

# **Arizona State University**

## **Code of Conduct for Trademark Licensees**

Arizona State University exhorts all ASU licensees and their contractors to maintain fair, safe, and non-exploitive working conditions for their employees. ASU may terminate licenses for failure to comply with this Code of Conduct.

### **I. Introduction**

ASU is committed to conducting its business in an ethical and socially responsible manner consistent with its educational mission. As a condition of being permitted to produce or sell licensed products bearing the name, trademarks or images of ASU, each licensee must comply with this Code and ensure that its contractors comply with this Code. "Licensee" includes all persons or entities that have entered a written Licensing Agreement with The Licensing Resource Group (LRG) to manufacture products bearing the name, trademarks or images of ASU. "Contractor" includes each contractor, subcontractor, vendor, or manufacturer engaged in a manufacturing process that results in a finished product for the consumer. "Manufacturing process" includes assembly and packaging. ASU may modify this Code to reflect changes in manufacturing conditions or developments relating to monitoring.

### **II. Standards**

**A. Legal Compliance.** ASU licensees and their contractors must comply with all applicable legal requirements in conducting business related to the production or sale of products bearing the name, trademarks or images of ASU. If this Code conflicts with the applicable laws of the country of manufacture, the licensee must meet the higher standard.

**B. Ethical Principles.** Licensees agree to adopt ethical standards to guide the operation of their business practices. These standards must include honesty, integrity, trustworthiness, and respect for the unique intrinsic value of each human being.

**C. Environmental Responsibility.** Licensees agree to make environmentally responsible business decisions. Such decisions reflect a commitment to protect and preserve the global environment and the world's finite resources. ASU requires its licensees to ensure "do no harm" manufacture of all products bearing ASU indicia. For example, ASU requires that manufacturers not pose risks to human health through increasing exposure to negative environmental factors; not increase human vulnerability to environmental risks and natural disasters; and not damage the livelihood of the poor who depend on natural resources. ASU encourages ecological soundness and sustainability policies that mitigate potential adverse effects to the environment and vulnerable populations.

**D. Employment Standards.** ASU will do business only with licensees whose workers are present at work voluntarily, compensated fairly, not at undue risk of physical harm, and not exploited. In addition, licensees and their contractors must meet the following employment standards.

**1. Nondiscrimination.** Licensees must employ individuals solely on the basis of their ability to perform the job. No person shall be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, marital status, reproductive status, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.

**2. Health and Safety.** Licensees must provide workers with a safe and healthy work environment. Any residential facilities provided to workers must be safe and healthy.

**3. 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.

**4. Freedom of Association.** Licensees must recognize and respect the right of employees to freedom of association and collective bargaining.

**5. Forced Labor.** No licensee or contractor may use forced labor, indentured labor, or bonded labor.

**6. Labor Standards Environment.** In countries where law or practice conflicts with these labor standards, licensees agree to work with governmental, human rights, labor and business organizations to meet these standards. Licensees also agree to refrain from any actions that would diminish the protections of these standards. In addition to all other rights under the Licensing Agreement, ASU may refuse to renew any Licensing Agreement for goods made in countries in which: (a) progress toward implementation of this Code is no longer being made; and (b) compliance with this Code is deemed impossible. ASU will make this determination based upon examination of reports from governmental, human rights, labor and business organizations and after consultation with the relevant licensee.

**7. Wages and Benefits.** Licensees and their contractors shall pay wages which are the highest of (a) the legal minimum wage in the country(ies) of manufacture, (b) the prevailing wage in that industry in the country(ies) of manufacture, or (c) a wage that meets the basic human needs for the average family size of employees in that industry in the country(ies) of manufacture. Basic human needs shall mean wages and benefits sufficient (when taking into account any governmental programs) to meet needs for nutrition, clothing, shelter, health care, transportation, children's education and energy.

**8. Working Hours.** Except in extraordinary circumstances, employees must 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. Employees must be entitled to at least one day off in every 7-day period.

**9. Overtime Compensation.** In addition to compensation for regular hours of work, employees must be compensated for overtime hours at the premium rate legally required in that country, but not less than at a rate equal to their regular hourly compensation rate.

**10. Women's Rights.** Female workers shall have the same work opportunities as men, without restriction on the types of jobs or special limits on hours of work. Licensees shall not use criteria related to marital or reproductive status (for example, pregnancy tests, the use of contraception, fertility status) as conditions of employment. New mothers shall be entitled to leaves of absence (with the right to return to work) for childbirth and recovery from childbirth. Workers who take maternity leave will not face dismissal, threat of dismissal, loss of seniority or deduction of wages.

**11. Child Labor.** No one may be employed at an age younger than 15 (or 14, as consistent with International Labor Organization practices for developing countries, if the law of the country of manufacture allows this exception). If 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 applies to this section. Licensees agree to work with governmental, human rights, and non-governmental organizations, as determined by ASU and licensee, to minimize the negative impact on any child released from employment as a result of the enforcement of this Code.

### **III. Remediation**

If ASU determines that a licensee or contractor has failed to remedy a violation of this Code, then ASU will consult with the licensee to determine the appropriate measures to be taken. At a minimum, the remedy will include taking all steps necessary to correct the violation, including paying any portion of back wages found due to workers who manufactured the licensed articles. If these measures fail to resolve the violations within a specified time period, then licensee will implement a corrective action plan on terms acceptable to ASU. ASU reserves the right to terminate its relationship with any licensee that continues to conduct its business in violation of the corrective action plan. ASU will provide the licensee 90 days prior written notice of termination.

### **IV. Compliance and Disclosure**

Licensee will provide the following information to LRG on behalf of ASU at least 60 days prior to the date of the annual licensee renewal: (a) the company names, owners and officers, addresses, phone numbers, e-mail addresses and nature of the business association for all of the licensees' contractors and manufacturing plants that are involved in the manufacturing process of items which bear, or will bear, the name, trademarks or images of ASU; (b) written assurances that it and its contractors adhere to this Code (except that in the initial phase-in of the Code, licensee must also provide written assurances within 6 months of receipt of this Code); and (c) a summary of the steps taken or difficulties encountered during the preceding year in implementing and enforcing this Code at each site.

Licensee must immediately report to ASU if changes occur, such as the selection of a new factory, that materially affect the application of these labor standards.

### **V. Verification**

Each ASU licensee must ensure compliance with this Code and verify that its contractors are in compliance with this Code.

### **VI. Internal and External Monitoring**

ASU and licensee have not yet defined methods of internal monitoring, training and independent external monitoring. ASU and licensee agree to undertake efforts to define the obligations associated with training and monitoring and a reasonable time frame within which compliance measures, including internal monitoring and independent external monitoring, will begin.