

## **Code of Conduct for University of Michigan Licensees**

February 16, 2001: Updated October 2012, March 2014

### **Preamble**

The University of Michigan is dedicated to the ethical and responsible stewardship of our resources. As an educational institution, we place the highest value on ensuring that everyone connected with the University of Michigan works to enhance our ethical standards.

An important component of our commitment to ethical leadership is the President's Advisory Committee on Labor Standards and Human Rights. To help achieve our ethical vision, the University of Michigan adopts the following Code of Conduct.

The Code's guiding principle is that all goods displaying the University of Michigan label must be produced in accordance with our Code of Conduct, international labor standards and respect for human rights and dignity. In promoting these standards, the University works in conjunction with other organizations whose mission is to improve labor standards such as Workers Rights Consortium (WRC), Collegiate Licensing Company (CLC), the Fair Labor Association (FLA), etc.

### **Scope**

For purposes of this Code, the term licensee shall encompass all of a licensee's contractors, subcontractors, factory workers, or manufacturers that produce, assemble, or package finished University of Michigan licensed articles for the consumer. Our commitment is to improve the labor conditions throughout the licensees' supply chain

### **Labor Standards**

Forced Labor – Licensees shall not use (or purchase materials that are produced using) any form of forced labor, whether in the form of prison labor, indentured labor, bonded labor, or otherwise.

Child Labor – Licensees shall not employ any person at an age younger than 15. 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, and to take reasonable steps to minimize the negative impact on children released from employment as a result of implementation or enforcement of the Code.

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.

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, marital status, reproductive or familial situation, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.

Health and Safety – Licensees shall provide a safe and healthy working environment to prevent accidents and injury to health, including reproductive health, arising out of, linked with, or occurring in the course of work or as a result of the operation of Licensee facilities.

Women's Rights – Women's rights are included in the previous sections of this Code of Conduct. Without restricting the generality of the foregoing and for purposes of greater clarity and specificity, licensees shall abide by the following conditions:

- Female workers shall have the same work opportunities as men, without arbitrary 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.

Freedom of Association and Collective Bargaining – Licensees shall recognize and respect the right of employees to freedom of association and collective bargaining. No employee shall be subject to harassment, intimidation or retaliation for her/his efforts to freely associate or bargain collectively. Licensees shall allow union organizers access to employees. Licensees shall recognize the union of the employee's choice.

Hours of Work and Overtime – Licensees shall comply with applicable laws and industry standards on working hours. In any event, personnel shall not, on a regular basis, be required to work in excess of 48 hours per week and shall be provided with at least one day off in every seven-day period. Mandatory overtime shall be limited to extraordinary and short-term business circumstances and the policy concerning mandatory overtime shall be explained to employees before they are hired. Regular working hours plus mandatory overtime shall not exceed 60 hours per week. All overtime shall be remunerated at an appropriate premium rate.

Compensation – Licensees recognize that wages are the principal means of meeting the basic needs of employees and their families, and therefore shall pay a wage that enables employees to satisfy their basic needs and provide legally mandated benefits. Licensees shall ensure that wages and benefits for a standard working week meet at least legal minimum standards and industry averages, whichever is greater, and that net compensation is at least sufficient to meet the worker's basic needs. Compensation standards will be adjusted periodically based on experience and increased knowledge concerning local labor markets and living conditions.

## **Remediation**

When a violation of the Code of Conduct occurs, remediation of the violation by the Licensee is expected. If a Licensee has failed to self-correct a violation of the Code, the University will consult with the licensee (for itself and on behalf of its contractors, subcontractors, or manufacturers) to determine appropriate corrective action. The remedy will, at a minimum, include requiring the Licensee to take all steps necessary to correct such violations to the University's satisfaction. 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, the University reserves the right to terminate or not renew its relationship with any Licensee, as provided in the Licensee's agreement with the University.