

Code of Workplace Conduct for Penn Licensed Product Manufacturers

I. Introduction

With a view to stimulating economic growth and development, raising living standards, meeting staffing requirements and overcoming unemployment and underemployment, the University of Pennsylvania has adopted this Code of Workplace Conduct (the Code) to promote full, productive and freely-chosen employment.

The University of Pennsylvania expects its licensees to conduct their business in a manner consistent with this Code, and to follow workplace standards that adhere to this Code. The Code is subject to amendment to reflect any subsequently developed standards by the University.

II. Notice

This Code shall apply to all trademark licensees of the University of Pennsylvania. Throughout this code the term “licensee” shall include all persons or entities that have entered a written licensing agreement with the University to manufacture products bearing the name, trademarks and/or images of the University. Additionally, this Code shall apply to all 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 assembly and packaging.

As a condition of being permitted to produce and/or sell licensed 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 contractors are required to adhere to this Code, however, no licensee or contractor may represent that they have been certified as being in compliance with this Code.

III. Standards

University licensees and their contractors must operate workplaces that adhere to the following minimum standards and practices:

A. Legal Compliance

University licensees and their contractors must comply, at a minimum, with all applicable legal requirements of the country in which products are manufactured. Where this Code and the applicable laws of the country of manufacture conflict or differ, the higher standard shall prevail. Such compliance shall include compliance with all applicable environmental laws.

B. Ethical Principles

Licensees shall commit to conducting their business according to a set of ethical standards that include, but are not limited to, honesty, integrity, trustworthiness, and respect for the unique intrinsic value of each human being.

C. Environmental Compliance

Licensees and their subcontractors will be committed to the protection of the local environment, including their factories and their surroundings. They will protect residential areas around their factories, disposing of garbage and waste in such a way so as not to endanger the safety and health of nearby areas.

D. Employment Standards

1. Wages and Benefits

Licensees and their contractors must provide wages and benefits which comply with all applicable laws and regulations and which match or exceed the local prevailing wages and benefits in the relevant industry, whichever provides greater wages and benefits. The University is strongly committed to the employees of licensees receiving a “living wage.”

2. Hours of Work

- a. Except in extraordinary circumstances, or as required by business necessity, employees shall not be required to work (regardless of location) more than the lesser of:
 - i. forty eight (48) hours per week and twelve (12) hours of overtime; or
 - ii. the limits on the regular and overtime hours allowed by the law of the country
- b. Employees shall be entitled to at least one day off in every seven (7) day period.

3. Homework

The employer must ensure that work not done at the place of manufacture is performed in a manner safe for the employee and any persons who may be in the surrounding vicinity. There are other issues related to homework such as hours of work, wages and benefits that require further study.

4. Overtime Compensation

In addition to their compensation for regular hours of work, employees shall be compensated for overtime hours at such a premium rate as is legally required in that country, but not less than at a rate equal to their regular hourly compensation rate.

5. Child Labor

Licensees and their subcontractors shall not employ any person younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15. Young workers will not be forced to work overtime hours that would prevent them from attending school. Licensees agree to work with

governmental, human rights and non-governmental organizations as determined by the University and licensee to minimize the negative impact on any child released from employment as a result of enforcement of this code.

6. Forced Labor

Licensees and their subcontractors shall not use any forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.

7. Harassment or Abuse

Licensees and their subcontractors shall treat every employee with respect and dignity. Licensees and their subcontractors will not subject any employee to any physical, sexual, psychological or verbal harassment or abuse.

8. Nondiscrimination

Licensees and their subcontractors will not subject any person 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, pregnancy, marital status, nationality, political opinion or political affiliation, union involvement, or social or ethnic origin. Because, historically, the overwhelming majority of workers in light industry are women, assuring and safeguarding women's rights is of particular importance for all parties.

- a. Women workers will receive equal remuneration for comparable work, including benefits, equal treatment, equal evaluation of the quality of their work, and equal opportunity to fill all positions as male workers.
- b. Pregnancy tests will not be a condition of employment, nor will they be demanded of employees. Workers will not be forced or pressured to use contraception.
- c. Women who take maternity leave will not, because of the maternity leave, face dismissal or threat of dismissal, loss of seniority or reduction of wages. Licensees must permit women returning from maternity leave to return to their prior position at their prior wage rate and benefits. Local laws and regulations, or the prevailing practice in the relevant industry, whichever is greater, shall determine appropriate length of maternity leave.
- d. Licensees and their subcontractors shall provide, to the extent required by applicable law and regulations, or the local prevailing practice in the relevant industry, whichever is greater, services and accommodations to pregnant women, including but not limited to access to legally required health care provided by the employer, government or other provider.

9. Health and Safety

Licensees and their contractors must provide workers with a safe and healthy work environment and must, at a minimum, comply with local and national health and safety laws. If residential facilities are provided to workers, they must be safe and healthy facilities. Workers will not be exposed to conditions that may endanger their reproductive health without their informed consent.

10. Freedom of Association

Licensees and their contractors shall recognize freedom of association and collective bargaining with bargaining representatives of their own choice. No employee shall be subject to harassment, intimidation or retaliation as a result of his or her efforts to freely associate or bargain collectively.

IV. Remediation

If the University determines that any licensee or contractor has failed to remedy a violation of this Code, the University will consult with licensee to examine the issues and determine the appropriate measures to be taken. 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 reinstating any worker whose employment has been terminated in violation of this Code of Conduct. If consultation and agreed upon measures fail to adequately resolve the violations 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 who continues to conduct its business in violation of the corrective action plan, in accordance with the terms set forth in the licensee agreement.

V. Compliance

Prior to the date of annual renewal of a license agreement, the licensee shall be required to provide the following to the University, as set forth in the license agreement.

- A.** The Company names, owners and/or officers, and addresses, phone numbers, e-mail addresses and the nature of the business association of all the licensees' contractors and manufacturing plants which are involved in the manufacturing process of items which bear, or will bear, the name, trademarks and/or images of the University;
- B.** Licensees and their contractors are responsible for conducting thorough, effective and regular inspections of each facility at which University products are manufactured;
- C.** Written assurances that it and its contractors adhere to this Code (except that in the initial phase-in period, licensee must provide such written assurances within six months of receipt of this Code); and
- D.** A summary of the steps taken, and/or difficulties encountered, during the preceding year in implementing and enforcing this Code at each site.

VI. Public Disclosure

A. The company names, owners, and/or officers, addresses, and nature of the business association, including the steps performed in the manufacturing process, of all the licensees' contractors and manufacturing plants which are involved in the manufacturing process of items which bear, or will bear, the name, trademarks and or images of the University shall be made public information.

B. The Licensee shall be required to supply each year a list of all factory locations referred to in paragraph A above, and all locations Licensee anticipates will be used during the term of the License. Any additions or deletions to this list shall be reported to the University within two months of the effective date of such addition or deletion.

VII. Monitoring and Oversight

The President will establish a Committee on Manufacturer Responsibility (“the Committee”) on the implementation of the University’s Code of Conduct.

A. Composition and Selection

1. Voting Members

- a. Three members of the University faculty selected by the President in consultation with the Chair of the Faculty Senate, one of whom will chair the Committee.
- b. Four members of the studentbody, including two representatives chosen by the Civic House Associates Coalition (CHAC) executive board, and one undergraduate and one graduate student, to be chosen by the Undergraduate Assembly (UA) and the Graduate and Professional Student Assembly (GAPSA), respectively.
- c. One representative of University staff selected by the Penn Professional Staff Assembly (PPSA) and the Weekly-Paid Professional Staff Assembly (WPPSA) respectively.

2. Ex-Officio Members (non-voting)

- a. Representative of Business Services
- b. Representative of the Office of the President
- c. Representative the Office of the Provost
- d. Member of the Office of the General Counsel
- e. Representative of the Office of the University Secretary

An administrative staff person and a work-study Intern will staff the Committee. The Intern will be appointed by the Committee, and paid by the President’s Office. The administrative staff person will be appointed by the President’s Office.

The division of responsibilities will be as follows:

1. Staff Person: The administrative staff person will act as a liaison between the Committee and the Office of the President to ensure timely implementation of all decisions of the Committee. The staff person will also send out notices for committee meetings to ensure maximum participation, and work closely with the Intern to coordinate all committee-related administrative tasks.

2. Intern: The Intern will to the best of his/her abilities research the University’s licensees in order to recognize violations of the Code. This responsibility will include the compilation of a list of licensees and the maintenance of any relevant records necessary to enforce the Code, including information received from monitoring organizations about licensees for consideration by the Committee. The

Intern will also actively work on developing mechanisms with other campuses who have signed Codes of Conduct to improve the effectiveness and efficiency of the Codes.

B. Decision-Making

A simple majority of the Committee must be present for the vote take place, with at least one student, one faculty, and one staff member present. Only members who are present may vote, and decisions will pass by majority rule.

C. Meeting Schedule

The Committee will meet no fewer than two times each semester.

D. Responsibilities

1. Reviewing the Code of Conduct

The Committee will review the Code annually to evaluate its effectiveness. Amendments to the Code must be submitted to the committee for its approval.

2. Review Effectiveness of Monitoring

The Committee will review, at least annually, the effectiveness of the organization(s) conducting monitoring to ensure compliance with this Code and take appropriate steps to ensure effective monitoring.

3. Reviewing the State of Compliance

Licensees will be reviewed every six months for the first two years of their license agreement, and on an annual basis in subsequent years.

4. Reviewing Violations

The Committee will review any alleged violations of the University's Code of Conduct Including consulting with monitoring organizations, such as the Fair Labor Association (FLA), and the Workers Rights Consortium (WRC), and determine whether they constitute violations. Based on this judgment, the Committee will recommend an appropriate course of action to the Trademark Licensing Unit. At the same time, should Trademark Licensing Unit identify any alleged violations, the department will consult with the Committee on an appropriate course of action.

E. Public Accountability

1. The Executive Vice President will publish the University's Code of Conduct annually and amendments as necessary in Almanac.

2. The Trademark Licensing Unit will make available to any interested persons information regarding licensees' working conditions, monitoring reports, and other relevant materials.

3. The Committee will work with other schools and interested organizations to improve responsible business practices in the manufacture of licensed University products.

F. Seeking and Rewarding Responsible Business Practices

1. The Committee will work with the Trademark Licensing Unit to seek out manufacturers that have instituted proactive measures to insure the responsible production of goods and give them preference by encouraging the University to consider doing business with them, taking into consideration competitive price, quality, and style.

2. Through the efforts of the Committee in seeking out manufacturers with demonstrated responsible business practices, the University commits itself to giving preference to those with responsible monitoring policies, particularly manufacturers that agree to sign disclosure agreements with the University, taking into account competitive price, quality, and style. Representatives of departments responsible for purchasing University products will keep in regular contact with the Committee.