

UNIVERSITY OF CALIFORNIA
CODE OF CONDUCT
FOR TRADEMARK LICENSEES
(Revised January 5, 2000)

It is the policy of the University of California that trademark licensees for goods produced with UC logos agree to follow the Code of Conduct issued on January 5, 2000. Administrative guidelines implementing this policy and incorporating appropriate enforcement mechanisms shall be issued by the President of the University.

UNIVERSITY OF CALIFORNIA

Code of Conduct for Trademark Licensees

January 5, 2000

Introduction/Notice/Remediation

Standards/Compliance and Disclosure/Verification

- I. **Introduction:** The University of California (“University”) is committed to conducting its business affairs in a manner consistent with its employee personnel policies and expects its licensees to conduct their business in a manner consistent with, and follow workplace standards that adhere to this Code of Conduct (the Code). The Code is subject to amendment to reflect any subsequently developed standards either by the University or a national higher education organization whose code the University chooses to adopt.

- II. **Notice:** This Code shall apply to all trademark licensees of the University of California. Throughout this code the term “licensee” shall include all persons or entities who have entered a written licensing agreement with the University to manufacture products bearing the name, trademarks and/or images of the University. Additionally, this Code shall apply to all of the licensee’s contractors. Throughout this Code the term “contractor” shall include each contractor, subcontractor, vendor, or manufacturer that is engaged in a manufacturing process that results in a finished product for the consumer. “Manufacturing process” shall include assembly and packaging.

As a condition of being permitted to produce and/or sell licensed products bearing the name, trademarks and/or images of the University, each licensee must comply with this Code and ensure that its contractors comply with this Code. All licensees and contractors are required to adhere to this Code within six months of notification of the Code and as required in applicable license agreements.

- III. **Remediation:** If the University determines that any licensee or contractor has failed to remedy a violation of this Code, the University will consult with the licensee to examine the issues and determine the appropriate measures to be taken. The remedy will, at a minimum, include requiring the licensee to take all steps necessary to correct such violations including, without limitation, paying all applicable back wages found due to workers who manufactured the licensed articles, and reinstating any worker whose employment has been terminated in violation of this Code of Conduct. If consultation and agreed upon measures fail to adequately resolve the violations within a specified time period, the University and the licensee will implement a corrective action plan on terms acceptable to the

University. The University reserves the right to terminate its relationship with any licensee which continues to conduct its business in violation of the corrective action plan, in accordance with the terms set forth in the licensee agreement.

IV. **Standards:** University licensees and their contractors must operate workplaces, and ensure that their contractors operate workplaces, that adhere to the following minimum standards and practices:

A. **Legal Compliance:** University licensees and their contractors must comply, at a minimum, with all applicable legal requirements of the country in which products are manufactured. Where this Code and the applicable laws of the country of manufacture conflict or differ, the higher standard shall prevail. Such compliance shall include compliance with all applicable environmental laws.

B. **Ethical Principles:** Licensees shall commit to conduct their business according to a set of ethical standards which include, but are not limited to, honesty, integrity, trustworthiness, and respect for the unique intrinsic value of each human being.

C. **Employment Standards:** The University will do business only with licensees whose workers are present to work voluntarily, are not at undue risk of physical harm, are fairly compensated, and are not exploited in any way. In addition, the following specific guidelines must be followed:

1. **Wages and Benefits:** Licensees and their contractors must provide wages and benefits which comply with all applicable laws and regulations and which match or exceed the local prevailing wages and benefits in the relevant industry or which constitute a “living wage,” whichever provides greater wages and benefits.
2. **Working Hours:** Except in extraordinary circumstances, employees shall (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime per week, or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture; and (ii) be entitled to at least one day off in every 7-day period.
3. **Overtime Compensation:** In addition to their compensation for regular hours of work, employees shall be compensated for overtime hours at such a premium rate as is legally required in that country, but not less than at a rate equal to their regular hourly compensation rate.
4. **Child Labor:** No person shall be employed 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 work with governmental, human rights, and non-governmental organizations, as determined by the University and licensee, to minimize the negative impact on any child released from employment as a result of the enforcement of this Code.

5. **Forced Labor:** There shall not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise (March 1977 Regents' Action, *University Policy on the Procurement of Foreign-Made Equipment, Materials, or Supplies Produced by Forced Labor, Convict, or Indentured Labor* and *Administrative Guidelines* issued April 7, 1998).
6. **Health and Safety:** Licensees and their contractors must provide workers with a safe and healthy work environment and must, at a minimum, comply with local and national health and safety laws. If residential facilities are provided to workers, they must be safe and healthy facilities.
7. **Nondiscrimination:** Licensees and their contractors shall employ individuals solely on the basis of their ability to perform the job. Licensees and their contractors may not discriminate against employees in subsequent personnel decisions. The pregnancy of an employee shall not be used as a basis for disciplinary treatment or termination of employment. Licensees and their contractors shall use their best efforts to reinstate workers who have taken maternity leave to the same or similar position at the same rate of pay and benefits. No employee or prospective employee shall be subjected to involuntary use of contraceptives or pregnancy testing.
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:** Licensees and their contractors shall recognize and respect the right of employees to freedom of association and collective bargaining with bargaining representatives of their own choice. No employee shall be subject to harassment, intimidation or retaliation as a result of his or her efforts to freely associate or bargain collectively.

- V. **Compliance:** Prior to the date of an annual renewal of a license agreement, the licensee shall be required to provide the following to the University, as set forth in the license agreement:
- A. The company names, owners and/or officers; and addresses, phone numbers, email addresses and the nature of the business association of all the licensees' contractors and manufacturing plants which are involved in the manufacturing process of items which bear, or will bear, the name, trademarks and/or images of the University;
 - B. Written assurances that it and its contractors adhere to this Code (except that in the initial phase-in period, licensee must provide such written assurances within six months of receipt of this Code); and
 - C. A summary of the steps taken, and/or difficulties encountered, during the preceding year in implementing and enforcing this Code at each site.

VI. Disclosure:

- A. The company names, owners, and/or officers, addresses, and nature of the business association, including the steps performed in the manufacturing process, of all the licensees' contractors and manufacturing plants which are involved in the manufacturing process of items which bear, or will bear, the name, trademarks and or images of the university shall be made public information.
- B. The Licensee shall be required to report immediately to the University any changes in its business operations which materially affect the application of this Code, such as the selection of a new factory. This information will also be made publicly available.

- VII. Verification:** It shall be the responsibility of each University licensee to ensure its compliance with this Code, and to verify that its contractors are in compliance with this Code.

Clearly defined methods of internal monitoring, training and independent external monitoring have not yet been determined by the University and licensee. The University and its licensees shall undertake efforts to determine and clearly define the obligations associated with the development of adequate training and monitoring methods, including establishment of a reasonable time frame within which compliance measures, including internal monitoring and independent external monitoring, will begin.