

Guidelines and Resources for Implementing a Sweatfree Procurement Policy

A Companion Document to "Model Code of Conduct and Sweatfree Procurement Policy 5.0"

1. Introduction

The objectives of sweatfree procurement are to ensure that low-bid public procurement awards do not encourage manufacturing in sweatshop conditions, and to level the playing field for public contracts by eliminating sweatshop exploitation as a comparative advantage. A significant number of U.S. states, cities, counties, local government agencies, and school districts are concerned with purchasing goods that have been made in workplaces free of sweatshop conditions. The first sweatfree laws and ordinances date to the late 1990s. Similar efforts towards ethical public procurement are ongoing in provincial and municipal governments of Canada and Europe.

Ensuring fair labor and fair wage standards for public contracts is also a well-established goal of the International Labor Organization (ILO), a tripartite United Nations agency that brings together governments, employers and workers of its member states to promote decent working conditions throughout the world. The ILO established the Labor Clauses (Public Contracts) Convention (No. 94) in 1949 to ensure public purchases of goods and services do not have the effect of depressing working conditions. In 2008, the ILO affirmed the continued relevance of Convention 94, stating that its aims were even more significant today when international competition "pushes bidding enterprises to compress labor costs which most often results in reduced wages, longer hours, and poorer conditions..." Given the concern that contractors may be tempted to economize on labor costs in order to qualify as lowest bidder and be awarded a government contract, "governments should not be seen as entering into contracts involving the employment of workers under a certain level of social protection, but, on the contrary, as setting an example by acting as model employers."

The principles that public spending should not encourage violations of labor rights and human rights, and that sweatshop exploitation ought not to be an element of competition for public contracts are well established. Implementing those principles through standards and procedures that are both meaningful and feasible is more challenging than simply affirming the principles. These implementation guidelines are based on current best practices among both public and private actors in the United States, including cities, states, universities, and monitoring organizations. The guidelines are designed as a companion document to SweatFree Communities' Model Code of Conduct and Sweatfree Procurement Policy 5.0.

Resources

- "Labor Clauses in Public Contracts," International Labor Conference 97th Session, 2008:
<http://www.ilo.org/ilolex/cgi-lex/convde.pl?C094>

2. International Labor Organization Conventions

a. Code, Section 4 (a)

Production facilities shall comply with ... the "core" conventions of the International Labor Organization, including those regarding forced and child labor, non-discrimination, and freedom of

association and collective bargaining; and other internationally recognized labor rights regarding health and safety, maternity leave, hours of work, wages, and homework as defined by the International Labor Organization.

b. Implementation

Production facilities must comply with the eight “core” conventions concerning four labor rights which the ILO defines as fundamental to the rights of human beings at work irrespective of countries' levels of development. These labor rights “set the basis for social justice in the workplace and provide a framework to ensure that people fairly share in the wealth that they have helped generate.” All ILO member states, by virtue of their membership have an obligation “to respect, to promote and to realize, in good faith” the principles concerning the four fundamental labor rights. These four rights are the following:

Freedom of Association and the Right to Collective Bargaining

87: Freedom of Association and Protection of the Right to Organize (148 ratifications)

#98: Right to Organize and Collective Bargaining Convention (158 ratifications)

These conventions protect the right of all workers to form and join organizations of their own choosing, and protect them against acts of anti-union discrimination. Employers may not make the employment of workers subject to the condition that they shall not join a union or shall relinquish trade union membership. Employers may not dismiss workers because of participation in union activities.

The Abolition of Forced Labor

#29: Forced Labor Convention (172 ratifications)

#105: Abolition of Forced Labor Convention (170 ratifications)

These conventions protect workers from forced or compulsory labor, meaning work or service which is exacted under the menace of any penalty and for which the workers have not offered themselves voluntarily.

Equality

#100: Equal Remuneration Convention (164 ratifications)

#111: Discrimination (employment and occupation) Convention (166 ratifications)

These conventions establish the principle that men and women shall receive equal remuneration for work of equal value, and that workers shall receive equality of opportunity and treatment regardless of race, color, sex, religion, political opinion, nationality, social origin or other distinguishing characteristics.

The Elimination of Child Labor

#138: Minimum Age Convention (150 ratifications)

#182: Worst Forms of Child Labor Convention (182 ratifications)

These conventions protect children from slavery and other forms of abusive work, including all work likely to harm their health, safety or morals. They establish a minimum age for employment not less than the age of completion of compulsory schooling and, in any case, not less than 15 years.

Additional ILO conventions that apply to internationally recognized labor rights in the sweatfree code include the following:

Maternity Leave

#183: Maternity Protection Convention (13 ratifications)

This convention protects pregnant women by establishing a period of maternity leave of not less than 14 weeks. The convention also prohibits employers from terminating women who are pregnant or on maternity leave on grounds related to pregnancy, childbirth, or nursing.

Protection of Wages

#95: Protection of Wages Convention (95 ratifications)

This convention is designed to ensure that workers are paid regularly and in legal tender. It prohibits employers from limiting workers freedom to dispose of their wages, and permits deductions from wages only to the extent prescribed by national laws or regulations or fixed by collective agreement or arbitration award.

Hours of Work

#1: Hours of Work (Industry) Convention (47 ratifications)

#14: Weekly Rest (Industry) Convention (119 ratifications)

These conventions protect workers from excessive hours of work by establishing the standard of 48 regular hours of work per week, with a maximum of eight hours per day, and at least 24 consecutive hours of rest in every period of seven days.

Health and Safety

#148: Working Environment (Air Pollution, Noise and Vibration)

This convention protects workers from hazards due to air pollution, noise or vibration. Additional ILO Codes of Practice set out practical guidelines for public authorities, employers, and workers to protect workers' health and safety in different economic sectors.

Home Work

#177: Home Work (5 ratifications)

This convention promotes equality of treatment between homeworkers and other wage earners, with particular reference to the homeworkers' right to establish or join organizations of their own choosing; protection against discrimination in employment and occupation; protection in the field of occupational safety and health; remuneration; social security protection; access to training; minimum age for admission to employment or work; and maternity protection.

c. Resources

- Ratifications of the fundamental ILO conventions, and links to the text of the conventions: <http://www.ilo.org/ilolex/english/docs/declworld.htm>
- Texts of all ILO conventions: <http://www.ilo.org/ilolex/english/newratframeE.htm>
- "Rules of the Game: A Brief Introduction to International Labor Standards," International Labor Organization, 2005, accessible at <http://www.ilo.org/normes>

3. Non-Poverty Wages

a. Code, Section 4 (b)

Production Facilities shall pay a non-poverty wage. In the United States, the non-poverty wage is the level of wages required for a full-time worker to produce an annual income equal to or greater than the United States Department of Health and Human Services' most recent poverty guideline for a family of three plus an additional 20% of the wage level paid either as hourly wage, health

benefits, or pension benefits. Outside the United States, a non-poverty wage is a wage and benefit level that yields purchasing power comparable to the U.S. non-poverty wage.

b. Implementation

Studies show that garment workers worldwide are mostly young women, and often mothers who are the sole providers for their family. Their wages should be sufficient to lift them and their children out of poverty. The notion that wages should be high enough to lift workers out of poverty is internationally accepted; for example, 182 nations have signed the Constitution of the International Labor Organization which endorses “the provision of an adequate living wage” as necessary to prevent “injustice, hardship and privation to large numbers of people...”

The starting point for determining the U.S. minimum wage is the poverty guidelines for a family of three as determined by the United States Department of Health and Human Services. For 2008, this guideline is \$17,600. According to the sweatfree code, the per hour non-poverty wage for the United States when the employer does not provide health or pension benefits is $\$17,600/2,080 \times 1.20$, or \$10.15, where 2,080 is the number of hours worked in a year at 40 hours per week for 52 weeks. The U.S. non-poverty wage when the employer does pay benefits is \$8.46/hour with \$1.69/hour as health or pension benefits.

One method to determine the non-poverty wage in another country is to adjust the U.S. non-poverty wage by the ratio of that country’s Gross Domestic Product (GDP) per capita to the United States’ GDP per capita. The GDP per capita figures come from the CIA’s World Fact Book. For example, to determine the non-poverty wage for Bangladesh, divide Bangladesh’s GDP per capita (\$1,400) with the U.S. GDP per capita (\$46,000), and then multiply this ratio (0.03) by the U.S. non-poverty wage (\$10.15 without health or pension benefits). The result is \$.31/hour. This method produces reliable non-poverty wage figures for many, but not all apparel producing countries. This is because in a number of countries, the cost of living is high relative to the level of economic development (and, correspondingly, the GDP per capita), resulting in too low non-poverty wage estimates. The development of a universally applicable non-poverty wage formula will be one of the initial tasks of the State and Local Government Sweatfree Consortium.

Production facilities should maintain verifiable wage and hour records for each production worker. Such records include the following information: (a) name and job classification; (b) a general description of the work the worker performed each day and the rate of pay (including rates of contributions for, or costs assumed to provide fringe benefits); (c) the daily and weekly number of hours worked; (d) deductions made; and (e) actual wages paid.

Public officials and authorized agents, such as an independent monitor, can request certified payroll records and applicable wage information pertaining to production facilities from contractors or subcontractors. Contractors are responsible for obtaining such information upon request from public officials.

c. Resources

- United States Department of Health and Human Services poverty guidelines:
<http://aspe.hhs.gov/poverty>
- The CIA World Factbook’s GDP per capita figures for countries worldwide:
<http://www.cia.gov/cia/publications/factbook/index.html>

- Non-poverty wages for all countries as determined by the City of Milwaukee:
<http://www.city.milwaukee.gov/ImageLibrary/Groups/doaPurchasing/forms/nonpovertywage.pdf>
- International Labor Organization minimum wage database:
<http://www.ilo.org/travaildatabase/servlet/minimumwages>
- International Labor Organization Constitution, Preamble:
<http://www.ilo.org/ilolex/english/constq.htm>

4. Freedom of Association

a. Code, Section 4(f)

Production Facilities shall respect workers' rights to freedom of association, collective bargaining, striking or other concerted protest, and filing of grievances.

b. Implementation

Freedom of association includes the right to form or join labor unions: that is, associations of workers, joined together to protect their rights in the workplace, that are recognized by law and have the power to negotiate a contract with management which specifies workers' rights, wages, and benefits, and that allow workers to file formal complaints alleging violations of the contract.

A large number of studies and investigations indicate that garment workers' associational rights are severely compromised worldwide. According to the ILO, the majority of the 50 million workers in export processing zones, many of whom work in garment factories, do not enjoy the right to join unions. There are many reasons for this, including failures of governments to enact and enforce effective legal protections for workers' right to associate, as well as longstanding patterns of anti-union behavior by employers in this sector. Independent monitors have found that workers, nearly universally, believe that if they chose to exercise their rights of association and join an independent trade union, they would face retaliation from management even if their employer has not made any explicit threats to this effect. In such an environment, ensuring that workers are free to exercise their associational rights requires that a factory not only refrains from taking negative action against workers who choose to exercise these rights but also adopts a positive attitude towards the organizational activities of workers.

Therefore, production facilities should be encouraged to demonstrate their commitment to freedom of association by taking positive steps such as:

- Communicating to the workforce the facility's openness to workers' exercise of their associational rights, including their right to unionize.
- Negotiating in good faith with any union or other representative worker body duly constituted by workers.
- Implementing effective procedures and training programs to safeguard workers against retaliation, intimidation, coercion, harassment or other adverse action by managers, supervisors, and co-workers.
- Remaining strictly neutral on the matter of workers' choice to unionize or not unionize, and refraining from campaigning in any way against or in favor of workers' efforts to unionize.

Production facilities violate workers' freedom of association if they:

- Intimidate, coerce, harass, take any other adverse action against workers who exercise their associational rights, or threat to take such actions.
- Threaten adverse consequences, such as factory closure, layoffs, or reductions in wages and benefits, if workers choose to exercise their associational rights.
- Reward or make promises to reward workers for opposing efforts to form a union.
- Attempt to initiate, dominate, or support organizations in which workers participate or are represented.
- Deny union organizers free access to workers.
- Do not recognize the union of the workers' choice and/or do not negotiate in good faith with the union of the workers' choice.

Another issue to be aware of in implementing this code provision is the prevalence in the industry of illegitimate unions – usually formed and/or controlled by either factory management or the government – which do not represent workers' interests and instead hinder the genuine exercise of associational rights by preventing workers from forming and joining unions of their choice. Examples of such fake unions include unions whose leaders are members of management, unions that were formed by management or a government agency, unions that do not seek to bargain for benefits above the legal minimum, or unions that conclude a collective contract that does not provide for any benefits above those already provided by law. The existence of this type of union in a factory is not evidence that workers' associational rights are being respected. It is not acceptable for factory management to recognize one of these unions as workers' representative in lieu of recognizing and bargaining with an organization of workers' choosing.

ILO Convention 98, the Right to Organize and Collective Bargaining Convention - one of the core conventions that all member states must respect - explicitly forbids unions that are not under the control of workers. It states: "...acts which are designed to promote the establishment of workers' organizations under the domination of employers or employers' organizations, or to support workers' organizations by financial or other means, with the object of placing such organizations under the control of employers or employers' organizations, shall be deemed to constitute acts of interference within the meaning of this Article."

5. Factory Disclosure

a. Code, Section 5(b)

In order to qualify for a contract, purchase order, rental, or lease agreement for provision of goods or services covered by this Chapter, the Contractor must submit affidavits that include the information set forth in Sections 5 (b) to the Purchasing Agent. ... The information shall include: ... The names, complete physical addresses, phone numbers, and contact persons of each production facility to be involved in the production of goods or provision of services.

b. Implementation

Typically, contractors should report companies in two steps of the supply chain, the manufacturer and the factory. But there may be as many five different types of companies that should be identified.

- Manufacturer:* The manufacturer is the brand, the company with direct contact to the factory, or the company whose products are made at the factory. Sometimes the contractor is the manufacturer; occasionally, the manufacturer is also the factory. If the contractor and

manufacturer are distinct entities, the contractor should get information about the factory, subcontractor, agent, and parent company from the manufacturer.

- ii. *Factory or Production Facility:* This is the place to which the code of conduct applies, normally the facility where garments are cut and sewn through highly labor-intensive work. See further details below.
- iii. *Subcontractor:* Sometimes factories contract all or part of the cut and sew production to subcontractors. Manufacturers should ask factories working on production of applicable products, or scheduled to do so, for a list of cut and sew subcontractors that are, or will be, taking part in this production.
- iv. *Agent:* Where applicable, the agent is the company that procures applicable products from the factory on behalf of the manufacturer, or otherwise assists the manufacturer in sourcing products from the factory.
- v. *Parent Company:* Where applicable, the parent company or corporate parent is the company that owns the factory. This information is particularly important in cases where the parent company, rather than the factory itself, is the entity with a direct relationship to the manufacturer, contractor or agent.

Contractors should report factories that perform a *type of work* covered by the sweatfree code to produce the applicable product for use by the public entity during the period of time of the contract.

Type of work: The factories should contribute significantly to the applicable finished product. Depending on the language in the law, the type of work such factories perform may include cutting, sewing, assembling, finishing, application of marks (embroidery, screen printing, etc), color application, washing, packaging, and laundry.

Period of time: Contractors may use a range of factories to produce the applicable products; they should report those factories that produce these products for use by the public entity during the term of the contract. If the contractor is unsure when production for the public entity have taken place or will take place, the contractor should report applicable factories that currently produce applicable product, are scheduled to produce applicable products, and have produced applicable products during the last 12 months. Factory disclosures should be updated every six months, at which time the contractor or manufacturer reports the factories actually used during the previous six months as well as those it plans to use in the coming six month period.

Contractors should provide the following information:

- i. *Factory location information:* Name of the facility involved in the production of applicable goods, physical address of the factory, and name and contact information for an individual to contact at the factory.
- ii. *Volume of production:* The percentage and dollar value of applicable products to be sold to the public entity that will be produced in the factory for the term of the contract.
- iii. *Products:* All applicable products manufactured for the contractor or manufacturer at the factory (e.g. pants, knit shirt, etc.). Products should be identified by their product or style numbers, allowing easy identification of the specific products made at certain factories.
- iv. *Production process:* Primary production processes in the factory, such as cut, sew/assembly, dye, embroider, package, or laundry.

- v. *Wages and hours (may not be required by all public entities):* For each factory, contractors should report the lowest base wage that will be paid to non-supervisory full-time production employees – excluding bonuses, incentives, government subsidies and overtime pay – for work on products to be used by the public entity. All figures should be expressed as weekly wages. Where there are different wage levels for different groups or classes of production employees, contractors should report the lowest base wage that will be paid to any group of production employees. Where pay periods are not weekly, the length of the pay period should be noted. All figures should be reported in U.S. dollars, using the exchange rate as of the day the disclosure is reported.

For factories that use a piece-rate pay system, contractors should report the minimum amount that will be paid to employees for full-time work whether or not they meet their production target, excluding bonuses, incentives, government subsidies and overtime pay.

Contractors should also report the maximum number of working hours in a day, a week, and a month that will be required of employees for work on products to be used by the public entity.

Can Disclosure be Confidential?

Occasionally companies make the argument that the public entity has a right to know the supplier factories, but such knowledge does not need to move beyond the policy administrators and those people directly involved in policy enforcement. There is no sound basis for this argument.

In the first place, the names and locations of supplier factories are not proprietary. Major apparel manufacturers already know where their competitors make their products and when they shift production to different factories. Indeed, the same contract factories often make products for different and competing manufacturers. Public disclosure would reveal no new information to competitors, and would not blunt manufacturers' competitive edge. Indeed, hundreds of university apparel licensees have already publicly disclosed thousands of factories. Not one of those licensees has alleged any negative consequences from disclosing factory names and addresses to the public at large.

Second, public disclosure is good public policy. Public disclosure respects the rights of citizens to information about working conditions and expenditure of its tax money. It inspires greater public confidence in the procurement process. And it is consistent with freedom of information laws.

Most importantly, public disclosure makes the policy more effective in ending public procurement from sweatshops. Public awareness of the factories that benefit from public contracts encourages public scrutiny and corporate accountability to the public, creating disincentive for the misuse of taxpayers' money. Public disclosure increases the likelihood of independent factory investigations and media factory reports reaching the ear of policy administrators and tax payers. Workers' awareness of the end users of the products they make also strengthens the complaint process, which is integral to policy enforcement. More sources of information about supplier factories for policy administrators makes for more effective policy enforcement and a greater degree of factory code compliance.

Note about Wage Disclosure

Wages in the global garment industry are notoriously low. In just about all apparel producing countries, with some exceptions in North America and Europe, wages that apparel workers earn are significantly lower than the non-poverty wage in the sweatfree code. Workers are often not paid the legal minimum wages, but even if they are, these legal levels are still usually significantly lower than a wage that will lift workers and their families out of poverty.

In order to end public procurement from sweatshops most workers should be paid more than they are paid today. Therefore, a non-poverty wage standard is an important part of a sweatfree code of conduct.

However, enforcing the non-poverty wage standard is challenging. Most apparel factories cannot significantly increase wages without raising product prices and facing the prospect of losing customers. Increasing workers' wages is not a problem that factories should face alone; manufacturers (buyers) must also commit to paying a product price high enough to allow wage increases. Together, public entities can create a market large enough to provide incentive for contractors and manufacturers to change their purchasing practices - pay higher product prices enabling higher wages for workers - in order to gain access to public contracts. Separately, no public entity can convince companies to make such changes.

Consequently, most bidders asked to report current wages would, if they had accurate information and conveyed it truthfully, disclose poverty-level wages, and be disqualified from contracts with public entities requiring payments of non-poverty wages. On the other hand, bidders who had inaccurate wage information or lied about wages would be eligible for a contract. In this scenario, a public entity may punish a company for truthfully providing accurate information, and reward one that falsified information - hardly the kind of incentive program we want to establish.

The solution to this dilemma is to ask companies to make a commitment to paying non-poverty wages. Unless the contractor or manufacturer sources from certain factories in North America or Europe, it is probably prudent to allow a period of transition, allowing companies to demonstrate increasing wages over a period of time. Bidders should disclose the wages that they will be paying and provide a timeline for coming into compliance with non-poverty wage standards. At the same time, the public entity should join the State and Local Government Sweatfree Consortium in order to leverage purchasing power with other public entities and gain access to an independent monitor that will guide and monitor the work of both factories and manufacturers to ensure higher wages for garment workers.

c. Resources

Many public entities require factory disclosure from contractors. Some disclosure data is easily accessible on websites, including the following:

- State of Maine: <http://www.maine.gov/purchases/reports/cocdata.htm>
- City of Milwaukee: <http://www.ci.mil.wi.us/display/router.asp?docid=339>
- City of Ottawa:
http://www.ottawa.ca/business/bids_contracts/ethical_purchasing/supplier_en.html
- Worker Rights Consortium factory database (contractors to university licensees):
<http://www.workersrights.org/search/index.asp?reset=1>

6. Contractors' and Subcontractors' Business and Sourcing Practices

a. Code, Section 6(a)

Contractors must establish and implement, and/or cause Subcontractors to establish and implement, managerial systems, rules, procedures, and audits sufficient to effectively ensure such compliance. Contractors must also ensure that their, and/or their Subcontractors', business and sourcing practices effectively ensure such compliance.

b. Implementation

The purchasing practices of contractors and subcontractors may impact workers' wages, working hours, workers' associational rights, and working conditions. For example, prices paid to production facilities for goods or services may not be sufficient to enable the facility to meet the costs of compliance with the sweatfree code. Dates for delivery of products or other logistical requirements imposed on production facilities may induce violations of hours, overtime, or other provisions of the sweatfree code.

Thus, the public entity should require contractors to ensure that their purchasing practices and/or their subcontractors' purchasing practices result in:

- i. *Fair Pricing*: The prices paid to production facilities may be determined by a competitive market process but must also be sufficient to allow factories to pay workers a non-poverty wage and meet all other sweatfree code requirements.
- ii. *Sustainable Production Scheduling*: Order placement and delivery schedules should allow for reasonable production scheduling such that production facilities can fulfill orders without compelling excessive involuntary overtime.
- iii. *Long-term Commitments*: The relationship between the contractor and/or subcontractor and production facility must be stable and long-term. Production facilities will have little incentive to invest in meeting sweatfree code requirements unless their buyers are willing to reward compliance with ongoing business.
- iv. *Consolidation of Production*: Presently, global apparel production is highly atomized, with orders for a given public entity or contractor spread over dozens or hundreds of factories. As a result, a public entity or contractor usually only constitutes a tiny portion of each factory's overall business. In order for public entities to have sufficient influence over working conditions in factories, production for the sweatfree market should be consolidated in a smaller number of factories. Each factory should derive most if not all of their orders from buyers who are willing to negotiate fair pricing, sustainable production scheduling, and long-term commitments. Consolidation of production in a smaller number of factories will take place over time and will require joint planning by public entities and their contractors.

These expectations should be included in the terms of the contract between the public entity and the contractor.

7. The State and Local Government Sweatfree Consortium

a. Code, Section 6(c)

The [public entity] shall join the State and Local Government Sweatfree Consortium in order to work together with other public entities for the purpose of ensuring the most effective enforcement of the labor standards enumerated in Section 4 of this Chapter.

b. Implementation

Currently in formation, the State and Local Government Sweatfree Consortium joins states, cities, counties, local government agencies, and school districts in order to pool resources for independent investigations of working conditions in common supplier factories and coordinate the enforcement of sweatfree procurement policies. Consortium affiliation is open to all public entities that adopt a sweatfree code of conduct with strong protections for workers' rights in apparel production facilities; require contractors to publicly disclose names and addresses of production facilities; pay annual dues; and, as soon as contractually possible, require contractors to commit to fair purchasing with

their suppliers. The majority of Consortium resources will pay for independent monitoring and remediation work in production facilities.

The Consortium interim Steering Committee estimates the cost of participating in the Consortium at approximately one percent of the relevant apparel procurement value, payable in annual dues. Some public entities plan to generate these dues through vendor fees in order to avoid increasing the cost of the procurement itself. There also is ongoing discussion among the interested parties as to whether any dues structure will include a minimum or maximum level.

The final determination of the cost of participation and all other necessary decisions about an initial governance and financial structure will be determined by the members themselves when the apparel procurement value of the participating public entities reaches \$100 million. The parties that have signed on to the initiative will have a voice in making those initial determinations. Parties that join the effort subsequently would participate under the initial rules, but the Consortium intends to have periodic opportunities for governance and financial issues to be reviewed and updated to reflect the collective will of its members, especially as more members join.

Resources

- Consortium White Paper and model resolution to join the Consortium:
<http://www.sweatfree.org/whitepaper>

8. Monitoring and Remediation

a. Code, Section 7(b)

Upon determination of a violation of the sweatfree code of conduct at a Production Facility of a Contractor or its supplier, including all Subcontractors, the [public entity], authorized agents, the Contractor, and relevant Subcontractors shall consult for the purpose of agreeing to a remediation plan. The remediation plan should specify all necessary steps according to a timetable that will bring the Production Facility into compliance with the sweatfree code of conduct as expeditiously as possible.

b. Implementation

All relevant parties must fully cooperate in the monitoring and remediation processes, following the plan or guidelines proposed by the independent monitor and authorized by the public entity. In the event of disagreement about a remediation plan, the contractor and subcontractors shall not have authority to veto the remediation plan formulated by the [public entity] or its authorized agents.

Production facilities may not engage in any reprisal, coercion, intimidation or take any other adverse action against workers for filing complaints, giving evidence, or otherwise cooperating with monitoring, enforcement, or remediation activities carried out under the auspices of the consortium, an independent monitor, any government agency, or other entity authorized to enforce the code. Production facilities must also allow independent monitors or other agents authorized to act on behalf of the public entity to conduct unannounced inspections of any worksite where the relevant contract or any subcontract is performed, interview any manager, supervisor, or worker, and view and copy any document that is relevant to the inspection.

If any production facility refuses to fully cooperate with the monitor or other agent, immediate intervention by the vendor, subcontractor, or public entity as applicable will be necessary to communicate the importance of full cooperation. Timely cooperation with the monitoring process by all parties is critical to ensuring the fullest possible respect for worker rights at applicable factories, including quick remediation of any ongoing worker rights violations.

Contractors and subcontractors may not shut down or reduce orders to a production facility in order to avoid participating in the remediation process or deny workers any right or standard protected by the sweatfree code. Any action to impede the remediation process taken by a production facility, contractor, or subcontractor is itself a code violation.

Corrective action includes all steps necessary to correct the violations. Production facilities may, for example, be required to pay back wages and reinstate workers dismissed in violations of the code; address specific health and safety issues; recognize and negotiate with a union of the workers' choice; and take other steps to ensure the respect of workers' labor rights and human rights as specified in the sweatfree code. Contractors or subcontractors may be required to provide training on worker rights and best practices education for managers and workers at the production facility where the violation occurred to ensure future compliance. Materials for training and education should be subject to the review and approval of the independent monitor and public entity.

Corrective action may also require contractors and/or subcontractors to assess the impact of their purchasing practices on workers' wages, working hours, workers' associational rights, and working conditions, and to commit to eliminate those purchasing practices that may depress wages and foster abuse.

After formulating a remediation plan, the independent monitor and the public entity should conduct follow-up inspections and monitoring to ensure that the contractor, subcontractor, and production facilities implement the remediation plan in a timely manner. All relevant parties should continue to communicate and collaborate during this process to ensure that remediation is complete and sustainable.