

**GENERAL SERVICES AGENCY**  
**OFFICE OF LABOR STANDARDS ENFORCEMENT**  
PATRICK MULLIGAN, DIRECTOR



**SWEATFREE PROCUREMENT ADVISORY GROUP**  
**Minutes from May 8, 2025, meeting, 2:00 pm**

**Members Present:** Conchita Lozano Batista, Jason Oringer Julie Fisher, John Logan

**Members Excused:** Coyote Marin, Samuel Thomas

**City Staff Present:** Hallie Albert, Shawn Peeters

**WRC Present:** Ben Hensler

**ADOPTION OF AGENDA**

Meeting agenda adopted without opposition.

**PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA**

No public comment.

**APPROVAL OF MINUTES**

The minutes from the meeting of October 30, 2024, were reviewed. Update to third to last paragraph in the minutes to correct "no longer the types" to "fewer of the gross violations than they used to see" and adopted without opposition.

**OCA UPDATE**

Shawn Peeters shared a list of the sweatfree contracts, explaining that the contracts listed in red show those which changed or have been retired. OCA received complete 12U information for all suppliers with sweatfree requirements. Newly awarded contract to Galls and Banner. All factory disclosure information was provided to WRC.

Conchita Lozano Batista inquired about the burden of obtaining disclosure information. Peeters explained that it is not too burdensome with the current process, whereas it was burdensome in the past, and he has been able to obtain the information. Whether or not the information obtained is good relies on WRC's assessment of it. Peeters has not received any complaints from suppliers on the 12U requirements, but he was not involved in the solicitations. He would expect to have heard from his colleagues if concerns were raised, but he has not.

In response to Lozano Batista's inquiry about how 12U requirements are working, Peeters said he cannot qualify how well they are working, but he believes the mechanism for honoring the ordinance is successful. He can obtain the information WRC requires to conduct its investigations, but whether that information is achieving the aims of the ordinance is not something he can confirm. Lorna Walker, OCA Deputy, came into the meeting and everyone made introductions.

**WRC UPDATE**

Ben Hensler shared slides with the group. First was a chart of the tariffs on major supplier countries that export apparel, and Hensler discussed the potential for certain countries to grow more appealing due to having significantly lower tariffs. In the past few years, factories in Central American countries were closing but now we may see manufacturing return to those countries. Possible responses we may see from brands and retailers include: 1. Demanding retroactive discounts from suppliers; 2. Holding delivery to see if tariffs shift; 3. Delaying of payments; 4. Canceling orders and claims of force majeure; and 5. Shifting production

to other countries. Possible impacts on workers include: 1. Late wage payments; 2. Lay-offs; 3. Forced overtime; 4. Abuse; 5. Loss of health and safety protections; and 6. Impacts to freedom of association rights.

The next slides summarized WRC's work and included a map of countries where WRC conducted investigations. Countries were identified where there are factories supplying San Francisco. Those in bold denote where there is an active investigation. Hensler explained that all investigations listed overlap with another jurisdiction, particularly Los Angeles and the cooperative enforcement provides WRC more resources to investigate.

Hensler reviewed WRC's investigation of Northstar MFG factory on the Thai-Burma border. WRC is still engaged with the factory to facilitate pay to additional workers who came forward. The factory is resistant and retained counsel.

Lozano Batista inquired whether OLSE can include the direct impacts of WRC's work, including the number of workers impacted and restitution obtained, in its annual report. Hallie Albert stated she did not see an obvious barrier to doing so and would pass on the idea to OLSE staff. Hensler raised that the data would have to be explained in relative terms, such as how much the money equates to in US dollars or months of wages. Hensler said WRC is finalizing the Northstar report and Albert said it will be posted on the OLSE website once received and can be excerpted in the annual report.

Hensler reviewed WRC's investigation of MBI Haiti, which supplies to San Francisco through Banner. Past investigation resulted in remediation of the 2023 termination of six union leaders by negotiating their reinstatement with back pay. Currently, WRC is handling another union firing of 50 workers, including a union leader who wore a union t-shirt and organized a lunch break meeting. San Francisco is still working with this factory. Los Angeles has stopped using this factory as a supplier for the product made there.

Next, Hensler presented on the Dong Thanh II factory in Vietnam. 5.11 Tactical, which supplies to San Francisco and Los Angeles through Galls. There was a prior inspection and remediation. WRC returned to find that while most issues were corrected, there were safety and health violations, such as backless stools, lack of ventilation and cooling systems, and unsanitary toilets. WRC is currently engaged with the factory to cure these issues.

Finally, Hensler spoke about Hirdaramanni Garments in Hawassa, Ethiopia, where there is an active investigation. San Francisco buys DPH uniforms, through Banner, from this factory. WRC received complaints about gender discrimination in wages, forced overtime, abuse (yelling at workers to drive production), and health and safety violations.

John Logan asked Hensler what he believes will happen due to the tariffs. Hensler discussed how both worker impacts (cancelled contracts, non-payment of wages, etc.) and shifts of production (resulting in closed factories) can happen simultaneously. Logan inquired how these shifts will impact the SPAG's work and how they should think about the ordinance, considering the group has stayed the same while everything in global textile manufacturing has changed. Lozano Batista spoke about how the group has made some changes and San Francisco is now inspecting in cooperation with Los Angeles, defended the ordinance from threats, and pushed towards the obtaining of full disclosures without difficulty, which was not the case in prior years.

Logan inquired if other cities have collaborative contracts with WRC. Hensler said Madison, Wisconsin has a small amount of money and did some collaborative enforcement. There was a plan to have more cities

working together, but it did not materialize. WRC will be able to adjust to any shifts in manufacturing as they have a presence in all relevant countries.

Julie Fisher raised the potential for getting shopper's attention to purchasing WRC approved textiles. Lozano Batista asked if a patch could be placed on a City uniform to show it was manufactured at a sweatfree factory to drive awareness and pride.

Discussion ensued about the anticipated impacts to the City's existing contracts due to the tariffs. Peeters said cost increases are built into the contracts. They are tracking impacts but have not seen any yet. A discussion followed about the State of California's history with sweatfree regulation. Albert shared on Sweatfree Purchasing Consortium's work to establish a designated factory list, starting with factories in Los Angeles. Logan said manufacturing is not coming back in any meaningful way. Hensler shared that Los Angeles factories are under a lot of pressure for apparel manufacturing and textiles are being manufactured in the south.

Jason Oringer raised the importance of thinking about how to get more support for the group's work and share it with a wider audience. The group revisited the potential for recruiting new members.

#### **CONTRACT RECOMMENDATIONS UPDATE**

No updates.

#### **POTENTIAL ITEMS FOR FUTURE AGENDAS**

Electronics monitoring. Albert agreed to against see if Bjorn Skorpen Claeson or someone else from Electronics Watch could present. Promotion of the group's work.