

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 requires 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, manufacturer, or any other entity that is engaged in a manufacturing or procurement process that results in a finished product bearing the trademarks and/or images of the University for the consumer. “Manufacturing process” shall also include all assembly, packaging, shipping and receiving associated with a finished product in addition to those manufacturers or suppliers utilized in the production of the finished product, materials, blank goods or component parts of the licensed product that bears, or will go on to bear, the trademarks and/or images of the University.

- 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 as well as additional code standards and requirements included within the applicable license agreements. In the event that the standards within this Code and the applicable license agreements conflict, the higher standard shall apply.

Prior to the renewal of their License Agreement, the Licensee will take the requisite steps to ensure all contractors have been notified of these Code standards and will take the necessary measures to verify their contractors’ compliance with the Code Standards. The Licensee shall, upon request of the University or at the direction of the University’s designee, provide written assurances that they have completed these steps and shall provide a detailed summary of the actions taken to verify working conditions within their supply chain.. 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 as well as each facility utilized in the production of blank goods, materials or component parts that will go on to be utilized in the finished goods bearing the 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 (CLC) any changes in business operations which materially affects the enforcement of this Code, such as the selection of a new factory.

V. **Remedying 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 and ensure all impacted workers are made whole. 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, 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:** 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 subject to the following considerations. In countries where law or practice conflicts with these labor standards, Licensee agrees to consult with governmental, human rights, labor, and business organizations and to take effective actions as evaluated by the University or the University's designee to achieve the maximum possible compliance with these standards. Licensee further agrees to refrain from any actions that would diminish the protections of these labor standards.

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, whichever is higher, and shall provide all legally mandate benefits Where compensation does not meet workers' basic needs and provide some discretionary income, Licensee shall consult with the University or the University's designee to take appropriate actions that seek to progressively realize a level of compensation that does.

2. **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.

3. **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.

4. **Forced Labor:** There shall not be any use of forced or compulsory labor.

5. **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. Licensee shall not engage in any activities or actions that might reduce, impede or negatively impact employees right to freedom of association.
6. **Child Labor:** No licensee shall employ any person younger than 15 (or 14 where, consistent with International Labor Organization practices for developing countries, the law of the country allows such exception), 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. Where the age for completing compulsory education is higher than the standard for the minimum age of employment stated above, the higher standards shall apply. Licensee agrees to consult with governmental, human rights, and non-governmental organizations and to take reasonable steps as evaluated by the University or the University's designee to minimize the negative impact on children released from employment as a result of implementation or enforcement of the Code.
7. **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.
 - e. Licensee and Licensee's contractors shall provide appropriate services and accommodation to workers in connection with pregnancy.
8. **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.

9. **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.
10. **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.