



UNIVERSITY OF NOTRE DAME

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**Licensing Code of Conduct**

**I. Introduction:** The University of Notre Dame du Lac (“Notre Dame”) is committed to conducting its business affairs in a socially responsible manner consistent with its religious and educational mission. Notre Dame expects nothing less of its business partners and licensees. Therefore, Notre Dame will not do business with those who engage in business practices or follow work place standards inconsistent with this Code of Conduct.

**II. Application:** This Code of Conduct shall apply to all Licensees of Notre Dame. Throughout this Code, the term “Licensee” shall include all persons or entities who have entered a written License Agreement with Notre Dame, as well as their respective contractors, subcontractors, vendors, manufacturers, sublicensees and any related entities throughout the world which produce or sell products or materials incorporated in products which bear the name, trademarks or images of the University of Notre Dame du Lac. This Code of Conduct constitutes a “Guideline” for Notre Dame Licensees pursuant to Paragraph 14 of Notre Dame’s License Agreement for national licensees. It is applicable and mandatory with respect to every Licensee of Notre Dame.

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

**III. Work Place Standards and Practices:** Specifically, Notre Dame Licensees must operate work places and contract with employers whose work places adhere to the following minimum standards and practices:

**A. Legal Compliance:** Notre Dame Licensees must comply with all applicable legal requirements in conducting business related to or involving the production or sale of products or materials bearing the name, trademarks or images of Notre Dame.

**B. Environmental Compliance:** Notre Dame Licensees must share Notre Dame’s commitment to the protection and preservation of the global environment and the world’s finite resources and conduct business accordingly.

**C. Ethical Principles:** Notre Dame Licensees must be committed in the conduct of their business to a set of ethical standards which are not incompatible with those of Notre Dame. These include but are by no means limited to honesty, integrity, trustworthiness, and respect for the unique intrinsic value of each human being.

**D. Employment Standards:** Notre Dame will only do business with Licensees whose workers are in all cases present at work voluntarily, not at risk of physical harm, fairly compensated and not exploited in any way. In addition, the following specific guidelines must be followed:

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

2. **Working Hours:** Licensees must not exceed prevailing local work hours in the country where the work is to be performed, except with respect to appropriately compensated overtime. In any event, Licensees must not require in excess of a sixty-hour week on a

regularly scheduled basis.

3. **Child Labor:** The use of child labor is not permissible and will not be tolerated. Workers can be no less than 14 years of age and not younger than the compulsory age to be in school in the country where the work is to be performed.

4. **Prison or Forced Labor:** The use of forced labor and prison labor is not permissible and will not be tolerated. Labor supplied by prisoners working within the United States pursuant to a lawfully authorized work program sponsored by the United States government or a government of one of the fifty states shall only be permissible if the Licensee obtains Notre Dame's prior written consent.

5. **Health and Safety:** Licensees must provide 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 and Respect for Life:** While Notre Dame recognizes and respects cultural differences, all workers must be employed on the basis of their ability to do the job, rather than on personal characteristics. We insist upon doing business with licensees who share this value. Workers must not be discriminated against on the basis of their race, ethnicity, religious belief or affiliation, age (except with respect to the child labor requirements set forth herein), disability or gender. The sanctity of human life must be respected in all relations with workers. Specifically, no worker shall be required to undergo pregnancy testing, practice birth control or terminate a pregnancy as a condition of employment or continued employment at any time or for any reason.

7. **Disciplinary Practices:** Licensees must not use or tolerate corporal punishment or any other form of psychological or physical coercion.

8. **Human Rights:** Products and materials bearing the name, trademarks or images of Notre Dame shall not be manufactured or produced in any country where the human rights environment, as determined by Notre Dame, in its sole discretion, would prevent the conduct of business activities in a manner that is consistent with this Code of Conduct.

9. **Legal System:** Products and materials bearing the name, trademarks or images of Notre Dame shall not be manufactured or produced in any country where the local legal system would prevent Notre Dame, in its sole discretion, from adequately protecting its name, trademarks, images or other interests or from implementing any provision of this Code of Conduct.

In addition, after June 30, 2001, products bearing the name or other trademarks of the University of Notre Dame shall only be manufactured in countries where all workers enjoy the legal rights to associate freely, form independent labor unions and collectively bargain with their employers concerning wages, hours, working conditions and other terms and conditions of employment.<sup>1</sup> In order to satisfy the minimum requirements of this

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<sup>1</sup>The term "manufactured" includes making or processing raw materials into finished products or goods as well as screen printing, embroidery, sewing, assembly and any process by which the University's name or other trademarks are applied to a product or good.

recommendation, any country where Notre Dame licensed products are manufactured must satisfy one or more of the following: (1) be a signatory to International Labor Organization (“ILO”) Convention No. 87<sup>2</sup>; (2) be a signatory to I.L.O. Convention No. 98<sup>3</sup>; or (3) have adopted its own national laws which provide all workers within the country (including but not limited to foreign workers) legal rights to free association and to form and join organizations of their own choosing (including unions) without anti-union discrimination, prior authorization or interference by public authorities or others. Employer created, mandated or sponsored organizations, such as company unions, do not satisfy this requirement.

**10. Political, Economic and Social Environment:** Products and materials bearing the name, trademarks or images of Notre Dame shall not be manufactured or produced in any country where the political, social or economic environment would threaten Notre Dame’s reputation and/or commercial or other interests.

**IV. Documentation and Inspections.** It shall be the responsibility of each Notre Dame Licensee to ensure its compliance with this Code of Conduct and to verify that its business partners, subcontractors and others involved in the production or manufacture of products or materials bearing the name, trademarks or images of Notre Dame are in compliance with this Code of Conduct. Each Notre Dame Licensee shall maintain on file such documentation as may be needed to demonstrate its compliance with this Code of Conduct and shall make the documentation available for Notre Dame’s inspection upon request.

**A. Monitoring Compliance:** Each Notre Dame Licensee shall provide the University and its designated representatives with physical access to all facilities where Notre Dame licensed products are made, in whole or in part, whether by the Licensee or by third parties with whom the Licensee or its agents or representatives contract, in order to monitor and verify compliance with this Code of Conduct. Upon request, and on January 1 of each year, every Licensee shall promptly provide the University with the following information concerning each such facility where Notre Dame licensed products 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 Notre Dame licensed products made, assembled or processed, in whole or in part, at the facility; (5) a summary description of the Licensee’s relationship to the owners and/or operators of the facility (e.g., company owned, contractual); and (6) any other information the University deems necessary to effectively monitor and verify compliance with this Code of Conduct.

It shall be the Licensee’s responsibility under this agreement to promptly notify the University whenever it creates or ends relationships with new entities or facilities for the manufacturer or assembly, in whole or in part, of Notre Dame licensed products. If the Licensee should fail to do so,

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<sup>2</sup>This international convention is a multilateral treaty which was adopted in 1948. It establishes the right of all workers and employers to form and join organizations of their own choosing without prior authorization, and lays down a series of guarantees for the free functioning of organizations without interference by the public authorities.

<sup>3</sup>This international treaty was adopted in 1949. It provides for protection against anti-union discrimination, for protection of workers’ and employers’ organizations against interference by each other, and for measures to promote collective bargaining.

and/or the University incurs any expense as a result of the Licensee's or a third party's failure to notify Notre Dame or provide factory access as required herein, then the Licensee shall reimburse the University for all of its expenses.

Notre Dame Licensees must participate in the Fair Labor Association ("FLA"). Licensees with annual consolidated revenues of \$50 million or greater must either join the FLA as a Category A Licensee participating company or as a Category B Licensee and subject all facilities where Notre Dame licensed products are manufactured to the FLA monitoring process. Licensees with annual consolidated revenues of less than \$50 million must participate as Category C Licensees or as Category D Licensees if their revenues are less than \$1 million and their production facilities are located within 200 miles of a FLA University of which it is a licensee.