

The FITH reports that, on November 17 and November 20, the company dismissed three of these workers from their positions: Marvin Alberto Chavez Hernandez, Julio Cesar Oliva Rodriguez, and David Dagoberto Cornejo Paz.

Chavez Hernandez reported to the WRC that he was dismissed on November 17. Rodriguez and Cornejo reported to the WRC that they were dismissed on November 20. Cornejo reported that a human resources staffperson named Claudia Posas told him that he was being dismissed because he was a union activist, and that she asked him who else was involved in the union. When Cornejo told her he didn't know who else was involved in the union, he reports, she said, "this is where your employment ends."

All three workers were dismissed *after* they were elected to the leadership committee. The WRC's review of Ministry of Labor documentation confirms their status as union leaders, which, according to *fuero sindical*, protects them from dismissal without prior authorization. Therefore, these dismissals violated Article 516 of the Honduran Labor Code, which states the following:

Workers who are members of the Leadership Committee of a union organization, from the time of their election until six (6) months after they have completed their terms, cannot be fired from their jobs without prior proof before the respective Official Labor Judge, or before the Civil Judge in his absence, that just cause exists to terminate the contract.

Workers are protected from the date of their election to leadership; the protection is not contingent on the date by which the Ministry processes the registration or the date on which the company is notified of the registration. Cornejo's testimony, and the fact that three out of six members of the union leadership committee were terminated in quick succession, raises serious concerns that these terminations were in retaliation for their associational activities. However, under Article 516, the terminations are illegal regardless of the motive.

The WRC finds that these terminations constituted a violation of Honduran law. As university codes require compliance with national law, this violation of Honduran law is also a violation of

university codes of conduct.<sup>4</sup>

## 2. March 2015

Following the dismissal of one half of the union leadership committee, the workers restructured the committee in an election held on December 4, 2014. Two of the former elected leaders continued as members of the leadership committee, and the workers elected four new members to the committee. The restructured leadership committee was registered by the Ministry of Labor on February 25, 2015.

According to worker testimony, on March 2, 2015, three of the union leaders approached a human resources staffperson named Ivette Posas in order to share a copy of the Ministry-issued registration document and formally notify the company of the workers' status as union leaders. The union leaders asked Posas to sign a copy of the document in order to acknowledge that she had received it, but she refused to do so, telling the workers, "I have nothing to say to you."

Later that same afternoon, at approximately 2:00 p.m., the company dismissed Bonerges Hernandez, a worker serving as the Secretary of Proceedings for the union. Hernandez reported that he was called to the human resources office by the manager Claudia Posas. She closed and locked the door of the office and informed the worker that, "the company has decided to fire you." Posas told the worker that he was entitled to a severance payment of 37,000 lempiras (approximately US\$1,680). Hernandez told Posas that he did not want to sign the letter of dismissal<sup>5</sup> and Posas then told him that if he would sign she would pay him two times the amount that he was owed. Posas kept the worker in her office for approximately three hours, during which time, he reported, she spoke on the phone, telling the person on the other end of the line, "he hasn't agreed to sign." Towards the end of this time period, Posas asked Hernandez how much he wanted and that if he wanted more money he should tell her how much. Posas told him to think about his wife and his children and what he could do for them with the money.

The following day, March 3, 2015, three more members of the union's leadership committee were fired: Roger Ivan Chacon Herrera, Edna Aguilar Madrid, and a third worker who did not provide testimony to the WRC.<sup>6</sup>

---

<sup>4</sup> See, e.g., Collegiate Licensing Company, *CLC Special Agreement Regarding Workplace Codes of Conduct*, Standard B(9)

<sup>5</sup> Honduran workers who feel that they have been unjustly dismissed often prefer not to sign a letter of dismissal and accept the corresponding payment of severance because, if they have signed such a document, they will not be able to appeal their case and request reinstatement via the Honduran labor court.

<sup>6</sup> This worker was unwilling to share the details surrounding his departure from the factory and did not grant consent for his name to be used in this report. Other workers have reported that this worker stated that the company had threatened to terminate his sister and another worker he had recommended if he contested his dismissal.

Chacon, who was registered as the union's treasurer, reported that he was called to speak with Claudia Posas at approximately 5:30 p.m. and that Posas told him he had been terminated as a result of the loss of an important client at the factory. Chacon reports that he pressed Posas, asking her why he was dismissed when, according to him, his productivity ratings are significantly above average, and that Posas did not give him a concrete response.

Edna Aguilar Madrid, the SITRAPETRALEX president, reported that when she was called to the human resources office, Claudia Posas informed her that she was being fired as a result of staff reductions and required that she visit the factory clinic in order to have a pregnancy test. The nurse then confirmed with Posas that the worker was not pregnant<sup>7</sup> and Posas proceeded to inform Aguilar Madrid that she was entitled to a severance pay of 32,000 lempiras (approximately US\$1,460). Posas then informed Aguilar Madrid, "If you sign your dismissal letter, I will give you two times what you are owed." When the worker refused, Posas asked her how much she wanted and offered to pay her 80,000 lempiras (approximately \$3,640), saying that she would pay this money in cash, not by check. Posas began to ask about the worker's family, many of whom used to work or currently work at Petrallex and then said to Aguilar Madrid, "Think about your family, think about your sisters who work here. If anyone else from your family wants to get a job here they won't have problems if you sign this paper. I will give you a good letter of recommendation so that you won't have any problems. Tell me how much you want and I will give it to you." However, Aguilar Madrid refused to sign her letter of dismissal or receive the payment of her severance or the additional cash payment that Posas was offering her.

The following day the company fired another member of the union's leadership committee, Emma Nohemy Lopez Diaz. This worker, who was also informed by Claudia Posas that she was being fired as a result of staff reduction, refused to sign the letter of dismissal. In response, Posas told Lopez that she was entitled to a severance package of 35,000 lempiras (approximately US\$1,600) but Posas could increase this amount to 52,000 lempiras (approximately US\$2,370). Lopez refused to sign the dismissal letter and did not collect the funds that were offered to her.

On March 9, Petrallex fired yet another member of the leadership committee, Dilcia Suyapa Perez. That day, at approximately 2 p.m., a plant security guard approached Perez' work station and said to her, "The union didn't make it, because everyone is taking their money. You will take your money, too." Approximately two hours later, Perez was sent to the clinic for a pregnancy test and then the human resources office where Claudia Posas told her that she was fired. The worker was offered severance pay in exchange for signing her letter of dismissal, which she refused to do, and was then escorted out of the plant by security guards.

---

<sup>7</sup> Most of the female workers fired from Petrallex were required to take a pregnancy test. One of the workers interviewed reported that the human resources staff told her that they were ensuring that the workers were not pregnant before firing them, given that Honduran law prevents the dismissal of a pregnant worker without prior authorization from a labor court. (Honduran Labor Code, Article 189).

In short, less than two weeks after they registered with the Ministry of Labor, all six members of the leadership committee had been terminated.

Regardless of the reason for these terminations, they represent a violation of the *fuero sindical* protection granted by Honduran law. In addition, the circumstances of the terminations and worker testimony strongly suggest that these terminations were motivated by anti-union animus. The fact that all six members of the leadership committee were terminated within two weeks of the election of the committee is in itself highly suggestive that this was a deliberate attempt to eliminate the union leadership committee. In addition, multiple workers testified that Petrallex management offered them sums above the legally required severance calculation to induce them to resign, indicating that management was interested in removing these specific workers from the workplace.

As noted above, Petrallex declined to provide information to the WRC within the timeframe of this investigation. Most terminated workers interviewed for this report stated that factory management had informed them that the terminations were due to an economic restructuring. However, multiple workers reported that the factory had hired workers during this period to do work comparable to that performed by the terminated workers. If accurate, this renders the factory's claim that the terminations of all six members of the leadership committee were due to broader economic restructuring even more implausible.

Terminating workers in retaliation for associational activities is a violation of Honduran law, international standards, and university codes of conduct. The Honduran Labor Code is clear, in Article 96(3) that "employers are prohibited from firing workers, or taking any other adverse action against them, due to their membership in a union or their participation in union activities." Furthermore, Conventions 87 and 98 of the International Labour Organization, both of which have been ratified by Honduras, grant workers the right to freedom of association without reprisal. University codes of conduct not only require compliance with national law, as noted above, but also specifically protect workers' right to freedom of association.<sup>8</sup>

The Honduran Ministry of Labor has also found that these terminations violated Honduran law and workers' associational rights. On March 9, 2015, the Honduran Ministry of Labor issued a report in which it stated that Petrallex violated workers' rights to freedom of association by dismissing the workers Edna Aguilar, Emma Lopez, Bonerges Hernandez, and Roger Chacon, as well as a fifth member of the leadership

---

<sup>8</sup> See, e.g., Collegiate Licensing Company, *CLC Special Agreement Regarding Workplace Codes of Conduct*, Standard B(9).



committee.<sup>9</sup> The report states that Petrallex should correct the violations in a term of three working days from the date of the report.

## **B. Retaliatory dismissal of union members**

In addition to the workers who were protected by *fuero sindical*, the WRC documented violations of freedom of association with respect to the dismissal of six other workers who were members of the union or otherwise connected to the union. The WRC received allegations that an additional worker was terminated in retaliation for a union connection, but was not able to contact and interview this worker as the individual had left the country. The WRC investigation into an eighth worker's case was inconclusive, as described below.

During this period, workers also provided testimony that company staff had repeatedly demonstrated their hostility to workers' exercise of their associational rights. One supervisor, Marco Antonio Vides, reports that the Production Manager, Nelson Sabillon, frequently instructed the team of supervisors to "make life difficult" for line workers who were part of the union. Vides reported that Sabillon told supervisors that the goal of this action was to encourage workers involved in the union to quit their jobs in order to rid the company of a union presence. In addition, a FITH official reports that security guards from both the plant and the industrial park have engaged in surveillance of union activities. For example, he reports that while meeting with Petrallex workers outside the gates of the industrial park, security guards have taken photos of him and the workers and have threatened to call the police in order to break up the discussion. These elements of testimony from the union indicate that Petrallex continues to harbor the anti-union animus that motivated its previous retaliation against workers exercising their associational rights.

Worker testimony regarding these terminations is as follows.

On March 3, 2015, Marco Antonio Vides was called to the human resources office where the manager Claudia Posas informed him that he was being fired as a part of staff restructuring. Vides, a member of the union, reported to the WRC that earlier that same day, in the morning, he had been called to a closed-door meeting with his direct supervisor, Production Manager Nelson Sabillon. Vides reports that Sabillon asked him, "Marco, how is it possible that you are doing this to us?" When Vides responded that he didn't know what Sabillon was talking about, Sabillon told him "You know what I am talking about." And then went on to say "You know that they will never let that happen here." Although Vides never told Sabillon that he was a union member, he understood that Sabillon was accusing him of being a part of the union and that it was a union organization to which he was referring when he said that the company would "never

---

<sup>9</sup> On March 16, Ministry of Labor representatives again visited the factory to review the cases of Perez and the union member Marco Antonio Vides (see below); in these cases, the Ministry did not reach any findings but simply reiterated the positions of both parties in its report.

let that happen here.” As noted above, Vides was aware that Sabillon was hostile to the union, as Sabillon had repeatedly instructed the supervisors under his supervision to “make life difficult” for workers who were union members.

Also on March 3, Rosa Mirian Lemus, the life partner of Bonerges Hernandez, a union leader terminated the preceding day, was dismissed. Lemus was first called to the clinic, where the plant nurse performed a pregnancy test. Afterwards, the nurse sent Lemus to the human resources office, where Wanda Henriquez, the Coordinator of Human Resources, informed Lemus that she was fired. Lemus was not a member of the union, but suspects that she was fired as a result of the fact that the union leader Hernandez had listed her name in his personnel file as his partner.

The following day, March 4, 2015, two sisters of union president Edna Aguilar Madrid were dismissed from Petrallex. As noted above, Aguilar Madrid had been terminated the preceding day. Her two sisters, Omilsa Lorena Aguilar and Sandra Yamileth Aguilar, who were both members of the union, were called that day from their work stations at the same time and sent first to the factory’s clinic, where the factory nurse informed them that she was performing a pregnancy test, and then to the human resources office.

At the human resources office, Henriquez handed each of them a letter of dismissal and said to them, “I imagine that you know why you are here.” Henriquez told the two sisters that they were being fired as a result of staff reductions. One of the two workers told Henriquez that she knew that the reason they were being dismissed was because of their sister’s involvement with the union; Henriquez did not respond to this.

Another union member was fired on March 13.<sup>10</sup> As in the case of other female workers, she was sent to the clinic for a pregnancy test and then informed by Henriquez that she was being fired. She suspects that management was made aware of her union activity by a security guard who, earlier in the week, overheard one of her co-workers asking her for the phone number of the union president. She did not realize at the time that she shared the information that the guard was standing nearby.

Another union member was also fired on March 13, Elda Quiroz. Quiroz reported to the WRC that, approximately three weeks before she was fired, she had participated in a meeting with union leaders just outside the gates of the industrial park, at which time she decided to join the union. Given the proximity of the meeting to the gates of the factory, the worker suspects that she may have been seen by plant security guards. As noted above, FITH representatives have also reported to the WRC that Petrallex has engaged in such surveillance of workers meeting with

---

<sup>10</sup> This worker provided testimony to the WRC but did not consent for her name to be used publicly by the time of publication.

FITH representatives.

Jiobana Nataly Dubon Hernandez, another union member, was fired on March 5, 2015. The WRC did not reach conclusive findings as to the motivation for Hernandez's termination. Like the other female workers, she was sent to the factory clinic for a pregnancy test and then called to a meeting with Henriquez from the human resources department, where she was informed of her dismissal. One day before her dismissal, on March 4, Hernandez reported that she had gone to a meeting of the union in a shopping area near the plant and she had taken another worker along so that she could learn more about the union. Hernandez suspects that the plant security guards saw her meeting with the union and reported this to personnel. On March 5, in the morning, she overheard one of the guards talking to another worker and the guard commented, "They haven't gotten rid of that girl yet, but she is part of the union. So it won't be long because they have a long list of workers who are signing up for the union." That same afternoon, Hernandez was dismissed from the plant.

The reason given by the factory for Hernandez's dismissal is that she was involved in a physical altercation at the factory on February 27. Hernandez reports that on this date, she was attacked in the workplace by a second worker, who claimed that she had heard rumors about Hernandez and this second worker's husband. She also states that both she and the other woman were dismissed on the same day. Based on the evidence collected to this point, the WRC cannot reach findings as to whether this termination was motivated, wholly or in part, by Hernandez's union activity, or whether it was fully in response to the altercation on February 27.

The WRC finds that the terminations of the first six union members and relatives of union leaders described above were retaliatory, based on the circumstances of these terminations and worker testimony. Petrallex has demonstrated a pattern of repeatedly dismissing union leaders and members with the goal of preventing workers from forming a stable union. Given this history, any such cluster of terminations of workers connected to the union, particularly so shortly after the workers registered a new union committee, raises serious concerns. As noted above, workers report that Petrallex management has claimed that most of these terminations were the result of economic restructuring. However, if worker testimony is accurate that additional workers were being hired at the same time that these workers were terminated, this is further indication that the terminations were motivated by anti-union animus rather than economic concerns. Finally, in at least two cases, workers offered testimony that management was aware of their connection to the union, and that management and security staff made comments regarding workers' connection to the union and management's hostility to the union.

As noted above, termination of workers in retaliation for union activity is a violation of Honduran law, international standards, and university codes of conduct.

#### **IV. Petrallex Response**

Petrallex reported to the WRC that they were not able to cooperate with the WRC investigation within the necessary timeframe. The WRC wrote to Petrallex on April 8 requesting access to the plant to examine documents and interview relevant personnel. On April 13, the General Manager of Petrallex responded, requesting that the WRC wait until the Fair Labor Association had completed its audit rather than conducting an independent audit. In response to a follow-up communication from the WRC, the General Manager agreed, on April 15, to facilitate a factory visit on April 17. She subsequently withdrew this cooperation, however, citing a personal emergency and stating that she could not allow the WRC to conduct our investigative activities without her presence at the plant. Given the severity of the allegations and the amount of time that had already elapsed since the WRC's initial request for cooperation, the WRC could no longer delay in issuing this report.

#### **V. Recommendations**

The WRC recommends that Petrallex take the following corrective actions:

- 1) Offer immediate reinstatement to the nine union leaders terminated in violation of their *fuero sindical* protection, the six workers identified in this memo as having been subjected to retaliatory termination, and all members of the SITRAPETRALEX union dismissed or coerced into resigning between October 2014 and April 2015. Workers who accept reinstatement must be reinstated immediately to their original positions, with no loss of seniority. Given the demonstrated pattern of terminations, and of Petrallex management's willingness to make false statements about the reason for these terminations, any termination of union members should be assumed to be retaliatory unless there is clear and compelling evidence to the contrary. The WRC notes that this includes Jiobhana Hernandez.
- 2) All of the workers, regardless of whether they accept the offer of reinstatement, must be offered full back pay from the date of dismissal to the date of reinstatement or, if they choose not to return, the date on which the offer is made. Back pay should be calculated based on each worker's average weekly earnings over the twelve weeks prior to his or her dismissal (exclusive of any days of unpaid vacation), including all bonuses (including the April educational bonus), incentives and overtime pay. Workers must not be required to return any severance or other terminal compensation they have received.
- 3) Issue a written statement, to be crafted in consultation with, and subject to the approval of, SITRAPETRALEX, FITH and the WRC stating the following: i) workers at Petrallex have the right to join a union of their choosing; ii) management will in no way interfere

with this choice nor take any adverse action of any kind against any worker who makes this choice; iii) any manager, supervisor, or security guard who attempts in any way to coerce or threaten any worker because of his choice to unionize will be fired and will not be employed in the future by Petrallex. Every line and/or department supervisor will read this statement aloud to the employees under his or her direct supervision and a typed copy of the statement, on factory letterhead, will be provided to every employee. WRC monitors will be allowed into the factory to observe these proceedings.

- 4) Refrain from any further intimidation of workers seeking to exercise their associational rights or retaliation against such workers, including union members and leaders who are reinstated pursuant to these recommendations.
- 5) Swiftly negotiate a written agreement with SITRAPETRALEX that includes (1) a schedule for weekly meetings during which members of the SITRAPETRALEX union and their representatives will meet with decision-making members of the factory's management in order to address and remedy workplace concerns, (2) the development of procedures, jointly agreed upon by the union and management, by which worker representatives may bring grievances to factory management, and (3) terms under which FITH representatives may gain regular access to the factory to meet with workers during breaks and other non-work times.
- 6) Contract with an independent organization, which should be agreed upon by the union and its representatives and the WRC, to provide managers and supervisors with training on compliance with freedom of association, as outlined by Honduran law, international standards and university codes of conduct. Informational sessions should be offered by the same organization for all workers, in groups of no more than 100 workers and without the presence of management, so that the workers can be made aware of their rights under these standards and have the opportunity to ask questions.

Given the serious nature of the violations and given the fact that Petrallex has a long history of similar violations, the WRC recommends that licensees sourcing from Petrallex take the following actions:

- 1) Each brand should issue a written statement from the President of the company, on letterhead, in Spanish and in English, stating that the company respects workers' right to unionize; that no worker in these companies' employ will suffer retaliation or discrimination as a result of his or her decision to unionize and that a decision by workers to unionize will not cause the company to withdraw orders to the factory. Copies of these letters should be provided to every worker at Petrallex and the letters should be shared via the factory's public address system.

- 2) Press Petrallex to ensure that the terminated workers are promptly reinstated with back pay.
- 3) Sustain direct communication with Petrallex to ensure that all of the aforementioned recommendations have been fulfilled.

Prompt and complete implementation of these remediative actions will be necessary to address the impact of the November and March terminations, and to shift the climate of fear that has been created by years of repeated retaliation against workers who attempt to form unions.

The first and most crucial step in this remediation is immediate reinstatement for the terminated workers. Every day that a worker is off the job due to a retaliatory termination is not only a burden to that worker and her family, but also impacts the other workers in the facility. It sends a message to the full workforce that any worker who attempts to exercise her associational rights risks termination, and it denies all workers who are union members the right to be represented by the leaders of their choice. Until these workers are returned to the workplace, no statement or training will have a meaningful impact; it is not reasonable to expect workers to believe assurances that freedom of association will be respected when they know that several of their coworkers are still off the job due to retaliatory terminations.

Once these workers are back on the job, a complete plan for remediation, including the steps noted above, should be implemented with the involvement of the workplace union and the approval of the WRC, in order to undo the negative impact of Petrallex's violations of workers' associational rights.