

UMBC Code of Conduct for Logo Merchandise Licensees

I. Introduction

- A. UMBC is committed to conducting its business affairs in a socially responsible and ethical manner consistent with its education, research and service missions, including respect for human rights and commitment to protecting and preserving the global environment.
- B. To enhance its effectiveness in pursuing this commitment, UMBC has joined other colleges and universities as a member of the Worker Rights Consortium (WRC). The WRC's mission is to assist colleges and universities through the effective enforcement of manufacturing codes of conduct through education, compliance monitoring and remediation negotiations.
- C. To support and inform these efforts, UMBC has adopted this Code of Conduct, which sets forth principles that vendors producing licensed University logo merchandise are required to follow when they conduct business.
- D. Throughout the Code, the term "Licensee" shall include all persons or entities which have entered into a written "License Agreement" with UMBC to manufacture licensed apparel bearing the names, trademarks or images UMBC (hereafter "Licensed Articles" or "Articles"). "Licensee" shall for purposes of the Code, and unless otherwise specified in the Code, encompass all of a Licensee's contractors, subcontractors or manufacturers which produce finished licensed apparel, assemble finished licensed apparel, or package finished licensed apparel for the consumer.

II. Notice

- A. The principles set forth in the Code shall apply to all Licensees.
- B. As a condition of being permitted to produce, assemble, finish and/or sell Licensed Articles, Licensees must comply with the Code. Licensees are required to adhere to the Code within six (6) months of notification of the Code and as required in applicable license agreements.

III. Standards

- A. Licensees agree to operate work places and contract with companies whose

work places adhere to the standards and practices described below. UMBC prefers that Licensees exceed these standards.

- B. 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 considerations stated in Section VI.
- C. 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, wages and benefits which comply with all applicable laws and regulations, and which provide for essential needs and establish a living wage for workers and their families. [A living wage is a "take home" or "net" wage, earned during a country's legal maximum work week, but not more than 48 hours that provides for the basic needs (housing, energy, nutrition, clothing, health care, education, potable water, childcare, transportation and savings) of an average family unit of an employee in the garment manufacturing employment sector of the country divided by the average number of adult wage earners in the family unit of an employee in the garment manufacturing employment sector of the country.]
2. *Working Hours:* Hourly and/or quota-based wage employees shall (i) not be required to work more than the lesser of (a) 48 hours per week or (b) the limits on regular hours allowed by the law of the country of manufacture, and (ii) be entitled to at least one day off in every seven day period, as well as holidays and vacations.
3. *Overtime Compensation:* All overtime hours must be worked voluntarily by employees. 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 one and one-half 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 the WRC 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. In addition, Licensees must comply with the following provisions:
 - a) The Licensee shall ensure that its direct operations and those of any subcontractors comply with all workplace safety and health regulations established by the national government where the production facility is located.
 - b) The Licensee shall ensure that its direct operations and subcontractors comply with all health and safety conventions of the International Labor Organization (ILO) ratified and adopted by the country in which the production facility is located.
 - c) Workers will not be forced or pressured to use contraception.
 - d) Workers will not be exposed to hazards, including glues and solvents, that may endanger their safety, including their reproductive health.
7. *Nondiscrimination:* No person shall be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, treatment, evaluation of work quality, termination or retirement, on the basis of gender, race, color, ancestry, religion, age, disability, marital status, veteran's status, 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 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. No employee shall be subject to harassment,

intimidation or retaliation in their efforts to freely associate or bargain collectively. Licensees shall not cooperate with governmental agencies and other organizations that use the power of the State to prevent workers from organizing a union of their choice. Licensees shall allow union organizers free access to employees. Licensees shall recognize the union of the employees' choice.

10. *Women's Rights*

- a) Pregnancy tests will not be a condition of employment, nor will they be demanded of employees.
- b) Workers who take maternity leave will not face dismissal nor threat of dismissal, loss of seniority or deduction of wages upon return, and will be able to return to their former employment at the same rate of pay and benefits.
- c) Licensees shall provide accommodation to women workers during and after pregnancy including such steps as adjusting work to meet physical constraints and lactation support.

IV. Compliance and Disclosure

Licensees (for themselves and on behalf of their contractors, subcontractors, or manufacturers) shall disclose to the Worker Rights Consortium and the public the information set forth in Sections A, B, and C below:

- A. Upon execution and renewal of the License Agreement and upon the selection of any new manufacturing facility which produces Licensed Articles, the company names, contacts, addresses, phone numbers, e-mail addresses, and nature of the business association for all such facilities which produce Licensed Articles;
- B. At least sixty (60) days prior to the end of each contract year of the License Agreement, written assurance that (i) Licensees are in compliance with the Code and/or (ii) licensees are taking reasonable steps to remedy non-compliance in facilities found not to be in compliance with the code;
- C. At least sixty (60) days prior to the end of each contract year of the License Agreement, a summary of those steps taken to remedy material violations, and/or difficulties encountered, during the preceding year in implementing and enforcing the Code at all of Licensees' facilities which produce Licensed Articles.

V. Verification

It shall be the responsibility of Licensees (for themselves and on behalf of their contractors, subcontractors, or manufacturers) to ensure their compliance with the Code. The WRC, acting in consultation with UMBC, will undertake efforts to determine

and clearly define the obligations associated with the development of adequate methods and training for independent external monitoring, as guided by the principles in the founding document of the Consortium.

VI. Labor Standards Environment

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 the WRC in consultation with UMBC to achieve full compliance with each of these standards. Licensees further agree to refrain from any actions that would diminish the protections of these labor standards. In addition to all other rights under the Licensing Agreement, UMBC reserves the right to refuse renewal of Licensing Agreements for goods made in countries where:

- A. Progress toward implementation of the employment standards in the Code is no longer being made; and
- B. Compliance with the employment standards in the Code is deemed impossible. UMBC shall make such determinations based upon examination of WRC reports after consultation with the relevant Licensees.

VII. Remediation

Remedies herein apply to violations which occur after the Effective Date of the Code.

- A. If a Licensee has failed to self-correct a violation of the Code, the WRC in consultation with UMBC will consult with the Licensee (for itself and on behalf of its contractors, subcontractors, or manufacturers) to determine appropriate corrective action.

UMBC, acting on the recommendation of the WRC, may require the licensee to take steps necessary to correct such violations without limitation.

- B. If agreement on corrective action is not reached, and/or the action does not result in correction of the violation within a specified reasonable time period, UMBC reserves the right to terminate its relationship with any Licensee that continues to conduct its business in violation of the Code.
- C. If UMBC terminates its relationship with the Licensee, UMBC will provide the Licensee with thirty (30) days written notice of termination. In order to ensure the reasonable and consistent application of this provision, UMBC will seek advice from the Worker Rights Consortium regarding possible corrective measures.