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CORPORATE RESPONSIBILITY ("CR")

Corporate Responsibility ("CR") competency for both your company and throughout its supply chain is extremely important to many CLC partner institutions. These standards are set by the highest office on many university campuses and are a requirement, regardless of the other favorable factors that might positively affect your application. The majority of CLC institutions consider workplace rights, workplace conditions, and codes of conduct to be an important requirement for the production of their licensed products. These codes of conduct encompass internationally-recognized standards for workplace conditions, workplace rights, and environmental sustainability throughout the licensed products manufacturing sites and supply chains, no matter where they are located.

A company's current and on-going commitment to CR throughout its supply chain will be considered by many institutions as an essential part of the approval and renewal process. This includes the company's ability to meet the requirements, and/or comply with the investigations of the Fair Labor Association (www.fairlabor.org) and/or the Worker's Rights Consortium (www.workersrights.com) where required by institutions.

If approved for a license, your company will be required to demonstrate its commitment and capacities for ensuring that your products are made under safe, healthy, and fair working conditions. Your company will also be required to sign and implement CLC's Special Agreement Regarding Labor Codes of Conduct in the final stages of the licensing process. In addition, if the institution is a member of the Fair Labor Association, you will be required to register with that organization in the appropriate category for your business, pay all applicable fees, and maintain that registration during the term of your license.

Several CLC Institutions require the CLC Corporate Responsibility Questionnaire to be submitted for consideration prior to applying for their license. These institutions currently include: Georgetown, Michigan, North Carolina, UCLA, Washington and Wisconsin.

At this time, the requirements of the Special Agreement regarding Labor Codes of Conduct (Code Agreement) involve the following:

- 1. Commit to and adopt throughout your company's supply chain standards and practices that meet or exceed those established by the institutions and communicated via the Code Agreement.
- 2. Provide public disclosure of all factories/suppliers of collegiate products and their location, including suppliers of blank goods.
- 3. Communicate labor code standards within your company and with all factories/suppliers used as a source for collegiate product. All factories/suppliers must agree to adhere to these standards.
- 4. Conduct audits of your collegiate supply chain to ensure that all suppliers are meeting the Code Agreement standards on an annual basis utilizing appropriately trained internal staff or approved external monitoring organizations.
- If licensed with an FLA-affiliated institution, register and comply with all FLA requirements, including the payment of annual fees, auditing of all factories/suppliers of collegiate product annually, and establishing remediation protocol if problems are found.
- For CLC institutions that are affiliates of the Worker Rights Consortium (WRC), each licensee must cooperate with the (WRC) in the event that its investigative work involves your operations or those of factories disclosed to CLC by your company.

As a licensee, your company is responsible for the action or in-action of all manufacturers and suppliers throughout its supply chain including third-party vendor/suppliers or authorized manufacturers.

Please also note that a growing number of CLC institutions require that any apparel licensees or their suppliers whose collegiate apparel products are manufactured in Bangladesh sign The Accord on Fire and Building Safety in Bangladesh. For more information about the Accord or to read a copy of the Accord, visit: <u>http://www.bangladeshaccord.org/wp-content/uploads/2013/10/the_accord.pdf</u> Please contact <u>brands@Bangladeshaccord.com</u> for more information and to sign up as needed.