

Labor Code of Conduct

(As Adopted By The University of Arizona)

I. Introduction: The Collegiate Licensing Company (CLC) and the collegiate institutions represented by CLC (Member Institutions) are each committed to conducting their business affairs in a socially responsible and ethical manner consistent with their respective educational, research and/or service missions, and to protecting and preserving the global environment. While CLC and the Member Institutions believe that Licensees share this commitment, CLC and the Member Institutions have adopted the following Labor Code Standards (the Code) which requires that all Licensees, at a minimum, adhere to the principles set forth in the Code.

Throughout the Code the term Licensee shall include all persons or entities which have entered into a written License Agreement with CLC to manufacture Licensed Articles (as that term is defined in the License Agreement) bearing the names, trademarks and/or images of one or more Member Institutions. The term Licensee shall for purposes of the Code, and unless otherwise specified in the Code, encompass all of Licensees contractors, subcontractors or manufacturers which produce, assemble or package finished Licensed Articles for the consumer.

II. Standards: Licensees agree to operate work places and contract with companies whose work places adhere to the standards and practices described below. CLC and the Member Institutions prefer that Licensees exceed these standards.

A. Legal Compliance: Licensees must comply with all applicable legal requirements of the country(ies) of manufacture in conducting business related to or involving the production or sale of Licensed Articles. Where there are differences or conflicts with the Code and the laws of the country(ies) of manufacture, the higher standard shall prevail, subject to the following considerations. In countries where law or practice conflicts with these labor standards, Licensees agree to consult with governmental, human rights, labor and business organizations and to take effective actions as evaluated by CLC, the applicable Member Institution(s) or their designee, and the applicable Licensee(s) to achieve the maximum possible compliance with each of these standards. Licensees further agree to refrain from any actions that would diminish the protections of these labor standards.

B. Employment Standards: Licensees shall comply with the following standards:

1. **Wages and Benefits:** Licensees recognize that wages are essential to meeting employees' basic needs. Licensees shall pay employees, as a floor, at least the minimum wage required by local law or the local prevailing industry wage, whichever is higher, and shall provide legally mandated benefits.

2. **Working Hours:** Except in extraordinary business circumstances, hourly and/or quota-based wage employees shall (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country do not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period.

3. Overtime Compensation: In addition to their compensation for regular hours of work, hourly and/or quota-based wage employees shall be compensated for overtime hours at such a premium rate as is legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate at least equal to their regular hourly compensation rate.

4. Child Labor: Licensees shall not employ any person at an age younger than 15 (or 14, where, consistent with International Labor Organization practices for developing countries, the law of the country of manufacture allows such exception). Where the age for completing compulsory education is higher than the standard for the minimum age of employment stated above, the higher age for completing compulsory education shall apply to this section. Licensees agree to consult with governmental, human rights and nongovernmental organizations, and to take reasonable steps as evaluated by CLC, the applicable Member Institution(s) or their designee, and the applicable Licensee(s) to minimize the negative impact on children released from employment as a result of implementation or enforcement of the Code.

5. Forced Labor: There shall not be any use of forced prison labor, indentured labor, bonded labor or other forced labor.

6. Health and Safety: Licensees shall provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of Licensee facilities.

7. Nondiscrimination: No person shall be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.

8. Harassment or Abuse: Every employee shall be treated with dignity and respect. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse. Licensees will not use or tolerate any form of corporal punishment.

9. Freedom of Association and Collective Bargaining: Licensees shall recognize and respect the right of employees to freedom of association and collective bargaining.

Labor Code Standards

Rider 1

Full Public Disclosure: Each Licensee shall disclose to the Member Institution or its designee the location (including factory name, contact name, address, phone number, e-mail address, product produced, and nature of business association) of each factory used in the production of all items which bear Licensed Indicia. Such information shall be updated upon change of any factory site location. The Member Institution reserves the right to disclose this information to third parties, without restriction as to its further distribution.

**Labor Code Standards
Rider 1A to Schedule I**

Monitoring: In addition to any other monitoring provisions or practices which the University of Arizona may require, including but not limited to those developed by or to be developed by the FLA, CLC, or other programs in which the University elects to participate, the University further requires that as part of its overall Code compliance and monitoring program, licensees will accommodate unannounced visits to, and unannounced independent monitoring of, factories selected without the participation of the companies whose factories, or whose contractors' factories, are being monitored. For purposes of this provision, "independent monitoring" must involve accreditation of monitors wherein the qualifying person or group has no monetary interest in the outcome of the monitoring process. The independent monitor may not be chosen by the individual corporate or other ownership entity whose factories or whose contractor's factories are being monitored, nor may the monitors be selected or accredited by a group dominated by commercial or corporate interests or entities. Accreditation should occur through organizations with balanced representation of business entities, universities, human rights organizations and preferably labor rights organizations.

**Labor Code Standards
Rider 2**

Women's Rights:

1. Women workers will receive equal remuneration, including benefits, equal treatment, equal evaluation of the quality of their work, and equal opportunity to fill all positions as male workers.
2. Pregnancy tests will not be a condition of employment, nor will they be demanded of employees.
3. Workers who take maternity leave will not face dismissal nor threat of dismissal, loss of seniority or deduction of wages, and will be able to return to their former employment at the same rate of pay and benefits.
4. Workers will not be forced or pressured to use contraception.
5. Workers will not be exposed to hazards, including glues and solvents, that may endanger their safety, including their reproductive health.
6. Licensees shall provide appropriate services and accommodations to women workers in connection with pregnancy.