

Purdue University Licensing Code of Conduct

I. Introduction

Purdue University is committed to conducting its business affairs in a socially responsible and ethical manner consistent with its respective educational, research and/or service missions, and to protecting and preserving the global environment. As part of that commitment, Purdue expects each Licensee to recognize its responsibilities to employees for the conditions under which its licensed products and/or services are made. Employees producing and/or assembling products or services manufactured, sold, or distributed by a Licensee must be provided with safe and ethical working conditions and must be treated with dignity and respect.

II. Application

This Code of Conduct (the “Code”) shall apply to all Licensees of Purdue. Throughout this Code, the term “Licensee” shall include all persons or entities who have entered a written License Agreement with Purdue or its authorized licensing representative, as well as Licensee’s respective contractors, subcontractors, vendors, manufacturers, sub-licensees and any related entities throughout the world which produce or sell products or materials incorporated in products which bear the name, trademarks or images of Purdue. This Code of Conduct constitutes a policy and guideline for Purdue Licensees and is applicable and mandatory with respect to every Licensee of Purdue.

As a condition of being permitted to produce and/or sell licensed products bearing the name, trademarks and/or images of Purdue, each Licensee must comply with this Code of Conduct. If Purdue, in its sole discretion, determines that any Licensee has failed to comply with this Code, then Purdue may either terminate its business relationship and License Agreement with the Licensee or require that the Licensee implement a corrective action plan on terms acceptable to Purdue.

III. Standards

Licensees agree to operate work places and contract with companies whose work places adhere to the standards and practices described below. Workplace shall be defined as all manufacturing and residential facilities directly operated by the Licensee or those making products for said licensees. Purdue prefers that Licensees exceed these standards.

- a. **Legal Compliance:** Purdue 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 products or materials bearing the name, trademarks or images of

Purdue. 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 take effective actions to achieve full 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:** Purdue will only do business with Licensees whose workers are in all cases present at work voluntarily, not at risk of physical harm, fairly compensated and not exploited in any way. In addition, Licensees shall comply with the following standards:
1. **Wages and Benefits:** Licensees must provide wages and benefits which comply with all applicable laws and regulations and match or exceed the prevailing local manufacturing industry practices.
 2. **Working Hours:** Licensees must not exceed prevailing local work hours in the country where the work is to be performed, except with respect to appropriately compensated overtime. In any event, Hourly and/or quota-based wage employees shall (i) not be required to work more than the lesser of (a) 48 hours per week or (b) limits on regular hours allowed by the law of the country of manufacture, and (ii) be entitled to at least one day off in every seven day period, as well as holidays and vacations.
 3. **Overtime Compensation:** All overtime employees must work hours voluntarily. 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 one and one-half their regular hourly compensation rate.
 4. **Child Labor:** The use of child labor is not permissible and will not be tolerated. 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.

5. **Prison or Forced Labor:** The use of forced labor, prison labor, indentured labor, bonded labor or other forced labor is not permissible and will not be tolerated.
6. **Labor Standards Environment:** 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 Purdue to achieve full compliance with each of 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, Purdue reserves the right to refuse renewal of Licensing Agreements for goods made in countries where: (i) progress toward implementation of the employment standards in the Code is no longer being made; and (ii) compliance with the employment standards in the Code is deemed impossible. Purdue shall make such determinations based upon examination of reports from governmental, human rights, labor and business organizations and after consultation with the relevant Licensees.
7. **Health and Safety:** Licensees must provide workers with a safe and healthy work 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. In addition, Licensees must comply with the following provisions:
 - a. The Licensee shall ensure that its direct operations and those of any subcontractors comply with all workplace safety and health regulations established by the national government where the production facility is located.
 - b. The Licensee shall ensure that its direct operations and 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.
8. **Non-Discrimination and Respect for Life:** While Purdue recognizes and respects cultural differences, 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.

9. **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.

10. **Freedom of Association and Collective Bargaining:** Licensees shall recognize and respect the right of employees to freedom of association and collective bargaining of their choice. No employee shall be subject to harassment, intimidation or retaliation in their efforts to freely associate or bargain collectively. Licensees shall not themselves prevent or cooperate with those who would prevent workers from organizing for purposes of collective bargaining. Licensees shall allow union organizers free access to employees. Licensees shall recognize the union of the employees' choice.

11. **Women's Rights:** 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. Pregnancy tests will not be a condition of employment, nor will they be demanded of employees. 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, or a similar position, at the same rate of pay and benefits. Workers will not be forced or pressured to use contraception. Workers will not be exposed to hazards, including glues and solvents that may endanger their safety including their reproductive health. Licensees shall provide appropriate services and accommodation to women workers in connection with pregnancy.

IV. **Compliance and Disclosure**

Licensees shall disclose to Purdue, Purdue's licensing agent, and the public the information set forth in Sections A, B and C below.

- a. **Manufacturers' Information:** Upon execution and renewal of the License Agreement and upon the selection of any new manufacturing facility which produces Licensed Product(s), licensee will disclose the

company names, contacts, addresses, phone number, e-mail addresses and nature of the business association for all such facilities which produce Licensed Products(s);

- b. **Compliance with Code:** At least sixty (60) days prior to the end of each contract year of the License Agreement, Licensees will provide written assurance that (i) that they are in compliance with the Code and/or (ii) are taking reasonable steps to remedy non-compliance in facilities found not to be in compliance with the Code. Licensees will also disclose any difficulties encountered during the preceding year in implementing and enforcing the Code at any facilities which produce Licensed Product(s);
- c. **Verification:** It shall be the responsibility of Licensees to ensure their compliance with the Code.

V. **Remediation:** Remedies herein apply to violations which occur after the Effective Date of the Code. If a Licensee has failed to self-correct a violation of the Code Purdue will consult with the Licensee (for itself and on behalf of its contractors, subcontractors or manufactures) to determine appropriate corrective action. 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 reinstatement of any worker found to have been unlawfully dismissed. 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, Purdue reserves the right to (i) require that the Licensee terminate its relationship with any contractor, subcontractor or manufacturer used in the production of Licensed Product(s) bearing the marks and indicia of Purdue that continues to conduct its business in violation of the Code and/or (ii) terminate its relationship with any Licensee that continues to conduct its business in violation of the Code. In either event, Purdue will provide the Licensee with thirty (30) days written notice of termination.

VI. **Requirements for Apparel Production in Bangladesh:** Effective January 1, 2014, Licensees sourcing apparel products in Bangladesh under a Purdue University license were urged to sign the Bangladesh Safety Accord no later than December 31, 2014. Licensees who did not sign are required to provide a plan for sourcing in Bangladesh that is at least as good as the commitments reflected in the Accord, and that they have the capacity to implement and enforce the plan. The plan must be submitted for review and approved by Purdue and the University's Licensing Agent before sourcing any apparel products in Bangladesh under a Purdue license.