

VIRGINIA TECH LICENSEE CODE OF CONDUCT

GUIDING PRINCIPLES

I. Introduction: Virginia Tech is committed to conducting our business affairs in a socially responsible and ethical manner consistent with our respective educational, research and service missions. While Virginia Tech believes that Licensees share this commitment, Virginia Tech will adopt the following Code of Conduct, which requires that all Licensees, at a minimum, adhere to the principles set forth in the Code.

Throughout the Code the term “Licensee” shall include all persons or entities which have entered into the Trademark Licensing Agreement to manufacture “Licensed Articles” (defined in Appendix C of “The Collegiate Licensing Company Standard Retail Product License Agreement” (License Agreement)) bearing licensed indicia (defined in the License Agreement paragraph 1(b)) of Virginia Tech. The term “Licensee” shall for purposes of the Code, and unless otherwise specified in the Code, encompass all of Licensees’ contractors, subcontractors, or manufacturers who produce, assemble or package finished Licensed Articles 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 Articles, Licensees must comply with the Code. Licensees are required to adhere to the Code upon completion of a new licensing contract.

III. 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.

1. **Disclosure:** 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, and phone numbers for all such facilities which produce Licensed Articles will be disclosed to Virginia Tech, in addition this information will be made available to the public.
2. **Assurance Notification:** 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:

IV. Employment Standards: Licensees agree to operate work places and contract with companies whose work places adhere to the standards and practices described below. Virginia Tech prefers that Licensees exceed these standards.

Licensees shall comply with the following standards:

1. **Wages and Benefits:** Licensees recognize that wages are essential to meeting employees’ basic needs. Presently, there is no accepted standardized formula for a living wage. Virginia Tech or its agents will seek to adopt a standard to ensure that workers are paid a wage that meets basic needs. Currently, research is being conducted to concretize a living wage standard. Should such efforts successfully develop universal standards for “a living wage,” Virginia Tech will consider adoption of such standards here. In the interim, Licensees shall pay employees, as a floor, at least the minimum wage required by local law or the local prevailing industry wage, whichever is higher, and shall provide legally mandated benefits.

2. **Working Hours:** Except in extraordinary business circumstances, hourly and/or quota-based wage employees shall
 - (i) not be required to work more than the lesser of
 - (a) 48 hours per week and 12 hours overtime or
 - (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country do not limit the hours of work, the regular work week in such country plus 12 hours overtime; and
 - (ii) be entitled to at least one day off in every seven-day period.
3. **Overtime Compensation:** 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 equal to 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 non-governmental organizations set forth in Sections A, B, and C below.
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 as a result of the operation of Licensee facilities. Further, 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, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political affiliation, 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:** Licensees shall recognize and respect the right of employees to freedom of association and the right to form a union.
10. **Women's Rights:** Because of the overwhelming majority of apparel workers are women and because many exploitative practices are specifically targeted at women, assuring and safeguarding women's rights is of particular importance for all parties.
 - (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 a comparable position at the same rate of pay and benefits
- (iv) Workers will not be forced or pressured to use contraception
- (v) Licensees shall provide appropriate services and accommodation to women workers in connection with pregnancy

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. Virginia Tech, through its membership in the Worker Rights Consortium (WRC), will monitor the manufacturing activities of licensees, their agents, or subcontractors.

In this process, Virginia Tech and Licensees are committed to the principles of:

1. establishing clear evaluation guidelines and criteria;
2. creating an informed workforce, including communicating the Code to workers in their own languages, both orally and by posting the Code in a prominent place at Licensees' facilities;
3. providing the opportunity for employees to report noncompliance with the Code in a manner that ensures they will not suffer retaliation for doing so;
4. establishing relationships in the countries of manufacture with labor, human rights, religious, or other local institutions familiar with the conditions of workers;
5. publicizing to consumers the content of the Code and the compliance with the Code by Licensees at all Licensees' facilities that produce Licensed Articles;
6. applying and enforcing the principles set forth in the Code in a reasonable and consistent manner.

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 Virginia Tech, and the applicable Licensee(s) to achieve the maximum possible compliance with each of these standards. Licensees further agree to refrain from any actions that would diminish the protections of these labor standards.

VII. Remediation: Remedies herein apply to violations which occur after July 1, 2001. If a Licensee has failed to self-correct a violation of the Code (as determined by Virginia Tech) Virginia Tech will consult with the Licensee (for itself and on behalf of its contractors, subcontractors, or manufacturers) to determine appropriate corrective action. 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, Virginia Tech 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, Virginia Tech will provide the Licensee with thirty (30) days written notice of termination.