

NEXUS Positive Labor Initiative

I. Introduction

Nexus Licensing Group and its member institutions are committed to conducting business in a socially and environmentally responsible manner. To this end, all NEXUS licensees will also conduct their business in a manner consistent with the letter and spirit of the NEXUS Positive Labor Initiative.

II. Application

This Positive Labor Initiative (the “Initiative”) shall apply to all NEXUS member institutions (“NEXUS”). Throughout this code the term “licensee” shall include all persons or entities who have entered into a written License Agreement with NEXUS to manufacture products bearing the names, trademarks, and/or images of one of its member institutions, as well as any contractor, subcontractor, vendor, manufacturer, or other person or entity that is engaged in a manufacturing process that results in a finished product for the consumer.

As a condition of being permitted to produce and/or sell licensed products bearing the names, trademarks, and/or images of NEXUS member institutions, each Licensee must comply with this Initiative and ensure that its contractors comply with this Initiative. All Licensees shall adhere to this Initiative within six months of its publication date.

III. Remediation

If NEXUS, at its sole discretion, determines that any licensee is not in compliance with any part of this Initiative, the Institution may terminate its relationship with the licensee or require that the licensee or its contractors take corrective measures to bring about full compliance. NEXUS may also require that any and all environmental damage be rectified and/or that reparations be made by the licensee to the effected parties, including workers and the member institutions.

IV. Standards

NEXUS seeks licensees who take a leadership role on these issues and, wherever possible, NEXUS encourages licensees to exceed the standards spelled out in this Initiative. At a minimum, NEXUS licensees will conduct business in a manner that adheres to the following standards:

- A. Legal Compliance: NEXUS licensees will comply with all applicable legal requirements in conducting business related to, or involving, the production or sale of products or materials bearing the names, trademarks and/or images of the member institutions. Where there are differences or conflicts with this Initiative and the applicable laws of the country of manufacture, the higher standard shall prevail. Whenever there is uncertainty as to which standard is higher, NEXUS will consult with the Licensee to determine which standard will prevail.

- B. Environmental Compliance: Licensees will be committed to the protection and preservation of the global environment and the world's finite resources, and shall conduct business accordingly.
- C. Ethical Principles: Licensees will be committed in the conduct of their business 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.
- D. Employment Standards: NEXUS will only conduct business with licensees whose workers are present at work voluntarily, not at undue risk of physical harm, fairly compensated, and not exploited in any way. In addition, the following specific guidelines will be followed:
 - 1. Wages and Benefits: Licensees recognize that wages are essential to meeting employees' basic needs. Licensees will 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. Whenever the legal or prevailing wage is not a "living wage," every effort shall be made by the licensee to provide its workers with the living wage.
 - 2. Working Hours: Except during extraordinary circumstances, employees shall not be required to work more than the lesser of (a) 48 hours per week and 12 hours of overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture. In addition, all workers shall be entitled to one day off in every seven-day period.
 - 3. Overtime Compensation: In addition to their compensation for regular hours of work, employees shall be compensated for overtime work at such a premium rate as is mandated by law or by prevailing industry standards, but not less than at a rate equal to their regular hourly compensation rate. Such standards for overtime compensation shall also apply to all work performed outside of the workplace, such as piecework.
 - 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, and 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. Licensee agrees to work with governmental, human rights, and non-governmental organizations to minimize the negative impact on any child released from employment as a result of the enforcement of this Initiative.
 - 5. Forced Labor: There shall not be any use of forced, whether in the form of prison labor, indentured labor, bonded labor, or otherwise.
 - 6. Health and Safety: Licensees will provide workers with a safe and healthy work environment. If residential facilities are provided to workers, they must be safe and healthy facilities.

7. Nondiscrimination: Licensee shall employ individuals solely on the basis of their ability to perform the job.
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 Association: Employers shall recognize and respect the right of employees to freedom of association and collective bargaining.
10. Legal System: Products and materials bearing the names, trademarks, and/or images of the Institution or its member institutions shall not be manufactured, produced, or assembled in any country where the local legal system would prevent the Institution, at its sole discretion, from adequately protecting its names, trademarks, and/or images, or other interests, or from implementing any provision of this Initiative.
11. Political, Economic, Social, and Human Rights Environment: Products and materials bearing the names, trademarks, and/or images of the Institution or its member institutions shall not be manufactured or produced in any country where the political, economic, social, or human rights environment, as determined by the Institution, would prevent the conducting of business in a manner consistent with this Initiative.

V. Compliance and Disclosure

Sixty days prior to the date of the annual renewal of the License Agreement with NEXUS or its member institutions, licensee shall disclose the following to NEXUS and/or the appropriate member institution:

- A. the company names, owners and/or officers, addresses, telephone numbers, electronic mail addresses, and nature of the business association for all the licensees' contractors and manufacturing plants that are involved in the manufacture of items that bear or will bear the names, trademarks and/or images of the Institution and/or its member institutions,
- B. written assurances that it and its contractors are in compliance with this Initiative, and
- C. a summary of the steps taken, and/or difficulties encountered, during the preceding year in implementing and enforcing this Initiative.

Licensee shall immediately report to NEXUS when changes occur that materially affect the application of these standards, such as the selection of a new factory.

VI. Verification

It shall be the responsibility of each Licensee to ensure its compliance with this Initiative, and to verify that its contractors are in compliance with this Initiative.

It is recognized that NEXUS and Licensee have not yet determined clearly defined methods of internal monitoring, training, and independent external monitoring. NEXUS and Licensee agree to undertake efforts to determine and clearly define the obligations associated with the development of adequate training and monitoring methods. In this process, NEXUS and Licensee are committed to principles of:

- establishing clear evaluation guidelines and criteria,
- creating a database of records and information required to determine compliance with this code,
- creating an informed workforce, including communicating the principles of this Initiative to the workers in their own languages, both orally and by posting the Initiative in a prominent location in the workplace,
- providing access, on a confidential basis, to the manufacturing facilities and information required to determine compliance with this Initiative by independent external monitors selected by the Institution and agreed to by the licensee.
- conducting periodic announced and unannounced visits, on a confidential basis, to an appropriate sampling of company factories and facilities of contractors to survey compliance with this Initiative,
- providing opportunity for employees to report non-compliance with this Initiative in a manner that ensures they will not suffer retaliation for doing so,
- establishing relationships with labor, human rights, religious, or other local institutions, and
- publicizing to consumers the extent of this Initiative and the compliance by site (excluding proprietary information) with this Initiative by licensees.