



**INTERIM SUMMARY REPORT
THIRD PARTY COMPLAINT REGARDING
HERMOSA MANUFACTURING, EL SALVADOR**

**ATTACHMENT A
Chronology of Activities by FLA-Affiliated Companies**

2005

- December 8 FLA notifies companies that Christliche Initiative Romero has filed a Third Party Complaint on behalf of the workers at Hermosa. Immediately following the receipt of the complaint, the FLA moved the complaint to Step 2 of the Third Party Complaint Procedure.
- December 12 adidas sends a letter to the Ministry of Labor, the Labor Tribunal, and other government officials of El Salvador to inform them that: (1) they are very concerned about developments at Hermosa and the failure of workers to receive the compensation due them; (2) the FLA has initiated a third party complaint process and FLA companies sourcing from Hermosa must conduct an assessment of the situation; and (3) the Grupo de Monitoreo Independiente de El Salvador (GMIES) will work with adidas and other FLA companies in the preparation of the assessment. adidas seeks collaboration of the Government of El Salvador in the assessment.
- December 19-20 FLA companies meet in El Salvador with: (1) Vice Minister of Labor Suvillaga; (2) 6 former Hermosa workers who are member of STITTAS but are operating independently of the union; (3) the owner of Hermosa Manufacturing and his lawyer; and (4) officials at the U.S. Embassy in San Salvador.

2006

- January 9-13 GMIES conducts research and interviews with stakeholders to support the FLA companies' assessment.
- January 16-17 Attorney representing Russell Athletic holds meetings in San Salvador with: (1) senior Government of El Salvador officials; and (2) representatives of the Textile and Apparel Association (CAMTEX).

- January 19-20 FLA companies hold meetings in El Salvador with: (1) senior Government of El Salvador officials; (2) the owner of Hermosa Manufacturing and his legal counsel; and (3) about 30 former Hermosa workers at “La Mesa de la Maquila.” FLA companies are informed by Government officials that action in the courts the week of January 23 will preserve workers’ compensation precedence for Hermosa assets. Based on this information, agreement is reached among all parties to hold a meeting on January 25 to negotiate all compensation claims. FLA companies agree to facilitate the meeting. Later it is determined that the information was incorrect and workers’ claims are preempted by action by the banks.
- January 20 Attorney representing Russell Athletic meets with Vice Minister of Labor in Washington.
- January 24 FLA companies submit Step 2 report to the FLA.
- January 31 GMIES officials, on behalf of FLA companies, visit the Judicial Center of Apopa to review legal actions against Hermosa’s owner.
- February 1 Attorney representing Russell Athletic speaks with the Vice Minister of Labor.
- February 2 GMIES officials, on behalf of FLA companies, meet with Banco de Cuscatlán officials.
- February 3 GMIES officials, on behalf of FLA companies, meet with officials of the Instituto Salvadoreño del Seguro Social (ISSS).
- February 8 Nike official meets with El Salvador’s Ambassador to the United States in Washington.
- February 9-10 FLA companies meet in San Salvador with: (1) the Minister of the Economy and Vice Minister of Labor; (2) management of Partex and owners of Chifung and Exmodica to ensure participation in upcoming non-discrimination training and to take actions to prevent blacklisting in their employment practices; and (3) the Minister of Labor and the Vice Minister of Labor. A scheduled meeting with the Group of 64 workers was cancelled as the workers staged a protest.
- April 4 FLA companies meet with senior Government of El Salvador officials (from the Ministry of Labor, the Ministry of the Economy, and the Presidential Commission for Democratic Government). Government agrees: (1) to notify former Hermosa workers on April 17 that the government would provide them and their families with two kinds of medical coverage for one year or until re-employment: basic medical coverage through the Ministry of Health, and additional coverage for

