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FLA Creates Emergency Fund For Hermosa Workers *New Fund Part of Broader Long Term Effort to Restore Workers' Rights*

WASHINGTON, DC. – The Fair Labor Association (FLA) today announced the creation of an emergency fund to benefit the former workers of the Hermosa Manufacturing plant in El Salvador who have remained unemployed since last year, when the plant's local owner unilaterally closed its doors and left the employees without any financial compensation.

“Since the owner of the Hermosa plant left his workers high and dry, the FLA has been seeking a solution that would hold the factory owner and the government of El Salvador accountable for their legal obligations,” said Aurret van Heerden, FLA President and CEO. “The proceeds of the fund will provide workers with some financial support to meet basic needs such as food, housing, and medical care as we continue our efforts to get the company and the government to fulfill the legal, economic and human rights due these workers. Finding jobs for these workers remains a priority in order to provide them with sustainable support.”

The FLA emergency fund is an unprecedented action for FLA. The creation of the fund was proposed by van Heerden following consultation with the affected workers and solidarity groups and was approved by the FLA Board of Directors. It is intended to provide immediate and direct assistance to the workers while efforts continue to hold the government of El Salvador and the factory owner responsible for carrying out their legal obligations to workers. The FLA has also been working to ensure that other Salvadorean factories and employers do not participate in or tolerate a blacklist of former Hermosa employees.

The emergency fund is to be administered by the Fundacion de Estudios para la Aplicacion del Derecho (FESPAD), a non-governmental organization (NGO) based in El Salvador. FESPAD will identify the workers, who will receive support from the emergency fund. The fund will have an initial distribution of \$36,000, with payments to workers to be made by December 30, 2006. Fund contributors to date include both FLA and non-FLA affiliated companies and universities. Additional contributions will continue to be accepted until April 1. A second distribution will be made if additional funds become available.

In its efforts to resolve the Hermosa issue, including the development of the emergency fund, the FLA has consulted regularly with the Christian Initiative Romero, (CIR), the German-based

NGO affiliated with the workers rights group, Clean Clothes Campaign. The CIR brought the Hermosa case to the attention of the FLA in December 2005 through the FLA's Third Party Complaint procedure. The FLA and non-FLA affiliated companies have been involved since early 2006 in efforts to pressure the government of El Salvador and the former owner to meet their obligations to the workers. The FLA has issued an interim report on the Third Party Complaint investigation (http://www.fairlabor.org/all/complaint/Reports/Hermosa_InterimReport_8.25.06.pdf) and will release a final report when it is completed.

“I am very pleased that we were able to help these workers who have been failed by the labor laws and social security system and make their holiday season a little more tolerable,” said van Heerden, the FLA president. “But we will continue to seek full accountability from the government and the factory owners for these workers until they get the compensation they deserve.”

The FLA, which is made up of companies, colleges, universities, and non-governmental organizations, is dedicated to protecting the rights of workers around the world and ending sweatshop labor practices and unfair behaviors like that of the Hermosa plant owner. The FLA holds companies accountable to the Fair Labor Association Workplace Code of Conduct, monitors company practices, conducts factory inspections, and works with factories to create sustainable solutions that promote compliance and better labor practices.