

PROCEDURES FOR THE IMPLEMENTATION OF THE UNIVERSITY OF GUELPH CODE OF ETHICAL CONDUCT FOR SUPPLIERS AND SUBCONTRACTORS IN RELATION TO WORKING CONDITIONS AND EMPLOYMENT STANDARDS

1. Introduction

Within the scope of application of the *University of Guelph Code of Ethical Conduct for Suppliers and Subcontractors in Relation to Working Conditions and Employment Standards*, the University expects each of its suppliers and their immediate subcontractors to comply with the Code and these Procedures.

Definitions in these Procedures are the same as in the Code.

The failure of the University to insist upon a strict performance of any of the standards in the Code or these Procedures shall not be deemed a waiver of any rights or remedies that the University may have or a waiver of any subsequent breach or default.

Nothing in this document should be interpreted as affecting academic freedom as described in article B1.02 of the *University of Guelph Faculty Policy Manual* and Article 15 of the *Special Plan Agreement*.

2. Standards

University suppliers and subcontractors must adhere to the following minimum standards and practices:

2.1 Wages and Benefits

- 2.1.1 Wages and benefits paid must meet national and international legal standards or industry benchmark standards, whichever are higher, and must provide for the basic needs of the person(s) and their families (based on local standards) and some discretionary income. The concept of *needs* includes but is not limited to, nutrition, clothing, health care, education, potable water, transportation, housing and energy. The fulfillment of these needs must be assessed on a case-by-case basis. Where production operates under a piece-rate system, the piece-rate quotas and rates must be adjusted to what can reasonably be accomplished in an eight-hour period and permit this wage and benefits standard to be met.
- 2.1.2 Wages must be paid in a timely manner (no longer than one month after the hours are worked) and rendered in a manner directly accessible to workers.
- 2.1.3 All workers must be provided with written and oral information about their employment conditions, including notification of wages before they enter employment, and written information about the particulars of their wages for each pay period. This information will be in a language and format understood by the worker.
- 2.1.4 Wage deductions for disciplinary purposes are not permitted, nor will any deductions from wages not provided by applicable law be permitted.

- 2.1.5 Labour-only contracting arrangements and false apprenticeship schemes undertaken in an effort to avoid fulfilling obligations to personnel under applicable laws pertaining to labour and social security legislation and regulations are not permitted.

2.2 Working Hours

- 2.2.1 Employees must not be required to work more than the lesser of:
(a) 48 hours
(b) the maximum allowable under the Ontario *Employment Standards Act*, or
(c) the limits on hours allowed by the law of the jurisdiction of manufacture.
- 2.2.2 Employees must be entitled to at least one day off in every 7-day period, holidays and vacations as required by the law of the jurisdiction of manufacture.

2.3 Overtime Compensation

All overtime hours, wherever possible, must be worked voluntarily by employees and remunerated at a premium rate.

2.4 Child Labour

- 2.4.1 Definition of **child**: Any person less than 15 years of age, unless the country of manufacture stipulates a higher age for work or mandatory schooling, in which case the higher age would apply. If, however, the local minimum-age law is set at 14 years of age in accordance with developing-country exceptions under International Labour Organization Convention 138, the lower age will apply.
- 2.4.2 Definition of **child labour**: Work by a child younger than the age(s) specified in the above definition of a child.
- 2.4.3 Definition of **young worker**: Any worker over the age of a child, as defined above, and under the age of 18.
- 2.4.4 University suppliers and subcontractors must not engage in or support the use of child labour, as defined above.
- 2.4.5 Where children are found to be currently working in situations that constitute child labour, the University supplier or subcontractor will provide remediation to the child workers as appropriate and acceptable to the University. Remediation plans may include providing all necessary support and actions to ensure the safety, health, education and development of children who have been subjected to child labour. The children will have no continuing obligations to the employer. However, where a child worker must be displaced, adult family members should have the opportunity to assume the child's position in order to maintain family earnings.

- 2.4.6 The supplier must also consult with governmental, human rights, non-governmental organizations and local community groups as appropriate in the country of manufacture, and must take reasonable steps as evaluated by the University to minimize the negative impact, through remediation, on children who have been subjected to child labour.
- 2.4.7 University suppliers and subcontractors must establish, document, maintain and effectively communicate to all interested parties policies and procedures for the promotion of education for young workers who are subject to local compulsory education laws or are attending school. This includes policies to ensure that no young worker is employed during the worker's school hours and that combined hours of daily school, work time and transportation (to and from work and school) do not exceed 10 hours a day.

2.5 *Forced Labour*

The use of any form of forced labour, such as indentured labour, bonded labour or involuntary labour of prisoners, is prohibited.

2.6 *Health and Safety*

- 2.6.1 A safe and hygienic working environment must be provided, bearing in mind the prevailing knowledge of the industry and any specific hazards. Adequate steps shall be taken to prevent illnesses, accidents and injuries to the health of workers (including reproductive health) arising from, associated with or occurring in the course of work by minimizing as far as is reasonably feasible the causes of hazards inherent in the working environment.
- 2.6.2 Suppliers and licensees will comply with all local and national building code and workplace health and safety standards, as well as those established by the International Labour Organization. Where there are conflicts or differences among these standards, the higher standard shall prevail. Exposure to chemicals and physical agents should not be at levels higher than those in the current or previous year's version of *Threshold Limit Values for Chemical Substances and Biological Exposure Indices* published by the American Conference of Industrial Hygienists (ACGIH).
- 2.6.3 Workers must receive regular and recorded health safety training, and such training must be repeated for new or reassigned workers.
- 2.6.4 Workers are required to have access to clean toilet facilities and potable water. If appropriate, sanitary facilities for food storage must be provided. Accommodation, where provided, must be clean, safe and meet the basic needs of the workers.
- 2.6.5 University suppliers and subcontractors must provide appropriate services and accommodation to women workers in connection with pregnancy (e.g., work hours for pregnant and nursing women must be planned to ensure adequate rest periods).

- 2.6.6 The assignment of a woman to work prejudicial to her health or that of her child is prohibited during pregnancy and up to three months after childbirth; longer if the woman is nursing her child. Such work includes but is not limited to: hard labour involving heavy weight-lifting, pulling or pushing; undue and unaccustomed physical strain, including prolonged standing; work requiring special equilibrium; and work with vibrating machines.
- 2.6.7 A woman who presents a medical certificate stating that a change in the nature of her work is necessary in the interest of her health and that of her child should be given the right to transfer to another job assignment.
- 2.6.8 The supplier or subcontractor observing the Code must assign responsibility and accountability for health and safety to a senior management representative and establish a joint health and safety committee with representatives of workers and management.

2.7 *Non-discrimination*

- 2.7.1 In accordance with the Ontario Human Rights Code, workers may not be subject to any discrimination in employment, including hiring, compensation, access to training, promotion, discipline, termination or retirement, on the basis of gender, race, caste, religion, age, disability, sexual orientation, nationality, family and marital status, reproductive status, union membership or activity, political opinion or activity, or social or ethnic origin. Workers must be employed on the basis of their ability to do the job. An offer made to a candidate must be based on the candidate's merit.
- 2.7.2 Pregnancy or maternity leave status must not be used as a basis for discipline/termination or reduced remuneration while working. Furthermore, workers who take maternity leave must not face dismissal or threat of dismissal, loss of seniority or deduction of wages, and will be able to return to their former employment or substantially similar employment at the same rate of pay and benefits.
- 2.7.3 Pregnancy tests must not be a condition of employment, nor will they be demanded of employees, and workers will not be forced or pressured to use contraception.

2.8 *Harassment or Abuse*

Every employee must be treated with dignity and respect. Employers will not tolerate or engage in any physical, sexual, psychological or verbal harassment or abuse. University suppliers and subcontractors will not use or tolerate any form of corporal punishment. All cases of discipline must be thoroughly documented.

2.9 *Freedom of Association and Collective Bargaining*

- 2.9.1 University suppliers and subcontractors must recognize and respect the right of employees, as permissible under law, to freedom of association, to freely form and join unions of their choice, and to collective bargaining with bargaining representatives of their choice.

- 2.9.2 No employee or employee organization/representative will be subject to harassment, intimidation or retaliation as a result of his or her efforts to freely associate or bargain collectively.
- 2.9.3 Where the right of freedom of association and collective bargaining is restricted under law, the employer will not hinder the development of parallel means for independent and free association and bargaining.

3. Compliance

- 3.1 All suppliers are required to adhere to the Code, however, no supplier may advertise or represent that it has been certified as being in compliance with the Code. In indicating their own compliance with the Code, suppliers accept responsibility for ensuring that all immediate subcontractors in all their supply chains are also in compliance with the Code. It is the intent of the University of Guelph to engage in constructive dialogue with suppliers to assist them in achieving compliance.
- 3.2 Where a product is essential to University activities or operations and cannot be obtained from a supplier in compliance with the Code, exemptions can be approved by the Vice-President Finance and Administration, after consultation with the Advisory Committee.
- 3.3 Where a supplier or subcontractor operates at more than one manufacturing or production location, those facilities not involved in the supply/production chain of products used, purchased or licensed by the University are normally exempted from the Code. Consequently, the University's decision to enter into or maintain a contract with a supplier does not constitute an endorsement of labour conditions for the supply chain as a whole.
- 3.4
 - (a) Before the beginning or renewal of any contract or agreement with the University, suppliers and subcontractors are required to be in full compliance with the Code and these Procedures, unless extensions of time to come into compliance with particular principles and standards have been granted. The normal expectation is that suppliers will be fully compliant within 12 months of the commencement of the contract. The University is committed to engage constructively with suppliers found not to be in compliance.
 - (b) Extensions will only be allowed if a fully compliant supplier is not available, and provided that an action plan for compliance within the 12-month time period has been filed with the University.
 - (c) Confirmation of Compliance must be given in accordance with processes established by the Vice-President Finance and Administration after consultation with the Advisory Committee.
- 3.5 A report demonstrating compliance at the end of the 12-month period must be submitted to the University and effectively communicated to all workers and other interested parties.

4. Disclosure and Documentation

4.1 New and Renewed Agreements

Upon entering into a relationship or renewing a relationship with the University, and annually thereafter, the University supplier and its immediate subcontractors must provide the following to the University and/or its designated representative:

- (a) Confirmation of compliance for the University supplier's own facilities and those of its immediate subcontractors involved in the manufacture, production, distribution or selling of products purchased or licensed by the University
- (b) A list of all of the immediate suppliers which produce the goods sold/distributed by the University supplier, including licensees. This list shall include the name of each factory/facility, mailing address, physical location if different from the mailing address, contact person, telephone number(s), e-mail address, nature of business association (e.g., factory, distributor, subsidiary), and products involved relevant to the University's purchases/contracts/licensing agreements. Additional information on labour standards of the factories/facilities concerned must be supplied upon request.
- (c) When not all subcontractors are in compliance with the Code and/or these Procedures, the University supplier will identify the subcontractors and the sections of the Code and these Procedures they are unable to meet. In addition, the supplier will provide a summary of any difficulties encountered in enforcing the Code and these Procedures, including remedial steps taken and planned.
- (d) Information on any conflicts between the Code and these Procedures and the laws of the jurisdiction of operation. Suppliers and subcontractors are encouraged to consult with governments to find ways in which they can comply with the Code and Procedures while acting within the laws of the jurisdiction in question. The University of Guelph reserves the right to refuse renewal of contracts and licensing agreements when it is deemed that compliance is not possible in the jurisdiction of operation.
- (e) The University supplier is responsible for notifying the University and/or its designated representative of any changes in the foregoing information within 60 days.
- (f) Failure to report, or the reporting of false or misleading information, constitutes grounds for a range of potential sanctions, including termination of the University's relationship with the supplier.

4.2 Existing Agreements

Suppliers and subcontractors who have existing contracts with the University on the date the Code is enacted are required to provide full disclosure, as detailed in items 4.1(a-f) as a condition of future contracts or contract renewal.

4.3 *Public Accessibility*

All information made available in accordance with the disclosure section of the procedures will be publicly accessible on the University website in a form and on a schedule to be determined by the Vice-President Finance and Administration, after consultation with the Advisory Committee.

4.4 *Documentation*

Suppliers must keep records and data that are required to evaluate compliance with the Code and these Procedures. This may include information such as: employee birth dates, hours worked, wages and benefits paid, records of disciplinary measures taken, accidents and injuries, chemical monitoring data, or such other information as the University or its designated agent(s) may require. These records and data will be made available to the University or its third-party monitoring agents upon request. Personal information that would identify an individual will only be given with the express consent of the employee involved.

4.5 *Verification*

Violations of the Code may be reported by annual review reports, worker complaints, third-party complaints, or an external monitoring agency. Disciplinary action, dismissal or other form of discrimination against any worker who provides information related to the observance of the Code will constitute a violation of the Code.

University suppliers and subcontractors must allow unannounced inspections of their manufacturing facilities and must provide information required to determine compliance with the Code when requested by the University or its designated representatives. Suppliers must also agree to co-operate with government-sanctioned investigations and audits of employer compliance with labour legislation in the jurisdiction of operation. Results of such audits will be made available to the University where legally permissible.

5. Remediation

If the University determines that any supplier or subcontractor is not in compliance with the Code, the supplier or subcontractor will be required to take corrective measures to bring about full compliance under a schedule to be approved by the University. The corrective measures will, at a minimum, include taking all steps necessary to correct such violations, including, without limitation, paying all applicable back wages found due to workers and, at the choice of the worker involved, reinstating or reimbursing any worker whose employment has been terminated in violation of this Code. On a case-by-case basis, additional remediative measures may be required at the University's discretion.

In keeping with the University's commitment to constructive engagement, when a subcontractor is found to be in violation, the supplier will be encouraged to work with the subcontractor to correct the situation.

Unless otherwise specified by the University or its monitoring agency, full compliance must be reached and any required remediative measures must be initiated within twelve months of the

notification of the supplier by the University that it is not in compliance or the contract will be terminated. Where violations are not major in nature, where no compliant alternative exists, and where progress has been made toward reaching compliance, limited extensions may be granted with the permission of the University.

Failure to accomplish timely remediation of Code violations will constitute a violation of the University-supplier relationship, which may lead to sanctions, including termination of the contract, at the University's discretion.

6. Advisory Committee on the Code of Ethical Conduct for University Suppliers and Subcontractors in Relation to Working Conditions and Employment Standards

6.1 Committee Membership

The following organizations have one voting seat each on the Committee:

- Central Students Association
- Graduate Students Association
- Ontario Public Interest Research Group
- Students Against Sweatshops
- Interhall
- Each University of Guelph Employee Group
- Athletics
- Student Affairs
- International Students Organization
- Purchasing
- Human Rights and Equity Office
- Hospitality
- Financial Services

Members must be employees or currently-registered students of the University of Guelph.

By September 30 of each year, the President will invite each of the organizations and university departments/units named above to appoint its member. Notification of the initial appointment must be made, in writing, to the Vice-President Finance and Administration. Changes to representation over the course of the year will be made, in writing, to the Chair of the Committee.

6.2 Committee Chair

The Committee will elect a chair annually from among its members. The Vice-President Finance and Administration will convene a first meeting of the Committee annually (normally in October) to allow for the election of a chair.

6.3 *Committee Mandate*

The Committee is responsible for:

- (a) Providing information and support to the University community and campus organizations with respect to the Code and these Procedures. Such support may include providing lists of companies which are in compliance with the Code.
- (b) Advising the Vice-President Finance and Administration or his/her designate with respect to:
 - (i) proposals to enter into agreements with suppliers/subcontractors who are not compliant with the Code and these Procedures
 - (ii) findings that a supplier/subcontractor is not compliant with or has contravened the Code and these Procedures and remediation plans
 - (iii) plans submitted by suppliers/subcontractors to bring themselves into compliance with the Code and these Procedures
 - (iv) reports submitted by suppliers/subcontractors with respect to progress toward compliance
 - (v) requests for extensions of time in order to achieve compliance
 - (vi) identification of independent, third party monitoring agencies with whom the university may affiliate in order to facilitate monitoring and verification of compliance with the Code and these Procedures
 - (vii) extending the scope of application of the Code and these Procedures as international and national capacity for monitoring expands
 - (viii) the design of Confirmation of Compliance forms, checklists and the establishment of documentation requirements
 - (ix) publication of information related to the Code and Procedures, including, but not limited to, disclosure, monitoring, verification, investigation, remediation, discipline and the Code itself.
- (c) Monitoring and reviewing the implementation of the Code and these Procedures and recommending changes as it deems necessary.
- (d) Monitoring and reviewing information from third party agencies involved in assessing working conditions and advising the Vice-President Finance and Administration on any actions that the university should take as a result of such information.
- (e) Providing advice to the Vice-President Finance and Administration with respect to the annual report to the Board of Governors on the implementation of the Code and these Procedures.

6.4 *Committee Procedures*

- 6.4.1 The Committee may adopt such modus operandi as it deems necessary to conduct its work. However, procedures and rules of order must be such as to allow for the expeditious consideration of requests for advice from the Vice-President Finance and Administration or his/her designate.

6.4.2 In carrying out its mandate with respect to compliance and remediation, the Committee will consider the following factors:

- (a) in the event of a contravention of the Code, the severity of the offence
- (b) the potential for constructive engagement
- (c) the availability of alternative, compliant sources
- (d) the essential or non-essential nature of the product
- (e) the financial impact on the relevant area of the University
- (f) the quality of available compliant alternatives
- (g) reasonable pricing
- (h) purchasing and auditing requirements.

In balancing these factors, the Committee must ensure that the ethical standards of the University community, as reflected in the Code, are not materially violated and that the financial impact on the University and the impact on consumers will be bearable.