

Culverhouse College of
Commerce and Business
Administration

Economics, Finance
and Legal Studies

THE UNIVERSITY OF
ALABAMA
B U S I N E S S


Date: 7 March 2000
To: Dr. Finus Gaston
From: University Task Force on Labor Code of Conduct
Daniel Arce, Chair
Re: Labor Code Recommendation

It is my pleasure to report that by an 8-0 vote the Task Force has approved a recommendation for the University of Alabama to adopt the Collegiate Licensing Company's (CLC) Labor Code Standards Schedule I; with the inclusion of Rider 2 to Schedule I on Women's Rights. Copies of Schedule I and Rider 2 are attached.

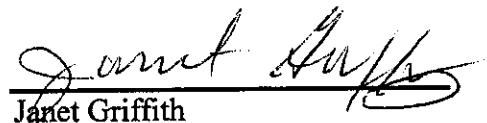
In order to clarify the University's stance on this issue we would like to point out that no less than 42 of the CLC's members have approved Schedule I, and no less than 11 of these have also adopted Rider 2.

Finally, we view this recommendation as the beginning of the Task Force's work to fulfill its charge. Additional issues such as disclosure and monitoring are to be considered for future recommendations by the Task Force.

Task Force Members:



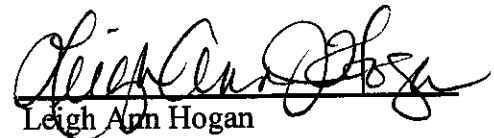
Daniel G. Arce M.



Janet Griffith



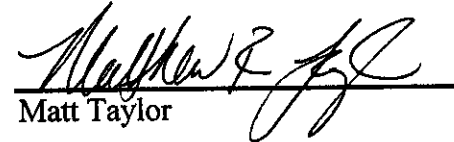
Darren Blackmon



Leigh Ann Hogan



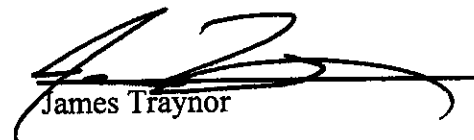
Leatha Darden



Matt Taylor



George B. (Sandy) Gordon



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Labor Code Standards Schedule I

- I. Introduction: The Collegiate Licensing Company ("CLC") and the collegiate institutions represented by CLC ("Member Institutions") are each committed to conducting their business affairs in a socially responsible and ethical manner consistent with their respective educational, research and/or service missions, and to protecting and preserving the global environment. While CLC and the Member Institutions believe that Licensees share this commitment, CLC and certain Member Institutions have adopted the following Labor Code Standards (the "Code") 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 a written "License Agreement" with CLC to manufacture "Licensed Articles" (as that term is defined in the License Agreement) bearing the names, trademarks and/or images of one or more Member Institutions. The term "Licensee" shall for purposes of the Code, and unless otherwise specified in the Code, encompass all of Licensees' contractors, subcontractors or manufacturers which produce, assemble or package finished Licensed Articles for the consumer.

- II. Standards: Licensees agree to operate work places and contract with companies whose work places adhere to the standards and practices described below. CLC and the Member Institutions prefer that Licensees exceed these standards.

A. 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 following considerations. 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 CLC, the applicable Member Institution(s) or their designee, 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.

B. Employment Standards: Licensees shall comply with the following standards:

1. Wages and Benefits: Licensees recognize that wages are essential to meeting employees' basic needs. 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.¹

¹CLC and the Member Institutions will continue to monitor these issues and will promote studies that examine conditions and factors related to minimum and prevailing wages and employees' basic needs.

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 nongovernmental organizations, and to take reasonable steps as evaluated by CLC, the applicable Member Institution(s) or their designee, and the applicable Licensee(s) to minimize the negative impact on children released from employment as a result of implementation or enforcement of the Code.
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 or as a result of the operation of Licensee facilities.
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 opinion, 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 and Collective Bargaining:** Licensees shall recognize and respect the right of employees to freedom of association and collective bargaining.

Labor Code Standards Rider 2 to Schedule I

Women's Rights:

1. 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.
2. Pregnancy tests will not be a condition of employment, nor will they be demanded of employees.
3. 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 their former employment at the same rate of pay and benefits.
4. Workers will not be forced or pressured to use contraception.
5. Workers will not be exposed to hazards, including glues and solvents, that may endanger their safety, including their reproductive health.
6. Licensees shall provide appropriate services and accommodations to women workers in connection with pregnancy.

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Date: 7 March 2000
To: Dr. Finus Gaston
From: University Task Force on Labor Code of Conduct
Daniel G. Arce M., Chair **DGAM**
Re: Labor Code Recommendation

It is my pleasure to report that by a 7-1 vote the Task Force has approved the attached statement on Factory Location Disclosure for the University's Collegiate Licensed Products. It is the Task Force's desire that this statement be added as an additional Rider to the Labor Code of Conduct recommended by the Task Force last month.

As a point of information the next issue on the agenda of the committee is that of monitoring.



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Factory Location Disclosure

Each Licensee shall disclose to the Member Institution or its designee the location (including factory name, contact name, address, phone number, E-mail address, products produced, and nature of business disclosure) of each factory used (including all contractors and subcontractors) in the production of all items which bear Licensed Indicia. Such information shall be updated within three months upon change of any factory site location unless otherwise agreed in writing. The Member Institution reserves the right to disclose this information to third parties, without restriction as to its further distribution.