

KENT STATE UNIVERSITY VENDOR CODE OF CONDUCT

INTRODUCTION

Kent State University (“KSU”) is committed to conducting its business affairs in a socially responsible manner consistent with its educational and public service mission. Kent State University expects a deep commitment to legal compliance and ethical business practices by all of its licensees; therefore, KSU will select and maintain only those licensees who will conduct their business in a manner consistent with KSU’s Code of Conduct (“Code”) and will commit to the Code. This Code is intended as an instrument for productive changes.

This Code was created by the cooperation and input from students, alumni, faculty and staff. Further recommendations for refinements from these groups individually or as representatives of organizations are welcomed and encouraged. Such recommendations should be directed to the licensing coordinator, jwatson1@kent.edu.

NOTICE

This Code shall apply to all licensees of Kent State University as well as the suppliers of employee uniforms acquired through competitive bids and athletic uniforms. Throughout this Code the term “licensee” shall include all persons or entities who have entered a written Licensing Agreement with Kent State University to manufacture products bearing the name, trademarks and/or images of Kent State University. “Licensee” shall also include the licensee’s respective contractors, subcontractors, vendors, manufacturers, sub-licensees, affiliates and any related entities throughout the world engaged in the manufacturing process that results in a finished licensed product for the consumer. “Manufacturing process” shall include assembly and packaging including any part of the process which is outsourced.

As a condition of being permitted to produce and/or sell licensed products bearing the name, trademarks and/or images of Kent State University, each licensee must comply with the Code. This Code constitutes a new requirement for licensees. Accordingly, all licensees and contractors are required to agree in writing to adhere to this Code in any new or renewal agreements made after adoption of this Code.

REMEDIATION

If Kent State University determines through information received from students, alumni or outside sources that any licensee or contractor has failed to remedy a violation of this Code, the University will consult with the 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 the 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.

If consultation and agreed upon measures fail to adequately resolve the violations within a specific time period, the University, after consulting with an ad hoc committee formed with the same ratio of membership as the review committee 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 which continues to conduct its business in violation of the corrective action plan, pursuant to the terms set forth in the license agreement.

STANDARDS

Kent State University seeks licensees who take a leadership role on these issues and, to the extent practical, exceed the standards in this Code. Kent State University licensees must operate work places, and insure that their contractors operate work places, that adhere to the following minimum standards and practices:

- A. **LEGAL COMPLIANCE:** Kent State University Licensees must comply with all applicable legal requirements in conducting business related to or involving the production or sale of products or materials bearing the name, trademarks or images of Kent State University. Where there are differences or conflicts with this Code and the applicable laws of the country of manufacture, the higher standard shall prevail.
- B. **ENVIRONMENTAL COMPLIANCE:** Licensees will be committed to the protection and preservation of the global environment and the world's finite resources, and conduct business accordingly.
- C. **COMPLIANCE WITH ETHICAL PRINCIPLES:** Licensees will be committed in the conduct of their business to a set of ethical standards, which include, but are by no means limited to honesty, integrity, trustworthiness, and respect for the unique intrinsic value of each human being.

D. **EMPLOYMENT STANDARDS:** The University will only do business with licensees whose workers, and whose subcontractors' workers, are present at work voluntarily, are not at undue risk of physical harm, are fairly compensated and are not exploited in any way. In addition, the following specific guidelines must be followed:

1. **WAGES AND BENEFITS:** Licensees and their contractors must provide wages and benefits which: (1) comply with all applicable laws and regulations; and (2) match or exceed the local prevailing wages and benefits in the relevant industry, or constitute a take-home or net "living wage," whichever provides greater wages and benefits. KSU recognizes that more comparative studies are necessary before the meaning of a "living wage" is fully understood in specific situations. Future reviews of this Code should study and refine a generally accepted definition of "living wage." A review of a "market basket" approach, in particular, should be examined.
2. **REGULAR WORKING HOURS:** Employees shall: (1) not be required to work more than the lesser of 48 hours per week, or the limits on regular hours allowed by the law of the country of manufacture; and (2) be entitled to at least one day off in every 7-day period, as well as holidays and vacations. Work at home shall be included in the calculation of the weekly hours worked.
3. **OVERTIME:** All overtime hours must be worked voluntarily by employees. 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 of at least one and one-half their regular hourly compensation rate.
4. **CHILD LABOR:** No person shall be employed at an age younger than 14. Licensees agree to work with governmental, human rights, and non-government organizations, as determined by Kent State University and licensee, to minimize the negative impact on any child released from employment as a result of the enforcement of this Code.
5. **FORCED LABOR:** There shall not be any use of forced labor, whether in the form of involuntary prison labor, indentured labor, bonded labor or otherwise.
6. **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. The licensee shall also ensure that its direct operations and any

subcontractors comply with all health and safety conventions of the International Labor Organization (ILO) ratified and adopted by the country in which the production facility is located. If residential facilities are provided to workers, licensees must provide a safe and health living environment and meet the same standards as stated above for work environments, where applicable to residential structures.

The licensee shall ensure that its direct operations and any subcontractor generate records documenting its health and safety activities on site (such as facility and equipment inspections, air sampling, accident investigations and employee training) and maintain these records for a period of no less than three years.

7. **NONDISCRIMINATION:** Licensees shall employ individuals solely on the basis of their ability to perform the job. There shall be no discrimination in hiring, salary, benefits, performance evaluation, discipline, promotion, retirement or dismissal on the basis of age, sex, pregnancy, maternity leave status, marital status, race, nationality, country of origin, social or ethnic origin, disability, sexual orientation, religion, or political opinion.
8. **HARASSMENT OR ABUSE:** Every employee shall be treated with dignity and respect. No employee shall be subject any physical, sexual, psychological or verbal harassment or abuse. Licensees will not use or tolerate any form of corporal punishment.
9. **FREEDOM OF ASSOCIATION:** 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 in their efforts to freely associate or bargain collectively. Licensees shall allow union organizers free access to employees. Licensees shall recognize the union of employees' choice.
10. **LABOR STANDARDS ENVIRONMENT:** In countries where law or practice conflict with these labor standards, licensees agree to work with governmental, human rights, labor and business organizations to achieve full compliance with these standards. Licensees further agree to refrain from any actions that would diminish the protections of these labor standards. In addition to all other rights under the Licensing Agreement, Kent State University reserves the right to refuse renewal of Licensing Agreements for goods made in countries where: (a) progress toward implementation of the employment standards in the Code is no longer being made; and (b) compliance with the employment standards in the Code is deemed impossible. Kent State University shall make such determination based upon examination of

reports from governmental, human rights, labor and business organizations and after consultation with the relevant licensee.

11. **WOMEN'S RIGHTS:** Women workers will receive equal remuneration, including benefits, equal treatment, equal evaluation of the quality of their work, and the same opportunity to fill positions as male workers.
- a. Pregnancy tests will not be a condition of employment, nor will they be demanded of employees.
 - b. 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.
 - c. Workers will not be forced or pressured to use contraceptives or subject workers to forced abortions.
 - d. Workers will not be exposed to hazards, including glues and solvents, that may endanger their safety including their reproductive health.
 - e. Licensees shall provide appropriate services and accommodation to women workers in connection with pregnancy.

COMPLIANCE AND DISCLOSURE

- I. On or before January 15th of each year, licensee shall provide the following to Kent State University:
 - A. The company names, owners and/or officers, addresses, phone numbers, e-mail addresses and nature of the business association for all of 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 Kent State University.
 - B. Written assurance that it and its contractors adhere to this Code (except that in the initial phase-in of the Code, licensee must provide such written assurances within 6 months of receipt of this Code); and
 - C. A summary of the steps taken, and/or difficulties encountered, during the preceding year in implementing and enforcing this Code at each site.
 - D. All of the above are public documents, updated as necessary and available at <http://www.lrgusa.com/documents/licensed/kentst/kentst041004.pdf>.

- II. Licensee shall immediately report to Kent State University when changes occur that materially affect the application of these labor standards, such as the selection of a new factory.
- III. All licensees and their contractors shall create an informed workforce, including communicating this Code to workers in their own languages, both orally and by posting the Code in a prominent place at the factories.
- IV. The Licensing Resource Group (“LRG”) has been contracted by Kent State University to administer logo licensing, which includes enforcement of the Vendor Code of Conduct. LRG maintains an on-going list of factories in which items containing the KSU logos are manufactured. LRG, the University’s Licensing Coordinator, as well as interested faculty, staff, students and alumni are encouraged to review the factory list at the licensing website and report any concerns to the Licensing Coordinator.

VERIFICATION

- A. It shall be the responsibility of each Kent State University licensee to ensure its compliance with this Code, and to verify that its contractors are in compliance with this Code. Kent State University and licensees are committed to the following principles for monitoring compliance:
 - 1. Establishing clear evaluation guidelines and criteria;
 - 2. Creating a database of records and information required to determine compliance with this Code;
 - 3. Access, on a confidential basis, to the manufacturing facilities and information required to determine compliance with this Code by independent external monitors selected by Kent State University and agreed to with the licensee;
 - 4. Conducting periodic announced and unannounced visits, on a confidential basis, of an appropriate sampling of company factories and facilities of contractors to survey compliance with this Code;
 - 5. Opportunity for employees to report noncompliance with this Code in a manner that ensures they will not suffer retaliation for doing so; and
 - 6. Establishing relationships with labor, human rights, religious and other local institutions.

- B. KSU will conduct an annual review of the compliance reports by the Licensees, and will also publicize a summary of this review to the University community.
- C. The University will initially begin its compliance monitoring efforts by electing membership in the Worker’s Rights Consortium (“WRC”). The University will pursue other opportunities to strengthen the monitoring of compliance with this Code.
- D. KSU shall annually review this Code and the effectiveness of compliance monitoring efforts.

FAIR TRADE

“Fairly Traded Products” potentially create an opportunity to accomplish the goals of this Code and more. The University will continue to seek avenues to engage this emerging opportunity.