

# Indiana University Licensee Code of Conduct

I. **Introduction:** The University is committed to conducting its business affairs in a socially responsible and ethical manner consistent with its respective educational, research and/or service missions, and to protecting and preserving the global environment. While we believe that Licensees share this commitment, the university adopts this Code of Conduct (the “Code”) which requires that all Licensees, at a minimum, adhere to the principles set forth in the Code.

Throughout the Code the term “License” shall include all persons or entities which have entered into a written “License Agreement” with the University manufacture “Licensed Product(s)” (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 Product(s) for the consumer.

II. **Notice:** The principles set forth in the Code shall apply to all Licensees. As a condition of being permitted to produce and/or sell Licensed Product(s), Licensees must comply with this 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.

A Licensee shall create an informed workforce, and communicate the code to workers in their own language, both orally and by posting the code. Licensee shall provide a reasonable opportunity for employees to report noncompliance with this code in a manner that ensures that they will not suffer retaliation for doing so.

III. **Standards:** Licensees agree to operate work places and contract with companies whose work places adhere to the standards and practices described below. Workplace shall be defined as all manufacturing and residential facilities directly operated by the Licensee or those making products for said licensees. The University prefers 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 Product(s). 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.

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, wages and benefits which comply with all applicable laws and regulations, and which provide for essential needs and establish a dignified living wage for workers and their families. A more comprehensive description of a living wage will be determined based upon results from pilot project studies carried out by the Worker Rights Consortium.
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) 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 University 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 Licensees facilities. Licensees shall comply with local and national health and safety laws, and with regulations of the kind called for by the health and safety conventions of the International Labour Organization. Furthermore, Licensee shall maintain comprehensive documentation of said employee work-related accidents and/or illnesses. All manufacturing and residential facilities directly operated by the Licensees shall abide by these standards.

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 of their choice. No employee shall be subject to harassment, intimidation or retaliation in their efforts to freely associate or bargain collectively. Licensees shall not themselves prevent or cooperate with those who would prevent workers from organizing for purposes of collective bargaining. Licensees shall allow union organizers free access to employees. Licensees shall recognize the union of the employees' choice.

10. **Women's Rights:**

I. 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.

II. Pregnancy tests will not be a condition of employment, nor will they be demanded of employees.

III. 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.

IV. Workers will not be forced or pressured to use contraception

V. Workers will not be exposed to hazards, including glues and solvents, that may endanger their safety, including their reproductive health.

VI. Licensees shall provide appropriate services and accommodation to women workers in connection with pregnancy.

**IV. Compliance and Disclosure:** Licensees shall disclose to the University, 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 Product(s) the company names, contacts, addresses, phone number, e-mail addresses and nature of the business association for all such facilities which produce Licensed Products(s);

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 product Licensed Product(s).

1. **Verification:** It shall be the responsibility of Licensees to ensure their compliance with the Code.

**D. 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 University 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, the University 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. The University shall make such determinations based upon examination of reports from governmental, human rights, labor and business organizations and after consultation with the relevant Licensees.

**E. Remediation:** Remedies herein apply to violations which occur after the Effective Date of the Code. If a Licensee has failed to self-correct a violation of the Code the University will consult with the Licensee (for itself and on behalf of its contractors,

subcontractors or manufactures) to determine appropriate corrective action. 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 reinstatement of any worker found to have been unlawfully dismissed. 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, the University reserves the right to (i) require that the Licensee terminate its relationship with any contractor, subcontractor or manufacturer that continues to conduct its business in violation of the Code and/or (ii) terminate its relationship with any Licensee that continues to conduct its business in violation of the Code. In either event, the University will provide the Licensee with thirty (30) days written notice of termination.