



## Vendor Labor Code of Conduct

Follett maintains a long-standing commitment to purchase products only from vendors and manufacturers who maintain the highest ethical labor standards for their employees. Follett has created this Vendor Labor Code of Conduct as a means of enforcing its commitment to purchase merchandise only from vendors who share its commitment to fair labor practices, especially those involved in the manufacturing of wearing apparel and gifts. By signing below, Vendors signify that, as a condition of selling goods and services to Follett, they agree to abide by the terms of our Vendor Labor Code of Conduct.

**I. Introduction:** Follett Higher Education Group is committed to conducting its business affairs in a socially responsible manner. Follett expects the same of its business partners. When appropriate, Follett will seek to join educational institutions, vendors, agents, businesses, and human rights, labor and governmental organizations in demonstrating its commitment to socially responsible business practices by engaging in a periodic review of this Code of Conduct to ensure that it is consistent with evolving business and social standards. Vendors will be presented with and expected to agree to any future revisions of this Code of Conduct as a condition of continuing to do business with Follett.

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**II. Application:** As the Follett Vendor Labor Code of Conduct represents the company's core values, it is Follett's intention that the provisions of the Follett Vendor Labor Code of Conduct apply to the entire supply chain – from raw materials through finished goods. As such, Follett will take active steps to communicate the Vendor Labor Code of Conduct to all business partners.

Follett intends to limit active steps to confirm compliance to the following segments of the supply chain population ("Contractors")

- (1) all factories with whom Follett has a direct relationship for production of products sold in Follett stores;
- (2) all factories involved in either the final assembly of products sold in Follett stores;
- (3) all factories involved in the manufacture of product components with the logos of either Follett or one of educational institutions for whom Follett offers products; and
- (4) all factories involved in processing final products including embellishing, washing or packaging.

To the extent Follett becomes aware – through either internal or external sources of information – of violations of the terms of the Vendor Labor Code of Conduct anywhere along the supply chain, Follett will actively investigate and follow-up on the identified noncompliance.

**III. Workplace Standards and Practices:** All Contractors must operate workplaces and contract with employers whose workplaces adhere to the following minimum standards and practices.

**A. Legal Compliance:** Contractors must comply with all applicable legal requirements in conducting business related to or involving the production or sale of products or materials to Follett.

**B. Ethical Principles:** In addition to the workplace standards set forth in this Code of Conduct, Contractors must be committed in the conduct of their business to a set of ethical standards that are not incompatible with those of Follett. These include, but are by no means limited to honesty, integrity, trustworthiness, and respect for the unique intrinsic value of each human being.

**C. Employment Standards:** Vendors will only do business with Contractors whose workers are in all cases voluntarily present at work, not at risk of physical harm, fairly compensated, and not exploited in any way. In addition, the following specific guidelines must be followed, particularly with respect to manufacturers:

**1. Wages and Benefits:** Contractors must provide wages and benefits that comply with all applicable laws and regulations and match or exceed the prevailing local manufacturing industry practices.

**2. Working Hours:** Contractors shall ensure that workers shall not work more than the lesser of (a) sixty (60) hours per week, including overtime, or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture. In addition, all workers shall be entitled to at least one day off in every consecutive seven day period.

**3. Child Labor:** The use of child labor is not permissible and will not be tolerated. Contractors must not employ workers younger than the greater of 15 years of age -- or 14 where the local law allows such exception consistent with International Labor Organization guidelines -- or the age for completing compulsory education or the minimum age established by law in the country of manufacture.

In addition, Contractors must comply with all legal requirements for the work of authorized young workers, particularly those pertaining to hours of work, wages, and working conditions.

**4. Forced Labor:** Contractors shall not use involuntary labor, including forced, prison, bonded or indentured labor.

**5. Health and Safety:** Contractors must comply with applicable local law in providing workers with a safe and healthy work environment. If residential facilities are provided to workers, they must be safe and healthy facilities.

**6. Non-Discrimination:** While Follett recognizes and respects cultural differences, Contractors must ensure employment – including hiring, remuneration, benefits, advancement, termination and retirement – is based on ability and not on belief or any other personal characteristics.

**7. Women's Rights:** Contractors will ensure women workers receive equal treatment in all aspects of employment. Pregnancy tests will not be a condition of employment, and pregnancy testing – to the extent provided – will be voluntary and the option of the worker. In addition, workers will not be forced to use contraception.

**8. Harassment and Abuse:** Contractors shall treat workers with dignity and respect. No worker shall be subject to any physical, sexual, psychological or verbal harassment or abuse.

**9. Disciplinary Practices:** Contractors will not use or tolerate corporal punishment or any other form of psychological or physical coercion. In addition, Contractors will not use monetary fines as a disciplinary practice.

**10. Freedom of Association:** Contractors shall recognize and respect the right of workers to freedom of association and collective bargaining. Workers shall not be subject to intimidation or harassment in the peaceful exercise of their right to join or to refrain from joining any organization.

**D. Sustainability:** Follett is committed to sustainable business practices. Vendors are expected to share Follett's commitment to ensure that the effects of our business maintain and enhance the environment and the communities associated with all elements of our business. In addition, the following specific guidelines must be followed, particularly with respect to manufacturers:

**1. Environment:** Contractors shall respect the environment and comply with all environmental laws and regulations.

**IV. Verification:** It shall be the responsibility of each Vendor to ensure its compliance with this Code and to verify that all of its Contractors are in compliance with this Code. Each Vendor shall maintain on file such documentation as may be needed to demonstrate its compliance with this Code and shall make the documentation available for inspection upon request by Follett or Follett's designee.

**A. Monitoring Compliance:** Follett recognizes that an effective and responsible monitoring mechanism is crucial to the successful implementation of this Vendor Labor Code of Conduct. In order to provide a meaningful monitoring procedure, Follett has contracted with and designated an independent third-party external monitor to investigate compliance with this Code. Each Vendor shall provide Follett's designated external monitor with physical access to all Contractors' facilities where products are made, in whole or in part, whether by the Contractors or by third parties with whom the

Contractors or their agents or representatives contract, in order to monitor and verify compliance with this Vendor Labor Code of Conduct. Follett's designated external monitor shall be authorized to perform announced and unannounced visits to facilities for the purpose of monitoring compliance with this Code.

Upon request, every Vendor shall promptly provide Follett with the following information concerning each such facility where products to be sold by Follett are made: (1) the name, address, telephone number and facsimile number of the facility; (2) the name, address, telephone number and facsimile number of the owner(s) of the facility; (3) the name and job title of a contact person at the facility; (4) a detailed description of the type and quantity of all products made, assembled, or processed, in whole or in part, at the facility; (5) a summary description of the Vendor's relationship to the owners and/or operators of the facility (e.g., company owned, contractual, etc.); and (6) any other information Follett's external monitor deems necessary to effectively monitor and verify compliance with this Code.

It shall be the Vendor's responsibility under this agreement to promptly notify Follett whenever it creates or ends relationships with new entities or facilities for the manufacture or assembly of products, in whole or in part, to be sold to Follett. If the Vendor fails to do so, and Follett incurs any expense as the result of the Vendor's failure to notify Follett pursuant to this paragraph, then the Vendor shall reimburse Follett for all such expenses.

**B. Confidentiality:** Any information requested or provided in paragraph A above will be treated as confidential by Follett and Follett's external monitor. Said information will not be disclosed to other third parties unless Follett is required to do so by law or compelled to do so through legal process. Further, said information will be used solely to monitor, ensure and improve compliance with this Code of Conduct.

**V. Vendor Remediation:** All products, in whole or in part, sold to Follett must be manufactured in compliance with this Code of Conduct. If Follett, in its sole discretion, determines that a product has been made in violation of this Code, then Follett will consult with the Vendor to examine the issues and determine the appropriate measures to be taken. The remedy will include the Vendor taking steps necessary to correct such violations. If consultation and agreed upon measures fail to adequately resolve the violations within a specified time period, Follett shall remove the non-complying product from Follett's inventory, and return it to the Vendor at the Vendor's sole expense, for full credit.

**VI. Communication and Notification:** Vendors must ensure that the management staff of each Contractor has read and understood the requirements of this Code and effectively communicates the terms of this Code to its workers.

**VII. Miscellaneous:** These terms are not subject to negotiation or Vendor revision. In order to do business with Follett, Vendor must accept these terms in whole by signing below. Follett will not be bound by any handwritten or typed changes to this Agreement not specifically approved by Follett in writing.