

University of Connecticut

Report of the Task Force on Sweatshop Labor

June 2005

Task Force on Sweatshop Labor

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Task Force on Sweatshop Labor Executive Summary

The charge for the task force is to review all aspects of the University of Connecticut's (University's) engagement with the issue of sweatshop labor and to formulate appropriate policy recommendations. The task force reviewed many of the University's records, read many of the reports, studies and codes of conduct issued by different organizations, and interviewed executives from the Workers Rights Consortium (WRC), Social Accountability International (SAI) and the Connecticut State Treasurer's Office. After extensive deliberations, the task force has reached the following recommendations:

1. The University's ultimate goal should be that, within a specific period of time, all products bearing its logo should be verifiably "sweat free". All licensees must commit to achieving verifiable "sweat free" products to maintain their licenses with The University. Without compromising the goal of "sweat free" products, the University might create a phase-in process to help small licensees meet the "sweat free" requirement.

To achieve this goal would require the following actions within the context of an international problem with a multiplicity and complexity on contracting relationships:

- a. Collaboration with like-minded universities through the Collegiate Licensing Company (CLC).
 - b. Revise the CLC Code of Conduct to add a provision on monitoring and to strengthen the provisions concerning child labor and wages. (We have prepared a revised code that the University can present to CLC members for adoption.)
 - c. Create a unit within CLC's auditing department to oversee the monitoring and verification that licensed products are made in factories complying with the revised CLC Code.
 - d. Develop specific standards and guidelines for monitoring, remediation and penalties for violations of the revised CLC Code of Conduct.
 - e. The University should lead the effort to ensure that these actions occur.
2. Disseminate as much information as possible about the University's efforts as well as those of other organizations including licensees. Information dissemination can take several forms:
 - a. The University can set up a webpage where information about the University's activities can be posted as well as provide links to the websites of other organizations.
 - b. Appoint a spokesperson who would communicate with campus groups and the media.
 - c. Organize a workshop/conference in the fall semester where representatives of different organizations and groups can participate.

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3. Monitor, evaluate and publicize the retail section developed by the UConn Coop for union made products.
4. The University should work with other collegiate licensors and licensees to establish a charitable fund to provide grants for educational, health and other social services for workers in factories manufacturing their licensed products.
5. The University should consider supporting academic research on many issues and questions in the debate over sweatshop labor. Several examples of potential projects are listed in the report.
6. President Austin should appoint a standing committee, including a staff member, to ensure that these recommendations are enacted and enforced. The staff member would also serve as the spokesperson included in recommendation 2b.
7. The University should notify all of its licensees of its intentions as soon as this report is accepted. Licensees should be given the website address where this report will be posted.

Task Force on Sweatshop Labor

I. The Task Force Charge:

For more than a decade many on campuses across the country and the world have expressed concerns about the use of sweatshop labor to make universities' licensed products. Many universities responded to these concerns by joining organizations such as the Worker Rights Consortium (WRC), the Fair Labor Association (FLA) and/or by working through the Collegiate Licensing Company (CLC) to push their licensees toward fair labor practices. The University of Connecticut (University) is a member of the WRC and CLC and supports the efforts of both to end sweatshop practices. In appointing this task force, President Austin stated the University's support of "the health, safety and dignity of all working people" and affirmed its "special commitment to the protection of these rights for the men and women involved in the production of goods that bear the UConn name". The President charged the task force to identify additional actions that the University could undertake and to develop specific policy and program proposals. Specifically the task force was to:

1. Review ongoing aspects of the University's engagement on the sweatshop issue, examining our engagement with the WRC; examine processes by which we convey information to the campus community about licensees with whom we are engaged; and evaluate our role as a center of information and advocacy.
2. Develop proposals to help students and other members of the community become better informed about this and other related issues pertaining to working conditions around the world.
3. Examine possibilities of engagement with other agencies, organizations, or individuals actively working on this issue.
4. Explore means of helping members of the community promote fair labor practices (including, for example, better labeling and information about products sold in University-affiliated facilities).
5. Explore other aspects of this issue that the Task force finds relevant to this charge.

The rest of the report has three sections. Section II describes the work done by the task force in carrying its charge. Section III reviews the major sweatshop labor issues and the efforts by several groups and organizations to deal with them. Section IV reviews the current activities of the University and lists the recommendations of the task force.

II. Work Done by the Task Force:

In carrying its charge, the Task Force engaged in the following activities:

1. Reviewed many of the University's documents pertaining to the sweatshop labor issue and received briefings from Ron Schurin, Executive Assistant to the President and task force member, about the history of the University engagement with the issue, including membership in the WRC. We also received briefings from Tim Tolokan, Associate Athletics Director for Licensing and Athletic Traditions and task force member, about the relationship with the Collegiate Licensing Company (CLC); and Bill Simpson, President and General Manager of the UConn Coop and task force member, about the UConn Coop experience with the issue and its plans to set up a section to sell union made products.
2. Briefed by Scott Nova, Executive Director WRC; Don Kirschbaum, Connecticut State Treasurer's Office; and Eileen Kaufman, Executive Director of Social Accountability International.
3. Reviewed codes, reports and studies issued by WRC, CLC, Social Accountability International (SAI), Fair Labor Association (FLA), International Labor Office (ILO), other universities, investors groups, corporations, etc.
4. Conducted a comparative analysis of the codes of conducts of CLC, WRC, FLA and SAI (SA8000). See attached Schedule.

III. General Observations:

The issue of sweatshop labor practices has captured the attention of diverse groups, including university communities, individual and institutional investors, NGOs, international organizations such as ILO, faith-based organizations and corporations. Many of these groups have drafted codes of conduct, and established procedures for monitoring, enforcement and remediation. Many corporations (e.g., Disney, the GAP Inc., Nike, etc.) have instituted codes of fair labor practices for their suppliers and regularly conduct audits to ensure compliance with those codes. Some of these companies issue reports with the results of such audits (e.g. the GAP, Inc.) while others are reluctant to do so for fear of bad publicity if any problems are identified.

A serious, reoccurring problem centers on the difficulty of monitoring production facilities. The University of Connecticut deals with hundreds of licensees which, in turn, contract with various subcontractors. The subcontractors then contract with the factories that produce the licensed products. The CLC contracts with thousands of production sites. The multiplicity and complexity of contracting relationships explains why it is so difficult to verify the conditions under which any particular batch of products is made.

Currently, there is no monitoring entity that has either the resources or capabilities to ensure that appropriate standards are met in all production facilities. While many

licensees are now publishing the identities and locations of their individual production sites, universities do not possess the resources or capabilities to efficiently use that information. Moreover, the monitoring problem is further complicated by the issue of defining what constitutes abuses in countries with different cultures and levels of economic development.

Competition in the logo apparel market is most intense at the bottom of the supply chain; competition lessens as one moves up the supply chain. The factories that actually produce the licensed products operate with very thin margins. That is why many fear that efforts to help workers by instituting policies to increase wages and by improving working conditions could have the unintended consequence of shifting production to cheaper, less well-regulated settings and thus ultimately hurting those very same workers. This concern was voiced to university presidents in a famous letter by economists from the Academic Consortium on International Trade.

However, the task force found no evidence to support that claim for the types of recommendations we are suggesting -- especially for the collegiate licensed market. In fact, one recent study¹ estimates that a 100% increase in wages for apparel workers in Mexican and American factories would increase the retail price of a typical garment by only 2% to 6%. This same study cites polling data that suggests consumers from the United States are willing to pay 15% to 25% higher retail prices for “non-sweat” products. While that range may be high, it seems reasonable to conclude that consumers would be willing to pay even up to 6% more in price for logo apparel. Moreover, the experiences reported in the “Pilot Project for Licensing Labor Code Implementation”² suggest that some working condition code violations can be remedied virtually without any additional cost (e.g., providing safe fire exits, eliminating sexual harassment).

Yet the threat of a “race-to-the-bottom” among textile producing countries is more real now than ever. As of the 1st of January 2005, the special textile quota regime established under the General Agreement on Tariffs and Trade (GATT) was phased out – effectively eliminating manufacturers’ incentives to source clothing from a number of poor countries (e.g., Bangladesh) that may have tried to improve labor standards in areas such as child labor. Instead, manufacturers are increasingly shifting production to China, a new member of the WTO and a country with notoriously low wages and no independent trade unions. The losers are workers – who find it hard to argue for better salaries and working conditions if employers can hold the threat of relocating to China over their heads. In this increasingly hostile environment, the task force has observed that the collegiate apparel market – which accounts for less than 3% of overall textile production globally but is a high-profile segment of the market – can make a significant difference in the fate of workers by acting collectively in defense of high labor standards.

¹ Pollin, R., Burns, J., and J. Heintz, 2004. “Global Apparel Production and Sweatshop Labour: Can Raising Retail Prices Finance Living Wages?,” *Cambridge Journal of Economics*, 28, 153-171

² Joint University/CLC Project, “Pilot Project for Licensing Labor Code Implementation”, Final Report October 3, 2000.

Indeed, we have a final observation concerning the various groups that universities work with on the issue of labor standards. We believe that coordination and collaboration between these groups is desirable and possible. After all, every one of these organizations shares the same primary goal of promoting fair labor practices across the globe. Furthermore, many of the organizations have complementary activities. For example, the WRC does extensive work at specific sites where one of its main activities is to help workers organize. SAI certifies auditing bodies which, in turn, certify factories for fair-labor practices; SAI also accredits and trains auditors. FLA accredits monitors and provides them with monitoring guidelines. The CLC works with collegiate licensors and their licensees to ensure that licensees outsource from factories that have fair labor practices. Coordination and collaboration among organizations could take several forms:

1. Standardize their codes so that there is agreement on what are considered fair labor standards. Standardized codes make the monitoring process more efficient, and eliminate the complaints by companies that there are too many codes and guidelines to determine which one to follow.
2. Coordinate activities so as to eliminate duplication and leverage the resources of each organization. CLC can coordinate audits. WRC focuses on remediation and SAI licenses auditors and certifies factories that pass the audit. FLA could coordinate with SAI the accrediting of monitors and issue reports about companies' efforts to improve working conditions. An interesting example of collaboration is the "Joint Initiative on Corporate Accountability and Workers Rights"³, sponsored by Clean Clothes Campaign (CCC), Ethical Trading, Fair Labor Association (FLA), FairWear Foundation (FWF), Social Accountability International (SAI) and Workers Rights Consortium (WRC). The goals of this project are to maximize the effectiveness and impact of the work of the participating organizations by ensuring that resources are directed as efficiently as possible to improve the lives of workers and their families. The project will test key code elements, monitoring methods and remediation strategies. The project has been started with a pilot in Turkey that involves European and US companies and their garment suppliers, as well as trade unions, NGOs, industry and employers' associations and other interested parties. In addition to improving working conditions in the Turkish factories, the purpose of the pilot is to develop a shared understanding of how codes contribute to improved labor practices and identify models for continued cooperation between the participating organizations.

The University should follow with interest the activities of these organizations and groups. However, we feel the University's best opportunity to achieve "sweat free" licensed products is to work with other universities through CLC. This statement is elaborated in the next section where we discuss the recommendations.

³ Joint Initiative on Corporate Accountability and Workers' Rights, Second Floor, Cromwell House, 14 Fulwood Place, London WC1 6HZ, UK.

IV. What Should UConn Do?

The University has been active in the efforts to publicize and redress the sweatshop conditions through its membership in WRC, one of the two anti-sweatshop organizations active in universities across the country. The University is also a member of CLC, which serves as a liaison between collegiate licensors and licensees. CLC has a code of conduct for licensees, which is included with its licensing agreements and which licensees are expected to follow, and has conducted a pilot audit of the implementation of this code (See footnote 1). However, the task force believes that the code should be strengthened, and the monitoring provisions enhanced. The University has also been willing to engage campus student groups championing the cause of sweatshop labor. The union-made section at the UConn Coop is an example of the response to the students' demands.

The following recommendations, in addition to the efforts and initiatives already undertaken by the University, should provide a comprehensive strategy to achieve "sweat free" licensed products:

1. The University's ultimate goal should be that all its licensed products are verifiably "sweat free".

To achieve this goal all licensees must commit to achieving verifiable sweat free products within a specified period of time to maintain their licenses with the University. Without compromising the goal of "sweat free" products, the University might create a phase-in process to help small licensees meet the "sweat free" requirement.

Achieving the goal of "sweat free" products would require collaboration with like-minded universities through the CLC. The first step is to revise the CLC Code of Conduct to add a provision on monitoring and to strengthen the provisions concerning child labor and wages. (We have prepared a revised code that the University can present to CLC members for adoption.) Currently, the CLC has no way of knowing whether collegiate licensees comply with the CLC's Code of Conduct. Hence, we propose that CLC creates a process to monitor compliance with its Code. The process can be supervised by a unit to be established within the CLC auditing department. To guide the work of this unit, specific standards and guidelines should be developed for monitoring, remediation and penalties for violating the revised code. The unit can contract with auditing organizations to conduct audits of compliance with the CLC Code. UConn should lead the effort to ensure that these actions occur.

We believe the CLC is best qualified to oversee the monitoring of compliance with its Code because it is the liaison between collegiate licensors and their licensees. More importantly, the CLC's Code of Conduct sets the standard for fair labor practices contracted between licensors and licensees. Entrusting the supervision of the monitoring process to an organization other than CLC would mean bringing a fourth partner to the relationship between licensors, licensees and CLC. This would result in a cumbersome process. CLC already has an auditing unit that audits licensees' sales, and expanding that

unit's mission to oversee monitoring compliance with the Code would be less costly than creating a new entity. Furthermore, CLC already has experience with auditing compliance with the labor provisions of its Code as it has an audit conducted by Verite in five countries in 2000 and reported in the "Pilot Project for Licensing Labor Code Implementation" (see footnote 1).

The proposed actions represent a major task that would require the University to work with other institutions that are active in addressing the issue of sweatshop labor, such as Georgetown University, to get these reforms adopted by CLC.

As a short term measure, we recommend that the University joins the University of Arizona in signing Rider 1A to Schedule I of the CLC Code. (Notably, the University has already signed Rider 1 on Full Public Disclosure and Rider 2 on women's Rights.) A copy of Rider 1A is attached to this report.

If it becomes apparent that the strategy recommended in this report will not achieve the goal of verifiably sweat-free licensed products in the specified period of time, the University should reserve the right to use other means to achieve its goal. Furthermore, the University should continue to monitor the activities directed toward "sweat free" products in the collegiate and commercial environments. We expect that with the continued attention and focus on this problem, new solutions will be developed that the University may choose to adopt.

2. It is important to disseminate as much information as possible about UConn's efforts as well as those of other organizations including licensees. Information dissemination can take several forms:
 - a. The University should set up a webpage where information about its activities can be posted as well as provide links to the websites of other organizations.
 - b. Appoint a spokesperson who would communicate with campus groups and the media.
 - c. Organize a workshop/conference in the fall 2005 where representatives of different organizations and groups can participate.
3. The creation of the section for union made products in the Coop is a good initiative that should be publicized. It should also be monitored and evaluated. Hopefully, there will be no need for such a section when the University achieves its ultimate goal of "sweat free" licensed products.
4. The University should work with other collegiate licensors and licensees to set up a charitable fund to provide grants for educational, health and other social services for workers in factories that manufacture their licensed products.
5. The University should support academic research on many issues and questions in the debate over sweatshop labor. For example, some argue that living wages and

good working conditions contribute to efficiency and improved productivity. Employee empowerment is an accepted concept in many industries such as the auto industry. Other researchable issues include the relationships between human rights, labor organizing, global markets and fair competition. Potential research topics could include:

- a. The impact on productivity of living wages and investments in occupational safety, worker training – variation across industrial sectors, regions, etc.
 - b. Unionization: relationship to productivity and variation by country, industrial sector, gender dynamics, etc.
 - c. The costs of enhanced monitoring and certification for individual suppliers: variation by company size, industry, etc. Is social responsibility “affordable”?
 - d. Consumer responsiveness to “ethical” labeling/marketing schemes. Could insert questions into major survey instruments (General Social Survey, etc.); should consult with Roper Center on proposal development.
 - e. Living wage – how to define it cross-nationally, inter-temporally, etc.
 - f. Mechanisms for translating product price increases into direct wage gains for manufacturing workers.
 - g. Worker perceptions of corporate social responsibility – does it make a difference on the shop floor? Worker surveys necessary; company case studies.
 - h. Impact of the January 2005 GATT Multifibre Agreement (MFA) phase-out on select countries; prospects for industrial development, social impact analysis (gender analysis especially necessary), etc.
 - i. The impact of “fair trade” legislation (such as Connecticut State Legislature Bill 1148, discussed by the Task Force) on economic and social development in key US states and/or sourcing countries directly or indirectly affected.
6. President Austin should appoint a standing committee, including a staff member, to ensure that these recommendations are enacted. The staff member would also serve as the spokesperson included in recommendation 2b.
 7. The University should notify all of its licensees of its intentions as soon as this report is accepted. Licensees should be given the website address where this report will be posted.

Appendix A
Code of Conduct
Collegiate Licensing Company

290 Interstate North, Suite 200 | Atlanta, GA 30339 | 770.956.0520 | 770.955.4491 fax

**CLC SPECIAL AGREEMENT REGARDING
LABOR CODES OF CONDUCT
(January 2003 Document)**

This is an Agreement between -----, a corporation organized under the laws of the state of -----, having its principal place of business at ----- (“Licensee”), and the Collegiate Licensing Company, a Georgia corporation, having its principal place of business at 290 Interstate North, Suite 200, Atlanta, Georgia 30339 (“CLC”), as agent on behalf of the Collegiate Institutions.

WHEREAS Licensee and CLC have entered into and are operating under the terms of the Collegiate Licensing Company Standard Retail Product License Agreement and/or other similar license agreements involving the use of Collegiate Institution indicia (collectively, the “License Agreement”);

WHEREAS Collegiate Institutions have adopted certain labor code standards and verification / monitoring procedures regarding the manufacture, production and sale of Licensed Articles (“Code(s) of Conduct”);

WHEREAS Collegiate Institutions have directed CLC to implement their respective Codes of Conduct with Licensee as an additional License Agreement requirement;

WHEREAS defined terms not defined herein will have the same meanings as ascribed to such terms in the License Agreement.

NOW, THEREFORE, in consideration of the parties’ mutual covenants and undertakings, and other good and valuable consideration the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. LICENSEE OBLIGATIONS

Certain Collegiate Institutions have directed CLC to implement the Code of Conduct requirements as described in this Agreement as an institutional policy and requirement, as provided in the License Agreement. Accordingly, Licensee shall comply with Code of Conduct requirements as directed by the respective Collegiate Institutions and as described in this Agreement in order to remain in compliance with the License Agreement. Licensee shall cooperate with CLC, the Collegiate Institutions and/or their agents or representatives in periodic inspections of Licensee’s factory sites to ensure that Licensee is in compliance with such Code of Conduct requirements. Licensee shall commit to taking corrective actions recommended if audits reveal nonconformance with the said code and shall execute those changes within a specified time period. Licensee’s failure to comply with Code of Conduct requirements for a Collegiate Institution shall be considered a breach of the License Agreement regarding the applicable Collegiate Institution.

2. CURRENT CODE OF CONDUCT REQUIREMENTS

Certain Collegiate Institutions have adopted Code of Conduct requirements. Those requirements are set forth on the attached Schedules and Riders.

3. ADDITIONS / MODIFICATIONS OF CODE OF CONDUCT REQUIREMENTS

Additional Collegiate Institutions may from time to time implement Code of Conduct requirements, and Collegiate Institutions may from time to time modify their Code of Conduct requirements. CLC shall give Licensee reasonable written notice of any changes in Code of

Conduct requirements. Licensee, upon receipt of the notice, shall be responsible for complying with the new Code of Conduct requirements. CLC will conduct its own periodic and unannounced inspections, and licensees agree to grant full access to auditors and to comply with recommendations on remedying nonconformance within a specified time period.

4. TERM

This Agreement shall begin effect on the last date of signature below and shall terminate upon the termination, revocation, cancellation or expiration of the rights granted Licensee under the License Agreement with respect to affected Collegiate Institution(s). Any renewal(s) of said License Agreement shall constitute renewal of this Agreement.

5. SEVERABILITY

The determination that any provision of this Agreement is invalid or unenforceable shall not invalidate this Agreement, and the remainder of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

6. NO WAIVER, MODIFICATION, ETC.

This Agreement, including attachments, constitutes the entire agreement and understanding between the parties and cancels, terminates, and supersedes any prior agreement or understanding relating to the subject matter hereof between Licensee, CLC and Collegiate Institutions. There are no representations, promises, agreements, warranties, covenants or understandings other than those contained herein. None of the provisions of this Agreement may be waived or modified, except expressly in writing signed by both parties. However, failure of either party to require the performance of any term in this Agreement or the waiver by either party of any breach shall not prevent subsequent enforcement of such term nor be deemed a waiver of any subsequent breach.

7. MISCELLANEOUS

When necessary for appropriate meaning, a plural shall be deemed to be the singular and singular shall be deemed to be the plural. The attached schedules are an integral part of this Agreement. Paragraph headings are for convenience only and shall not add to or detract from any of the terms or provisions of this Agreement. This Agreement shall be construed in accordance with the laws of the state of Georgia, which shall be the sole jurisdiction for any disputes

IN WITNESS WHEREOF, the parties hereto have signed this Agreement.

LICENSEE:

By: _____ [Seal]

(Signature of officer, partner, or person
duly authorized to sign)

Title: _____

Date: _____

THE COLLEGIATE LICENSING COMPANY, as agent on behalf of the Collegiate Institutions.

By: _____

(Signature of person duly authorized to sign)

Title: _____

Date: _____

Labor Code Standards

Schedule I

I. Introduction: The Collegiate Licensing Company (“CLC”) and the collegiate institutions represented by CLC (“Collegiate 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 Collegiate Institutions believe that Licensees share this commitment, CLC and certain Collegiate 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 Collegiate Institutions. The term “Licensee” shall for purposes of the Code, and unless otherwise specified in the Code, encompass all of Licensee’ 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 Collegiate 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 Collegiate 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 commit to paying a wage sufficient to meet 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 [FOOTNOTE ⁴: CLC and the Collegiate 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

⁴ See above.

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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 take reasonable steps as evaluated by CLC, the applicable Collegiate 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. This includes remediation of displaced child workers and consultation with governmental, human rights and nongovernmental organizations.

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.

10. CLC and the Collegiate Institutions will monitor these issues and: a) will recommend corrective action; b) will assess progress on remedying violations of the CLC and/or Collegiate Licensee(s)' code; and c) will terminate contracts for persistent violation and/or failure to remediate.

COLLEGIATE INSTITUTIONS - LIST I

The following Collegiate Institutions have adopted Labor Code Standards – Schedule I:

1. The University of Alabama
2. Alabama A&M University
3. University of Alaska at Anchorage
4. University of Arizona
5. University of Arkansas-Fayetteville
6. University of Arkansas-Pine Bluff
7. Baylor University
8. Boston College
9. Boston University
10. California State University, Sacramento
11. University of Cincinnati
12. University of Connecticut
13. Cornell University
14. University of Delaware
15. Duke University
16. Drexel University
17. University of Florida
18. Florida State University
19. George Mason University
20. George Washington University
21. Georgetown University
22. University of Georgia
23. Georgia Institute of Technology
24. University of Houston
25. University of Illinois
26. James Madison University
27. Kansas State University
28. University of Kansas
29. Marquette University
30. Marshall University
31. University of Maryland
32. University of Memphis
33. University of Miami
34. The University of Missouri
35. University of Montana
36. University of Nebraska
37. University of New Hampshire
38. University of North Carolina at Greensboro
39. University of North Carolina
40. Northwestern University
41. The University of Oklahoma
42. The Pennsylvania State University
43. Pepperdine University
44. University of Pittsburgh
45. Purdue University
46. St. John's University
47. Saint Joseph's University
48. San Diego State University
49. San Jose State University
50. Santa Clara University
51. University of South Alabama

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52. University of South Carolina
53. Syracuse University
54. The University of Tennessee
55. The University of Tennessee at Chattanooga
56. The University of Tennessee at Martin
57. The University of Texas at Austin
58. Tulane University
59. University of Utah
60. Utah State University
61. Villanova University
62. University of Virginia
63. Wayne State University
64. University of Wisconsin-Madison
65. University of Wyoming

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Updated 10/11/04

Labor Code Standards
Rider 1 to Schedule I

Full Public Disclosure:

Each Licensee shall disclose to the Collegiate Institution or its designee the location (including factory name, contact name, address, phone number, e-mail address, products produced, and nature of business association) of each factory used in the production of all items which bear Licensed Indicia. Such information shall be updated upon change of any factory site location. The Collegiate Institution reserves the right to disclose this information to third parties, without restriction as to its further distribution.

COLLEGIATE INSTITUTIONS - LIST II

The following Collegiate Institutions have adopted Rider 1 to Schedule I:

1. University of Alabama
2. University of Alaska at Anchorage
3. Appalachian State University
4. University of Arizona
5. University of Arkansas-Fayetteville
6. University of Arkansas-Pine Bluff
7. Baylor University
8. Boise State University
9. Boston College
10. Boston University
11. California State University, Sacramento
12. California State University, Northridge
13. Colgate University
14. University of Colorado
15. Colorado State University
16. University of Connecticut
17. Cornell University
18. University of Delaware
19. Drexel University
20. Duke University
21. University of Florida
22. Florida State University
23. George Mason University
24. George Washington University
25. Georgetown University
26. University of Georgia
27. Georgia Institute of Technology
28. University of Illinois
29. James Madison University
30. University of Kansas
31. Kansas State University
32. University of Kentucky
33. Louisiana State University
34. University of Louisville
35. Marquette University
36. Marshall University
37. University of Maryland
38. University of Massachusetts
39. University of Memphis
40. University of Miami

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41. University of Michigan
42. The University of Missouri
43. University of Montana
44. University of Nebraska
45. University of Nevada-Las Vegas
46. University of New Hampshire
47. The University of New Mexico
48. New Mexico State University
49. University of North Carolina at Greensboro
50. University of North Carolina
51. Northern Arizona University
52. Northwestern University
53. The University of Notre Dame du Lac
54. The University of Oklahoma
55. The Pennsylvania State University
56. University of Pittsburgh
57. Purdue University
58. St. Cloud State University
59. St. John's University
60. Saint Joseph's University
61. San Diego State University
62. San Jose State University
63. Santa Clara University
64. University of South Alabama
65. University of South Carolina
66. University of South Florida
67. Syracuse University
68. Temple University
69. The University of Tennessee
70. The University of Tennessee at Chattanooga
71. The University of Tennessee at Martin
72. The University of Texas at Austin
73. The University of Texas Medical Branch at Galveston
74. Tulane University
75. University of Utah
76. Utah State University
77. Villanova University
78. University of Virginia
79. University of Washington
80. Wayne State University
81. University of Wisconsin-Madison
82. University of Wyoming
83. Xavier University

Updated 10/11/04

Labor Code Standards
Rider 1A to Schedule I

Full Public Disclosure:

For University of Arizona licensees, full public disclosure includes but shall not be limited to direct disclosure to the University, in addition to required disclosure to CLC or various other monitoring organizations.

Monitoring:

In addition to any other monitoring provisions or practices which the University of Arizona may require, including but not limited to those developed by or to be developed by the FLA, CLC, or other programs in which the University elects to participate, the University further requires that as part of its overall Code compliance and monitoring program, licensees will accommodate unannounced visits to, and unannounced independent monitoring of, factories selected without the participation of the companies whose factories, or whose contractors' factories, are being monitored. For purposes of this provision, "independent monitoring" must involve accreditation of monitors wherein the qualifying person or group has no monetary interest in the outcome of the monitoring process. The independent monitor may not be chosen by the individual corporate or other ownership entity whose factories or whose contractor's factories are being monitored, nor may the monitors be selected or accredited by a group dominated by commercial or corporate interests or entities. Accreditation should occur through organizations with balanced representation of business entities, universities, human rights organizations and preferably labor rights organizations.

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.

COLLEGIATE INSTITUTIONS - LIST III

The following Collegiate Institutions have adopted Rider 2 to Schedule I:

1. The University of Alabama
2. University of Arkansas-Fayetteville
3. University of Arizona
4. University of Cincinnati
5. University of Connecticut
6. Cornell University
7. Drexel University
8. Duke University
9. University of Florida
10. The George Washington University
11. Georgetown University
12. University of Illinois
13. James Madison University
14. Marquette University
15. University of Massachusetts
16. University of Miami
17. The University of Missouri
18. University of Montana
19. University of Nebraska
20. The University of New Mexico
21. Northwestern University
22. Purdue University
23. San Diego State University
24. Syracuse University
25. The University of Tennessee
26. The University of Tennessee at Chattanooga
27. The University of Tennessee at Martin
28. Tulane University
29. University of Virginia
30. University of Wisconsin-Madison

Appendix B
Analysis of Codes of Conduct

	Worker Rights Consortium "Model Code of Conduct"	Collegiate Licensing Company	Fair Labor Association	Social Accountability International (SA8000)
Notice period for licensees	Within six months of notification of the Code.			
Minimum standard/legal compliance	All applicable legal requirements of the country of manufacture. Where there are differences with this Code, the higher standard prevails.	Licensees must comply with all applicable legal requirements of country of manufacture. Where there are differences with the Code, higher standard shall prevail.		
Wages and benefits	As a floor, wages and benefits that comply with applicable laws and regulations, provide for essential needs, and provide a dignified living wage (defined as wage that provided for basic needs--housing, energy, nutrition, clothing, health care, potable water, child care, transportation and savings--of an average family unit of employees in garment manufacturing sector, divided by average number of adult wage earners for a family in that sector.	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.	Employers shall pay employees, as a floor, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and shall provide legally mandated benefits.	Wages paid for a standard work week must meet the legal and industry standards and be sufficient to meet the basic need of workers and their families; no disciplinary deductions.

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	Worker Rights Consortium "Model Code of Conduct"	Collegiate Licensing Company	Fair Labor Association	Social Accountability International (SA8000)
Working hours	Not more than the lesser of 48 hours per week or limits on regular hours allowed by law. Worker must receive at least one day off in every 7-day period, as well as holidays and vacations.	Except in extraordinary circumstances, hourly and/or quota-based wage employees shall not be required to work more than the lesser of 48 hours per week and 12 hours overtime, or the limits allowed by the law of the country. Workers are entitled to at least one day off in every 7 day period.	Except in extraordinary business circumstances, employees shall not be required to work more than the lesser of 48 hours per week and 12 hours overtime, or the limits of regular overtime hours allowed by the laws of the country, or, where there are no laws, the regular work week in such country plus 12 hours overtime. Employees are entitled to at least one day off in every 7 day period.	Comply with the applicable law but, in any event, no more than 48hours per week with at least one day off for every 7 day period; voluntary overtime paid at a premium rate and not to exceed 12 hours per week on a regular basis; overtime may be mandatory if part of a collective bargaining agreement.
Overtime compensation	Overtime hours must be voluntary and paid at premium rate as established by law or, if no law, than on and one-half regular hourly compensation rate.	Hourly and/or quota-based wage employees shall be compensated for overtime hours at a such a premium rate as is legally required in the country, or, where such laws do not exist, at a rate at least equal to their regular hourly compensation rate.	Employees shall be compensated for overtime hours at such premium rate as is legally required in the country, or in those countries where such laws do not exist, at a rate at least equal to their regular hourly compensation rate.	Voluntary overtime paid at a premium rate and not to exceed 12 hours per week on a regular basis; overtime may be mandatory if part of a collective bargaining agreement.
Child labor	No one may be employed under age 15 (or 14 where ILO allows exception). If age for compulsory education is higher than this, the education completion age must apply. Licensees must consult with government, NGOs, etc., to minimize negative impact on children released from employment as result of this provision.	No one may be employed under age 15 (or 14 where ILO allows exception). If age for compulsory education is higher than this, the education completion age must apply. Licensees must consult with government, NGOs, etc., to minimize negative impact on children released from employment as a result of this provision.	No one shall be employed at any age younger than 15 (or 14 where the law of the country allows) or younger than the age of completing compulsory education where such age is higher than 15.	No workers under the age of 15; minimum lowered to 14 for countries operating under the ILO Convention; remediation of any child found to be working.

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	Worker Rights Consortium "Model Code of Conduct"	Collegiate Licensing Company	Fair Labor Association	Social Accountability International (SA8000)
Forced labor	No use of forced or prison labor, indentured labor, bonded or other forced labor.	No use of forced prison labor, indentured labor, bonded or other forced labor.	No use of forced labor, including prison labor, indentured labor, bonded labor or otherwise.	No forced labor, including prison or debt bondage labor; no lodging of deposits or identity papers by employers or outside recruiters.
Health and safety	Safe and healthy working environment to prevent accidents and injury to health arising out of work. Must comply with all workplace safety and health regulations established by national government or with U.S. Federal OSHA code, whichever is more protective.	Safe and healthy working environment to prevent accidents or injury to health arising out of work.	Safe and healthy working environment to prevent accidents and injury to health arising out of work.	Safe and healthy work environment; employer takes steps to prevent injuries; regular health and safety worker training; system to detect threats to health and safety; access to bathrooms and potable water.
Nondiscrimination	No discrimination in hiring, promotion, discipline, etc. based on gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.	No discrimination in hiring, promotion, salary, benefits, discipline, termination or retirement on basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.	No discrimination in employment, hiring, salary, benefits, advancement, discipline, termination or retirement on the basis of gender, race, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.	No discrimination based on race, caste, origin, religion, disability, gender, sexual orientation, union or political affiliation, or age.
Harassment or abuse	No employee shall be subject to physical, sexual, psychological, or verbal harassment or abuse. Licensees will not use or tolerate corporal punishment.	No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse. Licensees will not tolerate any form of corporal punishment.	No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse.	No sexual harassment, corporal punishment, mental or physical coercion or verbal abuse.

	Worker Rights Consortium "Model Code of Conduct"	Collegiate Licensing Company	Fair Labor Association	Social Accountability International (SA8000)
Freedom of association and collective bargaining	Respect for right of employees to freedom of association and collective bargaining. No employee shall be subject to harassment, intimidation or retaliation for efforts to freely associate or bargain collectively. Licensees shall not cooperate with governmental agencies or other organizations that use State power to prevent union organization or membership.	Licensees shall recognize and respect the right of employees to freedom of association and collective bargaining.	Employers shall recognize and respect the right of employees to freedom of association and collective bargaining.	Respect the right to form and join trade unions and bargain collectively; where law prohibits these freedoms, facilitate parallel means of association and bargaining.
Women's rights	Women workers will receive equal compensation, equal treatment, equal evaluation of the quality of their work, and equal opportunity to fill positions. Pregnancy tests will not be a condition of employment or demanded of employees. No dismissal, loss of seniority, or deduction of wages to workers who take maternity leave. Workers will not be forced to use contraception. Workers will not be exposed to hazards, including glues and solvent, that may endanger safety, including reproductive health. Licensees shall provide appropriate services and accommodation to women workers in connection with pregnancy.	Women workers will receive equal remuneration, benefits, treatment, evaluation of work, and opportunity. Pregnancy tests will not be a condition of employment or demanded of employees. Women who take maternity leave will not face dismissal, loss of seniority or deduction of wages. 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 reproductive health. Licensees shall provide appropriate services and accommodations to women workers in connection with pregnancy.		

	Worker Rights Consortium "Model Code of Conduct"	Collegiate Licensing Company	Fair Labor Association	Social Accountability International (SA8000)
Compliance and disclosure	Company names, contacts, addresses, phone numbers, e-mail addresses and nature of business association will be disclosed. Sixty days prior to end of contract year, licensees must provide written assurance of compliance with code or reasonable step to remedy non-compliance in facilities not in compliance. Summary of such steps taken in previous year to be provided.	Each licensee shall disclose to the university the location (factory name, contact name, address, phone number, e-mail address, products produced and nature of business association) of each factory used in the production of all items which bear license indicia. Such information shall be updated upon change of any factory site location. The university reserves the right to disclose this information to third parties, without restriction.		Factories seeking to gain and maintain certification must go beyond simple compliance to integrate the standard into their management systems and practices.

	Worker Rights Consortium "Model Code of Conduct"	Collegiate Licensing Company	Fair Labor Association	Social Accountability International (SA8000)
Verification and monitoring	Licensees are responsible to ensure Code compliance. "The WRC and its Member Institutions will undertake efforts to determine and clearly define the obligations associated with development of adequate methods and training for independent external monitoring."		Companies are obligated to conduct internal monitoring "that goes beyond simply going to factories to inspect for problems. Companies are responsible for establishing an internal system of promoting respect for the Code standards through education, monitoring and remediation." Must inform workers of their rights orally and by posting standards, and through other activities; establish relationships with local labor and human rights NGOs; train company monitors about Code standards and applicable laws; provide workers with confidential channel to report noncompliance to the company; conduct periodic announced and unannounced factory visits and worker and management interviews; and establish means of remediation. Companies that join FLA must also allow independent monitors to audit facilities, through thorough investigation, interviews, record-checking, etc. Findings of noncompliance are documented on a "Tracking Chart." Within 60 days company must report remediation plan. FLA conducts annual audits; companies "agree to be transparent to the public at a macro and micro level."	Companies that operate production facilities can seek to have individual facilities certified to SA8000 through audits by one of the accredited certification bodies. (These exist in 30 countries.) Companies that focus on selling goods or that combine production and selling can join the SA8000 Corporate Involvement program, a two-level program that helps companies evaluate SA8000, implement the standard, and report publicly on implementation progress.

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	Worker Rights Consortium "Model Code of Conduct"	Collegiate Licensing Company	Fair Labor Association	Social Accountability International (SA8000)
Labor standards environment	In countries where law or practice conflicts with these standards, licensees agree to consult with governmental, human rights, labor and business organizations to take effective actions as evaluated by the University to achieve full compliance, and to refrain from actions that would diminish protections of these standards. University reserves right to terminate relations with licensee where "compliance with the employment standards in the Code is deemed impossible," based on external evidence and after consultation with licensees.	Where there is conflict between Code and laws of country, Licensee agrees to consult with governmental, human rights, labor, and business organizations and to take effective actions as evaluated by CLC, the applicable Collegiate Institutions, or their designee, and the applicable Licensee, to achieve maximum possible compliance with each of these standards. Licensees further agree to refrain from any actions that would diminish protections of these labor standards.	Any company that adopts this Code shall, in addition to complying with all applicable laws of the country, comply with this Code and apply the higher standard in case of differences or conflicts.	
Remediation	If licensee fails to self-correct a violation, University consults with licensee (for itself and subcontractors, etc.) to determine corrective action. Remedy will include, at a minimum, payment of back wages and reinstatement of workers found to have been unlawfully dismissed. If corrective action not taken in a specified reasonable time period, University reserves right to require that licensee terminate relationship with contractor, subcontractor, or manufacturer in violation, or to terminate relationship with Licensee. The University must provide thirty days written notice of such action.		Within 60 days of finding of non-compliance company must report remediation plan.	