

**[Text of “Sweatshop” Code, as submitted on August 23, 2002]**  
**Vanderbilt University**  
**Code of Conduct**

- I. Introduction:** Vanderbilt University (“the University”) is committed to conducting its business affairs in a socially responsible manner. To this end, the University expects its Licensees to conduct their business in a manner consistent with, and follow workplace standards that adhere to, this Code of Conduct, henceforth referred to as “this Code.”
- II. Scope:** Throughout this Code the term "Licensee" shall include any person or entity, which has entered into a written Licensing Agreement with the University or its authorized agent to manufacture products bearing the name, trademarks and/or images of the University. The standards set forth in section VI of this Code shall also apply to each 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 all assembly, packaging, shipping and receiving associated with a finished product.
- III. Condition of granting and renewing licenses:** As a condition of being permitted to produce and/or sell 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 their contractors are required to adhere to this Code and to any applicable license agreements.

Prior to the renewal of a License Agreement, the Licensee will provide written assurances that it and all of its contractors adhere to this Code. If failure to comply with this Code is the result of observing the laws of a nation in which goods are being produced under a license granted by the University, the Licensee will so inform the University, and will indicate what steps the Licensee has taken to avoid or reduce the impact of any such law. The Licensee will also provide any relevant new information on the identification of factories or businesses involved in the manufacturing process of any item which bears the name, trademarks, and/or images of the University.

- IV. Documentation & Monitoring:** It is the responsibility of each Licensee to ensure its compliance with this Code and to verify that its contractors are in compliance. Each Licensee shall maintain on file such documentation as may be needed to demonstrate its compliance with this Code and shall make the documentation available for inspection upon request. The documentation should include the following information with respect to each facility that produces goods bearing the name, trademarks and/or images of the University: (a) name, address, telephone number and facsimile number of each factory; (b) name, address,

telephone number and facsimile number of each factory's owner(s); (c) the name and job title of a contact person at each factory; (d) a detailed description of the type and quantity of all licensed products made at each factory; and (e) a summary description of the Licensee's relationship to the owners and/or operators of each factory.

Licensees are required to report promptly to the University's licensing agent (the Collegiate Licensing Company) any change in business operations which materially affects the enforcement of this Code, such as the selection of a new factory.

- V. Remediating Non-compliance:** If the University determines that any Licensee or contractor has violated or failed to remedy a violation of this Code, the University will consult with the Licensee to determine the appropriate measure to be taken. The remedy will include, at a minimum, requiring the Licensee to take all steps necessary to correct the violation. If consultation and agreed upon measures fail to adequately resolve the violation 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 at the time a License agreement expires, with or without cause. It is the University's policy to terminate its licensing relationship with any firm that continues to conduct its business in violation of this Code or of a corrective action plan.
- VI. Standards:** Licensees must operate workplaces, and ensure that their contractors operate workplaces, that adhere to the following minimum standards and practices:
- A. Legal Compliance:** A Licensee must comply with all applicable legal requirements of the nation(s) of manufacture in conducting business related to or involving the production or sale of licensed products. Where there are differences between the standards set out in this Code and the laws of the nation(s) of manufacture, the standard more protective of the rights of employees shall prevail.
- B. Employment Standards:** The University recognizes the importance of a work environment that respects basic human right. Therefore, the University will do business only with a Licensee whose workers are present at work voluntarily, are not at undue risk of physical harm, are fairly compensated and are not exploited in any way. The following specific guidelines must be followed with respect to work done in the production of goods that bear the University's name, trademark and/or images:
- 1. Wages & Benefits:** Licensees shall pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage in

the location where the goods are produced, as reported by the International Labor Organization or (in the case of work done in this country) by the United States Department of Labor, whichever is higher, and shall provide legally mandated benefits.

2. **Piece Rates:** Recognizing that most piece rates are closely connected with a living wage, licensees will insure that the piece rate quotas are computed on the assumption that the normal working day is no more than 10 hours in length .
3. **Hours of Work:** Employees shall (a) not be required to work more than the lesser of (1) 48 hours per week and 12 hours overtime or (2) the limits on regular and overtime hours allowed by the law of the nation of manufacture; and (b) be entitled to at least one day off in every seven day period.
4. **Overtime Compensation:** In addition to compensation for regular hours of work, employees shall be compensated for overtime hours at a premium rate that is higher than their regular hourly compensation rate.
5. **Forced Labor:** There shall not be any use of forced or compulsory labor.
6. **Freedom of Association & Collective Bargaining:** Licensees must recognize and respect the right of employees to freedom of association and collective bargaining. Licensees shall not unlawfully use permanent replacement workers as a weapon against employees who are involved in collective bargaining activities. No employees shall be subject to harassment, intimidation or retaliation in their efforts to freely associate or bargain collectively.
7. **Child Labor:** No licensee shall employ any person younger than 14, and each licensee shall abide by the requirements of any applicable laws with respect to the employment of persons under the age for completing compulsory education in the nation of manufacture.
8. **Women's Rights:**
  - a. Female workers will receive remuneration, treatment, health care, working conditions, advancement, and evaluations on the quality of their work equal to their male counterparts.
  - b. Pregnancy tests will not be a condition of employment, nor will they be demanded of employees.
  - c. Should a worker become pregnant or adopt a child the Licensee will not punish, in any form, the worker.

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

9. **Health & 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 employer equipment. The Licensee shall ensure that its direct operations and its contractors comply with all health and safety conventions of the International Labor Organization ratified and adopted by the countries in which the factories are located. In addition, Licensees will protect their factories and the residential areas around their factories by disposing of garbage and waste appropriately.

Workers will not be exposed to hazards, including glues and solvents, which endanger their safety, including their reproductive health unless told about those dangers before undertaking the work in a way calculated to permit an informed reasonable judgment.

10. **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, or ethnic origin.
11. **Harassment or Abuse:** Every employee shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse. Employees will not be subjected to any form of corporal punishment.

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Name of Licensee: \_\_\_\_\_  
Please Type or Print

Name/Title of Individual  
Authorized to Sign on  
Behalf of Licensee: \_\_\_\_\_  
Please Type or Print

Authorized Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

Witnessed By: \_\_\_\_\_

Date: \_\_\_\_\_

Name/Title of Witness: \_\_\_\_\_

Please Type or Print